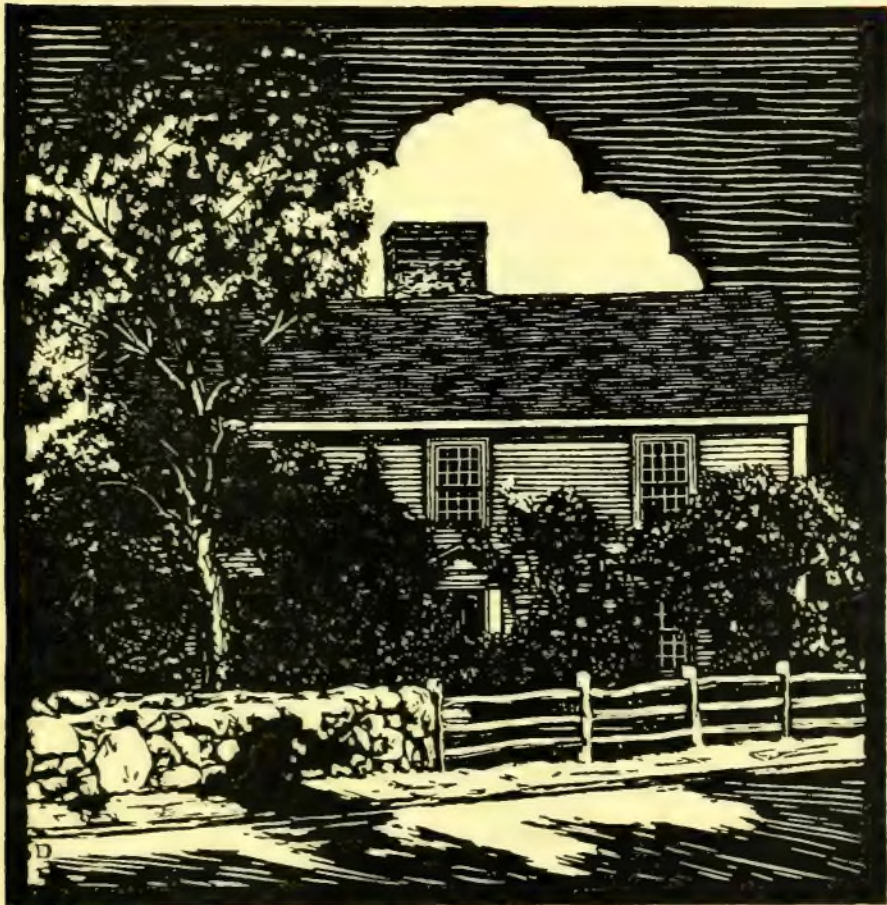


14

Advertising & Selling

PUBLISHED FORTNIGHTLY



Drawn by Ray C. Dreher for the Boston Insurance Co.

NOVEMBER 30, 1927

15 CENTS A COPY

In this issue:

"What the Modern Banker Thinks of Advertising" By F. J. ROSS;
"Re: Cigarette Advertising" By ROY S. DURSTINE; "The News-
paper Route to the New York Market" By H. A. HARING; "The Sky's
the Limit" By EDGAR H. FELIX; "The News Digest" on Page 82

For 1927-1928

Chicago's Retail Advertisers Recommend The Daily News

HERE is a graphic comparison of newspaper advertising values as determined by one of the best informed groups of advertisers in the Chicago market.

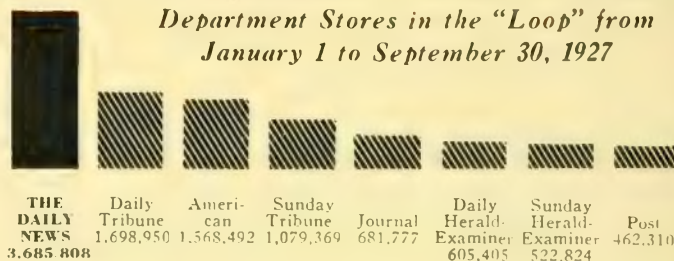
The advertising of Chicago's department stores, which deal with ALL Chicago people, totals one-third of all local advertising in Chicago newspapers. Alone it equals more than 85% of all national advertising. The judgment it represents is important.

Note that the largest department stores, those in the "Loop," advertise more than twice as much in The Daily News as in any other week-day paper.

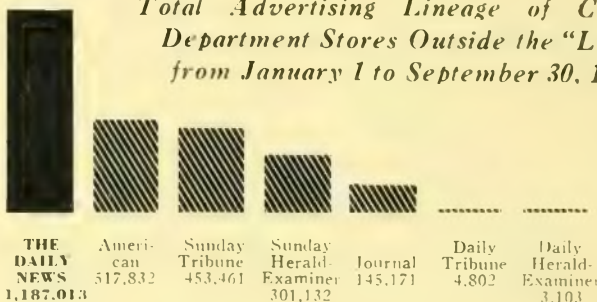
And note the overwhelming leadership of The Daily News in advertising of the outlying department stores. The requirements of these stores are very similar to those of national advertisers. They can devote less space than the larger stores to general advertising. They eliminate still more ruthlessly than the larger stores the newspapers less effective for advertising. With six daily papers and two Sunday papers from which to choose they place more than 45% of all their advertising in The Daily News alone!

More people are buying The Daily News this year than ever before. Its circulation average for the nine months ending September 30, 1927—438,745—is the highest it has ever been for this period—a gain of 36,912 daily average over the same period in 1926. This will give you added effectiveness for your advertising, just as it does for Chicago's local advertisers.

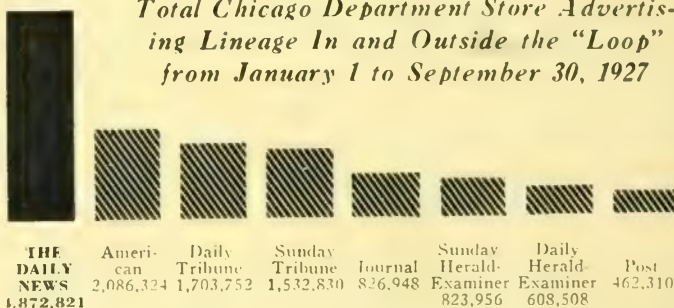
Total Advertising Lineage of Chicago Department Stores in the "Loop" from January 1 to September 30, 1927



Total Advertising Lineage of Chicago Department Stores Outside the "Loop" from January 1 to September 30, 1927



Total Chicago Department Store Advertising Lineage In and Outside the "Loop" from January 1 to September 30, 1927



THE CHICAGO DAILY NEWS

Advertising

Representatives:

NEW YORK
J. B. Woodward
110 E. 42d St.

CHICAGO
Woodward & Kelly
360 N. Michigan Ave.

DETROIT
Woodward & Kelly
108 Fine Arts Bldg.

SAN FRANCISCO
C. Geo. Krogness
253 First National Bank Bldg.

MEMBER OF THE 100,000 GROUP OF AMERICAN CITIES

AVERAGE DAILY NET PAID CIRCULATION FOR OCTOBER, 1927—415,538

WOULD THE MAN WHO WRITES *YOUR* COPY STARVE

... if Editors
paid for ads?

The man who holds down the editor's chair knows "folks"—what they think about—what they are interested in—what they read. How would he judge your advertising copy? Would he send you a check and publish it? Or would he blue-pencil "Of no interest to our readers" and send it back?

People don't read the editorial contents of a publication through pink spectacles and the advertisements through blue ones. And it takes *more* skill to produce an advertising page that will grip the reader's attention than it does to create a successful piece of fiction. An advertisement must interest a reader quite often against his will. This agency has been unusually successful in producing advertising that sales records prove has been read.

JOSEPH RICHARDS COMPANY, INC.

"Facts first — then Advertising"

255 Park Avenue

New York

—*In Indianapolis*

**Dominant Coverage
with ONE Paper**

—*No Top-Heavy
Advertising Cost!*

ADVERTISING must always justify its existence—it must pay its cost out of the actual net profits it produces . . . No sales manager wants a top-heavy advertising cost saddled against any of his territories, and no advertising executive willfully would permit it.

One of the reasons why Indianapolis is an exceptionally *profitable* market is the long-demonstrated fact that *one* newspaper — The INDIANAPOLIS NEWS—gives such dominant coverage that expenditures for other advertising are unnecessary . . . 81% coverage of all Indianapolis families (which means practically 100% of the worth-while English reading families) and a remarkably thorough coverage throughout the 70-mile Indianapolis Radius—all at a *single, reasonable* cost!

Exclusive Indianapolis Member, 100,000 Group of American Cities



The INDIANAPOLIS NEWS
sells The Indianapolis Radius

DON. BRIDGE, *Advertising Manager*

NEW YORK: DAN A. CARROLL,
110 East 42nd Street

CHICAGO: J. E. LUTZ,
The Tower Bldg.

Everybody's Business

By Floyd W. Parsons

Perpetual Prosperity?

GUESSING the future has become a difficult task. More than a year ago eminent economists forecast an early period of readjustment in business. At about that same time I commenced to sound a note of caution. In the meantime we have not run into any serious slump in trade and a great many people have come to believe that our industrial structure is now beyond damage from shock in any quarter.

There are many things of interest and importance outside the realm of business prognostications that I am anxious to discuss in these pages. But after carefully studying a recent speech of President Coolidge and attending a number of "Whoop-it-up" dinners where investigators have presented conclusions calculated to foster extravagance, a few thoughts counseling watchful prudence may not be out of place. As Will Rogers says, "a feller need not read far at present in order to develop a desire to pay a dollar down on half a dozen things he don't need."

Record prosperity is predicted for 1928. Mr. Raskob, chairman of the finance committee of the General Motors Corporation, estimates that we will produce five million cars next year, a gain of forty per cent. Professor Seligman says installment selling is a leading force in current industrial progress. He has reached the conclusion that our new credit system not only increases and stabilizes production, but cuts costs. He also states that the common guess that seventy-five per cent of all cars are purchased on the installment plan is in error—the correct figure is sixty per cent.

Colonel Ayres of the Cleveland Trust Company, probably the most widely read analyst in the banking field, concludes that no trade depression is imminent because short-time money rates are low, crops are

good, inventories are low, exports are high, and bond prices are advancing. "These are conditions normally present at times when bull markets begin," he says.

Mr. Hoover believes that profound forces are at work, making for greater stability and at the same

time mitigating the violence of the business cycle. Panics are gone never to return and distressing periods of unemployment and bankruptcy are on their way to history if we only continue wise, says Hoover. Continuing he tells of greater skill in business, better direction of science and invention, an increased feeling of mutual responsibility that is doing away with strikes, an expansion of foreign trade, merchandising methods on the hand-to-mouth plan, and a greatly improved system of distributing important and economic information through governmental agencies.

Pages might be filled with a recital of reasons from authoritative sources to show why there will be no slowing down in our rapid climb to still higher levels of prosperity. But let us not overlook the most important of all elements—human nature. We have come to know the world far better than we know ourselves. That is why life is filled with so many paradoxes. We started out to make the world

safe for democracy and ended up by creating a dozen dictatorships. We "kid" ourselves into believing that we are shaping our own destiny, when in fact we are helplessly whirling about on a surging tide of puzzling developments.

In our new-found sophistication, let us be consistent and try to see the whole truth clear to the end of the page. Public opinion is not infallible. The voice of the people is not the voice of God. Today the things that create the greatest interest are the trivial things, while vital problems bore the average person to tears.

[CONTINUED ON PAGE 66]

Will it Be

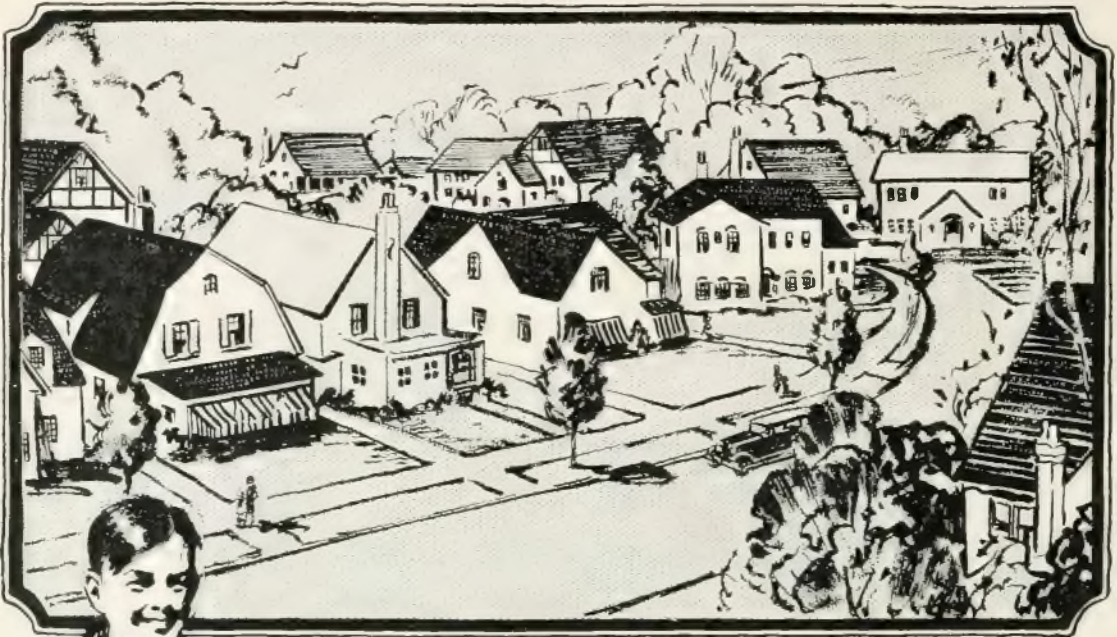


From This



to This?

© Brown Bros.



8 *out of every* **10**

**Detroit homes taking
any English newspaper
receive The News**

THE concentration of Detroit News circulation in the homes of Detroit is the significant fact for advertisers. It is distinctly the HOME newspaper, read by the whole family and regarded as the buying guide.

Through its pages, reaching eight out of every ten homes taking any English newspaper, you can talk directly to the purchasing agents of Detroit households without waste of money and with the least possible duplication. It is cash register circulation that The News provides—circulation delivered by carrier to the homes where it is read by the family circle.

The Detroit News

346,000 Sunday
Circulation

The HOME Newspaper

324,000 Weekday
Circulation

*People are just a bit
fed up with "Reasons"*



HALF the things sold today are bought simply because they look well or because an atmosphere of beauty is thrown about them through beautiful advertising. Beauty is more than an indication of quality: it is quality. So make your advertising beautiful first.

The *foundation* of Beauty in advertising is paper specially surfaced ("coated") to show halftones, color plates, line cuts and type in the most attractive setting and detail.

For very finest color-process and halftone printing, use Cantine's Ashokan. When you want a paper that both prints beautifully and double folds without breaking under extreme conditions, use Cantine's Canfold. For "soft focus" effects, Cantine's Velvetone. For best printing results at lowest cost, Cantine's Esopus. Cantine papers are made in mills that have been devoted exclusively to paper coating since 1888. Sample book and nearest distributor's name on request.

NOTE: Awards are made quarterly for highest printing and advertising skill shown in the use of Cantine's Papers. Send specimens regularly to THE MARTIN CANTINE Co., Dept. 345.

THE MARTIN CANTINE COMPANY

SAUGERTIES, NEW YORK [New York Office, 501 Fifth Avenue]

Cantine's

**COATED
PAPERS**

CANFOLD

SUPREME FOLDING
AND PRINTING QUALITY

ASHOKAN

NO. 1 ENAMEL BOOK

ESOPUS

REGULAR
NO. 1 ENAMEL BOOK

VELVETONE

SEMI-DULL - Easy to Print

LITHO C. I. S.

COATED ONE SIDE

Mr. PUBLISHER

Mr. PRINTER

The Famous
PICTORIAL REVIEW BUILDING
Seventh Avenue at 39th Street

OFFERS

*The finest Building ever erected in America for the
Publishing trade*

Unusual space with wonderful light, in the heart of
New York City

Arranged to secure the greatest efficiency of offices and
plant on one floor

Heavily constructed floors and 17' ceilings for the ac-
commodation of machinery and stock rooms

Reasonable rentals. Terms for moving will be made
to suit tenant.

For further information and details

LORING M. HEWEN CO., Inc.

Managing Agents

271 MADISON AVENUE

New York

TELEPHONE ASHLAND 5090



Reach the Buying Power in Michigan With These Booth Newspapers

Their 260,000 Daily Circulation

Completely Covers

The BOOTH NEWSPAPER AREA ONE OF AMERICA'S 15 LEADING MARKETS

Here is a big metropolitan market of a million and a quarter population that can be completely covered by one group of evening newspapers.

The Booth Newspaper Area takes in the better part of Michigan outside of Detroit—it comprises the true buying power.

The Booth Newspaper Area is an economical market to cultivate because it is conveniently divided into eight concentrated units that can be worked progressively with a small sales crew. It is economical to cultivate because this one group of dailies reach practically every home.

In seven of the eight centers there is no competitive newspaper and in the eighth the Booth Newspaper dominates the field.

Business conditions are very favorable at the present time in this market with an unusually promising outlook for 1928—it will pay any advertiser, looking for quick response, to investigate this field.



3,699 Grocery Stores
660 Drug Stores
741 Hardware Stores
1,122 Dry Goods Stores

LOCATED IN
The Booth Newspaper Area

Write any Booth newspaper for
a copy of

"The Michigan Market"

Grand Rapids Press
Flint Daily Journal

Saginaw Daily News
Kalamazoo Gazette

Jackson Citizen Patriot
Bay City Daily Times

Muskegon Chronicle
Ann Arbor Times News

L. A. KLEIN, Eastern Representative,
50 East 42nd St., NEW YORK.

THE BOOTH PUBLISHING CO.

J. E. LUTZ, Western Representative
8 North Michigan Ave., CHICAGO.



Brown Bros.

"126 Baltimore manufacturers . . . immediate prospects for industrial gas equipment and heat-control apparatus."

In the market for industrial gas equipment and heat-control apparatus—

Industrial Gas

[100% coverage of buying power]

EVERY manufacturing plant that has a problem in industrial heating is a preferred prospect for gas fuel, and therefore for all the equipment for the application and control of gas heat. And in every plant having such a problem the executives who control the purchases of the concern—as well as the employees who influence them—are reading the magazine **INDUSTRIAL GAS**. Also, **INDUSTRIAL GAS** goes to those plants which could profitably extend their present use of gas.

Consequently, **INDUSTRIAL GAS** delivers, in one solid unit, the market for industrial gas equipment and heat-control apparatus. It blankets the field to include every prospect. Not a single copy is wasted. Coverage of buying power, 100%; reader-interest, 100%. There is no other medium in this field that can impel your advertising message with such accuracy and power.

Circulation is selected according to reader-interest and buying power. As an example, in Baltimore, the Consolidated Gas, Electric Light and Power Company made a survey of the city's industrial plants, to determine the number of immediate prospects for gas fuel. 126 concerns were singled out—such ones as the Virginia Dare Co., General Refractories Co., Bon-Lac Corp., U. S. Industrial Alcohol Corp., and the Baltimore Car & Foundry Co. These 126 firms represent every possibility for the sale of gas and gas equipment in this city.

Baltimore is one of the many industrial cities in the country in which **INDUSTRIAL GAS** has 100% coverage of the market for industrial gas appliances and control apparatus. **INDUSTRIAL GAS** gives the manufacturer in this field absolute domination of his whole primary market.

This is the third advertisement of a series citing some of the industrial cities in which INDUSTRIAL GAS has 100% coverage of the market for gas equipment and heat-control apparatus.

Industrial Gas

Published by the Robbins Publishing Co.

CLEVELAND
405 Sweetland Bldg.

CHICAGO
Peoples Gas Bldg.

NEW YORK
9 East 38th St.

SAN FRANCISCO
320 Market St.

*Where do construction men
do their*

“Bread and Butter” Reading?

[*Answer this, and you solve your problem
of waste-free advertising to the civil
engineering and construction field*]

Put the question to any of the men you sell in the civil engineering and construction field. They will tell you that for serious “bread and butter” reading they turn to one of two papers, depending upon their own needs and the type of work they do.

Either they go to Engineering News-Record for a broad news service and authoritative technical articles.

Or else they go to Construction Methods for a brief, but none the less practical, review of field methods and equipment.

Their interest centers in these two complementary papers because it is through them that they keep

abreast of developments throughout the industry, no matter what work they may be engaged in at the moment, (vital in a calling where a man may be building roads this year, and land on a water-works job in 1929).

The point of this being that you as an advertiser can most economically reach these men by placing your message where their reading interest centers,—in Engineering News-Record and Construction Methods. Used together, the two papers reach practically all the worthwhile buyers and buying influences up and down the line in this field.

Circulation data? Reader interest data? Plenty of both on request.

**ENGINEERING
NEWS-RECORD**

Weekly to 30,000

**CONSTRUCTION
METHODS**

Monthly to 32,000

McGraw-Hill Publishing Company, Inc.

Tenth Avenue at 36th Street
New York, N. Y.

Chicago

Philadelphia
St. Louis

Cleveland
London

San Francisco

To Select the Proper Advertising Mediums—You Need

STANDARD RATE & DATA SERVICE

It gives up-to-the-minute information on rates, discounts, color and cover charges, special positions, classified advertising and reading notices, closing dates, page and column sizes—and circulations on publications in the United States and Canada.



magazines, business papers, religious and foreign language publications.

Confidence

Every great business enterprise, that has endured over a span of time, has been founded upon—and has prospered through—the confidence of those comprising the market to which it sought to sell its merchandise or service—confidence in honor, intelligence, appreciation and goodwill!

The rate-cards and circulation statements are practically duplicated and placed in one convenient volume.

During the short span of eight years STANDARD RATE & DATA SERVICE has done what it has taken other successful institutions many years to accomplish.

Published Monthly

—supplemented with bulletins—and covers daily newspapers, farm papers, general

(TEAR OFF ON THIS LINE)

Special 30-Day Approval Order

Standard Rate & Data Service,
536 Lake Shore Drive,
Chicago, Illinois.

.....192..

You may send us—prepaid—the current number of Standard Rate & Data Service, together with all bulletins since it was issued, which we are to have the privilege of using 30 days.

If we are not convinced of the value of this Service at the end of that time, we shall return the issue and our obligation is ended. Otherwise, you may consider us subscribers and send a revised copy each month for one year. The Service is to be maintained by bulletins issued every other day.

Firm Name Street Address

City State

Individual Signing Order Official Position

What

Louis K. Liggett did when he entered the Boston Market

THE head of the great Liggett Drug Chain is a Boston man. He knows Boston merchandising conditions.

And when this chain entered the Boston Market the *first twenty-two* stores were located in Boston's Key Market—the 12-mile area from the City Hall. Today 49 out of the total of 73 Massachusetts Liggett Stores are located within this same Key Market.

The principle laid down by the Liggett Stores points the way for national advertisers. Cover the Key Market first—where you find the greatest number of people with the highest per capita wealth.

This is the Globe's Market

In Boston's key trading area the Sunday Globe leads all other papers in circulation. And the daily Globe's circulation in the same area exceeds that of the Sunday Globe. It is the *only* Boston paper that holds its circulation in the metropolitan area seven days out of every week.

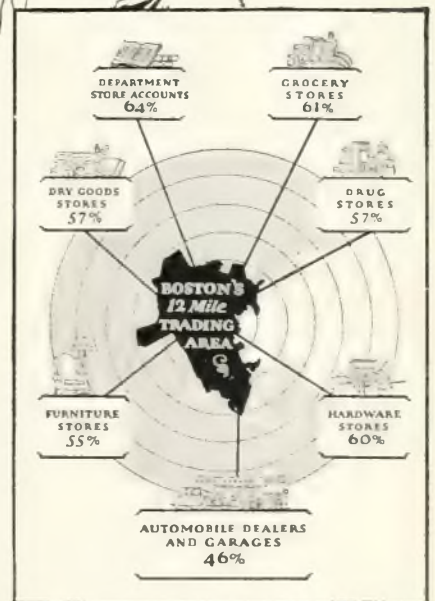
Boston department stores recognize this fact by placing more advertising in the daily Globe than in any other paper. On Sunday the Globe carries more department store advertising than the *next three papers combined!*

The Globe has achieved this leadership because it appeals to all classes of Boston people without regard to race, creed or political affiliations.

Because of its outstanding position with this buying group the Globe is the backbone of successful advertising efforts aimed at the Boston Market.



The Liggett Drug Chain is an outstanding example of successful merchandising methods. When they entered Boston they first concentrated on Boston's 12-mile trading area.



The Boston Globe

The Globe sells Boston's Buying Group



It's the same D & C Black and White

DILL & COLLINS Co's.
Distributors

ATLANTA—The Chatfield & Woods Co.
BALTIMORE—The Baxter Paper Company, Inc.
BOSTON—John Carter & Co., Inc.
BUFFALO—The Union Paper & Twine Co.
CHICAGO—The Paper Mills' Company
CINCINNATI—The Chatfield & Woods Co.
CLEVELAND—The Union Paper & Twine Co.
COLUMBUS, OHIO—Scioto Paper Company
CONCORD, N. H.—John Carter & Co., Inc.
DES MOINES—Carpenter Paper Company
DETROIT—The Union Paper & Twine Co.
GREENSBORO, N. C.—Dillard Paper Co., Inc.
HARTFORD—John Carter & Co., Inc.
HOUSTON, TEX.—The Paper Supply Company
INDIANAPOLIS—C. P. Lesh Paper Company
JACKSONVILLE—Knight Brothers Paper Co.
KANSAS CITY—Birmingham & Prosser Co.
LOS ANGELES—Blake, Moffitt & Towne
MILWAUKEE—The E. A. Bouer Company
MINNEAPOLIS—Minneapolis Paper Co.
NEW YORK CITY—Marquardt, Blake & Decker, Inc.
NEW YORK CITY—Miller & Wright Paper Co.
NEW YORK CITY—M. & F. Schlosser Paper Corporation
OMAHA—Carpenter Paper Co.
PHILADELPHIA—The Thomas W. Price Co.
PHILADELPHIA—Raymond & McNutt Company
PHILADELPHIA—Riegel & Co., Inc.
PITTSBURGH—The Chatfield & Woods Co.
PORTLAND, ORE.—Carter, Rice & Co. Corp.
PROVIDENCE—John Carter & Co., Incorporated
RICHMOND—Virginia Paper Company, Inc.
SACRAMENTO—Blake, Moffitt & Towne
SALT LAKE CITY—Carpenter Paper Co.
SAN ANTONIO, TEX.—San Antonio Paper Co.
SAN FRANCISCO—Blake, Moffitt & Towne
SAN FRANCISCO—General Paper Company
SEATTLE, WASH.—Carter, Rice & Co. Corp.
SPRINGFIELD, MASS.—John Carter & Co., Inc.
ST. LOUIS—Acme Paper Company
ST. PAUL—E. J. Stilwell Paper Co.
TACOMA—Tacoma Paper & Stationery Co.
TAMPA—Knight Brothers Paper Company
WASHINGTON, D. C.—Virginia Paper Co., Inc.

WHEN you sell products to women—the most discriminating of buyers—the final sale is made on looks. And that holds true whether the actual product is shown or is presented by illustration.

Yesterday—over 15 years ago—Rogers & Company of Chicago produced a fine catalog for the Comstock Castle Stove Company of Quincy, Illinois. Our Black and White was selected as being the paper which would reproduce the illustrations most attractively and at the same time lend a distinctive background.

Today—for the same reasons Black and White was used for an equally fine catalog printed for the Roberts & Mander Stove Co. by The Bingham Company of Philadelphia. The illustrations in both catalogs are as clear cut as actual photographs.

There are other D & C papers that meet every printing need. Ask your paper distributor which D & C papers best meet your requirements. He is able and glad to help you.

DILL & COLLINS
Master Makers  *of Printing Papers*

P H I L A D E L P H I A



When you mail "big stuff"

THE open door of the speeding mail car . . . a sack is flung out. It hurtles along the platform, and brings up with a crash against the station building . . . as the red lights recede into the night.

When the Limited punishes the mail, how your big flat packages will fare depends on the sort of envelopes you use. If they are light and flimsy, they are not likely to withstand such slam-bang treatment.

For that "big stuff" you need Improved Columbian Clasp Envelopes. They're strong and tough — have the stamina to survive punishment.

The malleable metal clasp will not break off. The flap will not tear out under ordinary strains. The seams are sealed with the best gum we know.

There are 31 stock sizes — from business card dimensions up to 11½" x 14½". You can get the size you need without the delay and high cost of making to order.

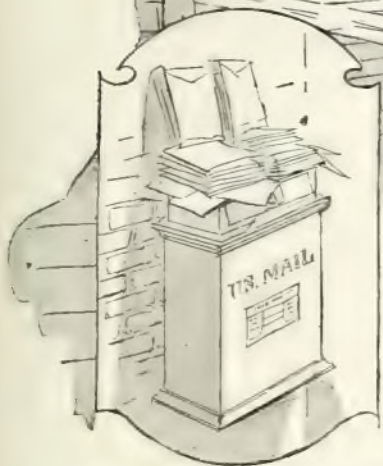
Your printer or stationer can supply you with Improved Columbian Clasp Envelopes—or write us here at Springfield.

UNITED STATES ENVELOPE COMPANY

The world's largest manufacturers of envelopes
SPRINGFIELD, MASSACHUSETTS

With fourteen manufacturing divisions covering the country

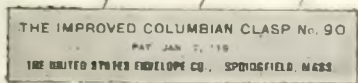
Improved
COLUMBIAN CLASP ENVELOPES



*Mail in the big envelope
 —how will it stand the
 hard journey ahead?*



The Improved Columbian Clasp Envelope is made of tough, strong, hard-to-tear paper. The clasp is malleable, doesn't break off after three or four bendings. The metal tongues *always* line up with the flap punch.



The name, Improved Columbian Clasp, and the size number are always printed on the lower flap.

TIDE OF THE ATLANTIC REACHES THE PACIFIC

Distance is no barrier to the steadily mounting circulation of THE ATLANTIC MONTHLY — the empire of California itself being near the top in the total of circulation by states.

Here's national circulation for national distribution—

A circulation which reaches the financially
able who form the backbone of this nation.

THE GREATEST KNOWN BUYING POWER:

(Ask for analysis of financial rating of The
Atlantic's advertisers in typical communities)

BUY ON A RISING TIDE!

THE ATLANTIC MONTHLY

A Quality Group Magazine

8 Arlington Street

Boston, Mass.

Distinguished Point No. 10 in the galaxy of 12
contributing to The Atlantic's dominating position.

Advertising & Selling

VOLUME TEN—NUMBER THREE

November 30, 1927

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Portion of a drawing by Tony Sarg

THE present character of New York is so comparatively recent a development that the "outsider" is likely to feel baffled by its special and apparently unsolvable problems. Initial ventures into this territory have ended in discouraged withdrawal when a specific knowledge of the proper procedure would have easily saved the day.

The individual manufacturer who wishes to enter this great market need not feel at a loss. The newspapers offer indispensable information.

What they can do for him and why their help is practical and invaluable is explained by H. A. Haring in his article, "The Newspaper Route to the New York Market," in this issue.

M. C. ROBBINS, PRESIDENT

J. H. MOORE, *General Manager*

OFFICES: 9 EAST 38TH STREET, NEW YORK

Telephone: Caledonia 9770

NEW YORK:
F. K. KRETSCHMAR
CHESTER L. RICE

CHICAGO:
JUSTIN F. BARBOUR
Peoples Gas Bldg.; Wabash 4000

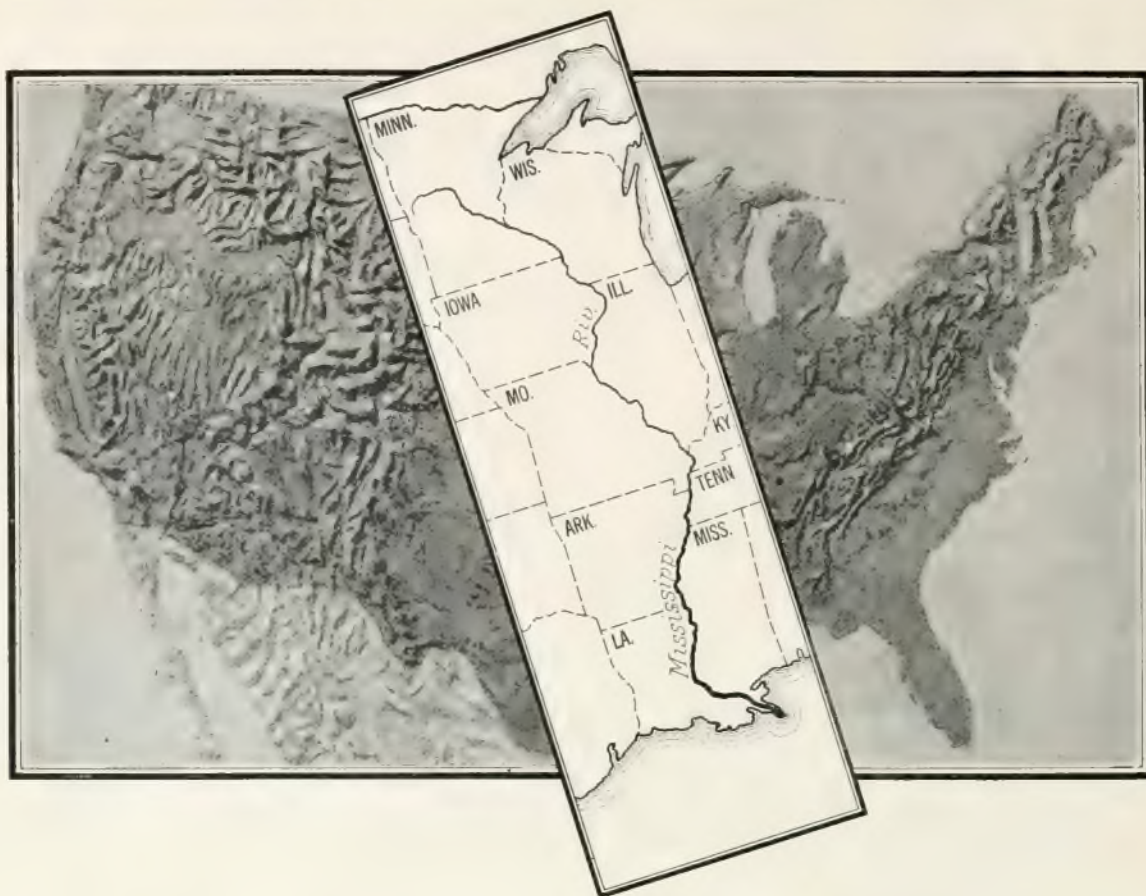
NEW ORLEANS:
H. H. MARSH
Mandeville, Louisiana

CLEVELAND:
A. E. LINDQUIST
405 Swetland Bldg.; Superior 1817

LONDON:
66 and 67 Shoe Lane, E. C. 4
Telephone Holborn 1900

Subscription Prices: U. S. A. \$3.00 a year. Canada \$3.50 a year. Foreign \$4.00 a year. 15 cents a copy
Through purchase of *Advertising and Selling*, this publication absorbed *Profitable Advertising*, *Advertising News*, *Selling Magazine*, *The Business World*, *Trade Journal Advertiser* and *The Publishers Guide*. *Industrial Selling* absorbed 1925.

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Along the Mississippi

Sometimes in the heat of a wide national campaign, the advertiser is likely to lose the vision of intensiveness—the vision of the lone, individual community where, after all, his goods must be sold. With this thought we have taken, for instance, the states bordering on the Mississippi, and it develops that during one month* alone 1,392 separate cities and towns have been exposed to newspaper campaigns for our various clients. Quite a stream of advertising along the Mississippi, at one time, in one class of medium.

(*) September, 1927

THE H. K. McCANN COMPANY
Advertising

NEW YORK
CHICAGO

CLEVELAND
LOS ANGELES



SAN FRANCISCO

SEATTLE
MONTREAL

DENVER
TORONTO

NOVEMBER 30, 1927

Advertising & Selling

FREDERICK C. KENDALL, *Editor*

Contributing Editors: EARNEST ELMO CALKINS H. A. HARING MARSH K. POWERS
CHARLES AUSTIN BATES FLOYD W. PARSONS KENNETH M. GOODE G. LYNN SUMNER
RAY GILES N. S. GREENSFELDER JAMES M. CAMPBELL FRANK HOUGH, *Associate Editor*

What the Modern Banker Thinks of Advertising

By F. J. Ross

President, F. J. Ross Company, Inc., New York

ARE bankers interested in advertising. Do they indorse it? Do they understand it? What can advertising expect from them in the future? Will their attitude favor or hinder advertising development? These were some of the questions that passed between two advertising men during a recent conversation.

Of course bankers are interested in advertising. We are speaking of the typical banker of today. Such a banker is bringing into his mental activities all that the past can teach and all that the future can indicate. As he reads the past, he consigns to history that which does not belong to the present. As he reads the future, he takes out all that his mind's eye can fit to the trends of today, and this he develops in his calculations for tomorrow. He realizes that yesterday, today, and tomorrow are three separate and distinct days, each with its own demand. He also recognizes that

yesterday, today, and tomorrow are in perfect sequence—that there is logical progression from one to the next.

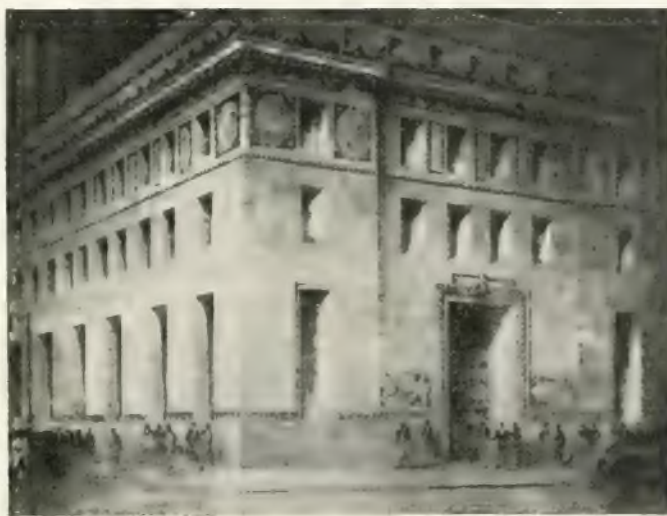
Please remember that we are not

speaking of the banker who is not a worker and a thinker. We are not speaking of the banker who merely rides on the ship of banking or exploits it.

We are speaking of the banker who makes sound banking sounder, of the banker of balanced mind—who has a sane perspective backward and forward, who knows that he is but one of the threads in the commercial fabric and dependent on the other threads as they are on him.

Of course he is interested in advertising. As industry, agriculture, and commerce thrive, so does banking thrive. Advertising, inextricably woven into each of these fields, has much to do with the productivity and the buying power of the dollar. So the banker is interested automatically in advertising in the ratio that advertising relates to the dollar.

His isolation is a myth. We have heard how the bankers of old, a long twenty-five years ago, were virtually inaccessi-



Drawn by Hugh Ferriss, Courtesy J. L. Hudson Co.

THE conventionally formal exterior of the modern bank no longer houses minds unbending in their adherence to rules of thought and action laid down in a tradition of the past. With the recent growth in complexity of all business, the bank—whose fortune is closely linked with that of its customers—has been obliged to throw over old ways of thinking and to welcome new business methods, not the least of which is advertising; once almost entirely ignored by bankers

ble except to their own kind. Impenetrable private offices and majestic brass grilles kept at arm's length the depositor who brought the money that kept the bank going. To talk to a banker was a great effort. But for the banker to talk to his depositor about the latter's business may have been even a greater effort. The banker then did not know a great deal about business itself. He knew more about railroads, perhaps, than any other outside field of business. If an industrial concern wished to borrow, the banker's mind was revolving around the question

of security. Whether the borrower had a business which in type, prospects, and management entitled him to borrow, whether he was borrowing enough or too much, whether the borrower's real need was money, or sounder policy, or vision, or initiative, or new blood—these were questions the banker could not have answered. Will Rogers humorously touched off the old conception of bankers when he referred to the receiving teller's window as the "Yes Window" and the paying teller's as the "No Window." But a change, a great change, has occurred even

in so short a time as twenty-five years. Bankers see that a banking institution should have at its command a thorough knowledge of each field of business to which its affairs are either directly or indirectly related.

During this progression they have not merely become interested in advertising; they are doing it, and a lot of it.

They have learned the value of intangible assets.

Many a banker has come to the conclusion that the greatest asset of

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An Absolutely Honest Advertisement

By Earnest Elmo Calkins

ON one page of a recent issue of *The Publishers Weekly* is one of the most amazing advertisements I have seen in a long and varied experience with advertising copy. It is unusual enough for a manufacturer to mention favorably in his own advertisement the products of a competitor. It is even more unprecedented for him to deprecate the selling qualities of one of his own. In this advertisement are done both.

Simon & Schuster is a young publishing house whose advertising has many refreshing qualities, of which stark, unwinking frankness is the chief. Its house advertising, apart from that of individual books, takes the form of a "colyum" headed "The Inner Sanctum," in which the firm talks informally about its books and authors. Three little figures rolling hoops serve as a paragraph mark. The same style is used for both the trade and the public, but with different copy, of course. In this advertisement in *The Publishers Weekly*, it is talking to the bookseller:

"The Inner Sanctum has often wondered why a bookseller with a big display window doesn't some day devote it all to the greatest (in our opinion) novel written by an American. Moby Dick, in all its various editions, would make a gorgeous layout, with trimmings of ships' logs and ship equipment, to say nothing of the gay jackets of The Modern Library edition, the neat solidity of the Oxford edition, and the colorful illustrations in the Dodd-Mead edition.

Another book The Inner Sanctum would display for a full week each year (we will succumb to the temptation of airing our literary enthusiasms in public!) is Jean-Christophe. Not being in the retail end of the business, we feel safe in saying that any customer of ours who didn't like Jean-Christophe (after having it forced upon him, by violence, if necessary) could have his money back and do his book buying elsewhere."

Farther on in the advertisement Essandess says:

"We don't know what you will think of Werfel's new book, *The Man Who Conquered Death*. Personally, we aren't up on all the latest books from Europe, and there are some that may be better. But, by George, if this new one isn't Great Literature of The First Water (and the capitals are used for emphasis rather than humor) then *The Inner Sanctum* will close shop and spend the rest of its days in the hay-loft reading Nick Carter.

"And by that statement we do not intend to convey the idea that *The Man Who Conquered Death* will sell well. We hope it will, but it probably won't. Verdi, Werfel's last book, was a masterpiece—in fact, is a masterpiece. Yet, despite a ruinous advertising appropriation, we have sold in almost two years only 2436 copies."

The average manufacturer would call this advertising suicidal. Suppose you saw in a drug trade paper an advertisement of E. R. Squibb & Sons, saying that if they were a retail druggist they would give a good window display to Colgate's Shaving Cream, and a full week every year to the Arm and Hammer brand of bi-carbonate of soda, because they were such good products, and then going on to express the fear that Mineral Oil Squibb, while an unusually good product, might not sell as well as it should sell?

But wait. As I said, Simon & Schuster is a young firm. It has not yet accumulated a long list of titles. And yet out of a comparatively small number of books it has five on the list of best sellers, five at one time. No other publisher ever did that.

Perhaps there is some connection between this and that. Perhaps when Simon & Schuster tells a bookseller a book will sell, the bookseller believes. There is undreamed-of potency in having the confidence of your customers. Is there no advertiser on a large scale who will show such courage?

Something Sound or Something Different?

By Roy S. Durstine



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ROY S. DURSTINE is secretary and treasurer of Barton, Durstine & Osborn, Inc., New York advertising agency. Together with numerous articles which he has written on advertising and business in general, he is the author of "Making Advertisements and Making Them Pay"

ally to write advertisements. Some of their output has been amusing, some of it has created temporary comment, but mighty little of it has done constructive building.

There was no persuasion, no knowledge of the product. More important still, it failed in that most important job of an advertisement: to center all the attention on the merchandise and none on the technique of presenting it. The best advertising calls no attention to itself.

Advertising planned to sell the man paying the bill will rarely sell the public which buys the goods.

Just now anyone who doesn't have to worry about it can wonder what must be going on in the minds of

those who are apparently trying to decide whether you can advertise cigarettes to women.

Women are smoking as they drive through the traffic of New York in their own limousines and even in taxicabs. It's not at all unusual to see the solitary and bejewelled occupant of an expensive car crossing her silken knees nonchalantly as she holds a cigarette to her carefully rouged lips.

Between the acts, the lobbies of New York's theaters have gone co-educational. The exodus used to be masculine. Tonight it's nearly fifty-fifty.

The other morning on the platform of a suburban station near New York a man and his wife stood waiting for a train. He was looking at the headlines of his paper. She was smoking a cigarette. Down the platform a little way another man and his wife cast slightly soiled glances and muttered.

These same critics would have offered cigarettes to their dinner guests. But the public display of a custom which has just about ceased to create comment in private was more than they could stand without indicating disapproval.

The British illustrated papers make no bones about it. In editorial illustrations and in advertisements they picture feminine smokers without signs of restraint.

And yet, in this country, we have had this curious, tip-toe approach. We have had dear old ladies doing their embroidery on twenty-four sheets. We have had clusters of American beauties including an American beauty herself. We have had suggestion, association of ideas, subconscious concepts. The rough sketches must have been made by psychologists.

And then out of a clear sky came one cigarette saying right out in a loud voice that Schumann-Heink, Fritzi Scheff, Leonore Ulrich and

[CONTINUED ON PAGE 81]

THE darkey with his minstrel collar and his pearl gray derby strummed his banjo under the flickering gasoline torch. The Saturday night crowd gathered around the tail of the cart. And when enough people were packed in close, the long haired professor in the frock coat explained what a boon to humanity's ills he held in the bottle in his hand at "only twenty-five cents, the quarter part of a dollar."

The darkey collected the crowd. The professor sold it. That's the important point to remember.

The other day a man of varied activities went to see the head of an advertising agency. He explained that he was "handling" a certain writer, a man who has a considerable following among readers of newspaper features and who has contributed to many of the revues on Broadway.

"I want to sell him for copy writing," said this promoter. "If some of these other big humorists can write advertising, I don't see why my man can't."

"Neither do I," was the answer. "Then you can use him?" "No," said the agency man. "Why not?"

The agency man described the technique of the traveling medicine show.

"The darkey collected the crowd," said he. "But the professor sold it. Wise-cracks get a reading, of course. The crowd is ready, expectant. But then the big-name writer stops. There's no persuasion. It's like an over-clever slogan. People remember the slogan and can't tell you the name of the product it advertises."

In the continual scramble for something new in advertising, rather than something sound and effective, professional writers of fiction and humor have been enlisted occasion-

Securing Distribution of Industrial Goods

Producers Should Give Careful Consideration to the Differences Between Direct and Indirect Marketing

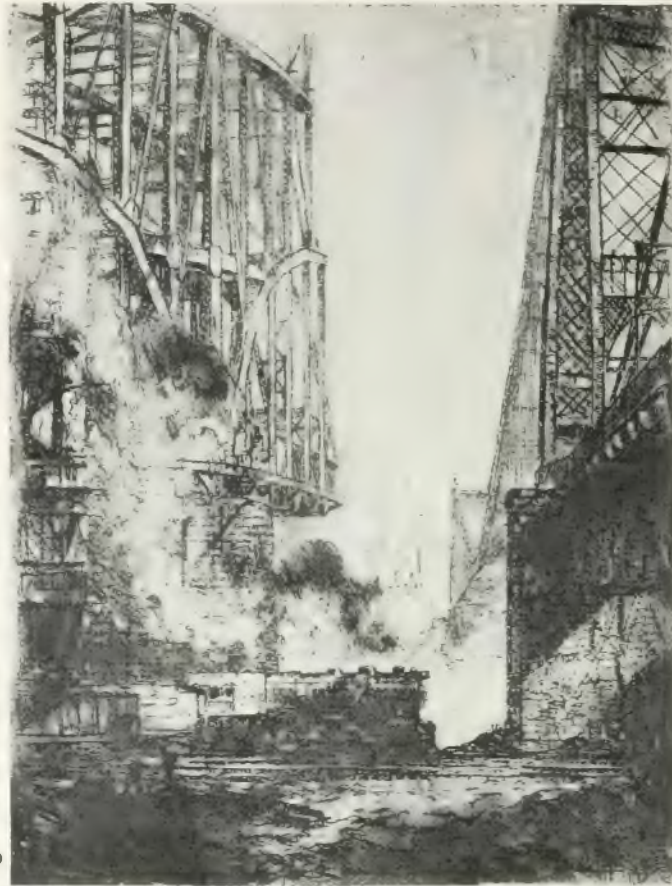
By Melvin T. Copeland

AFTER a manufacturer has ascertained the potential users of his products, has learned where they are located, has found out what their buying motives are, and has made sure that his products are thoroughly suited to the needs of the market, his next problem is that of securing distribution. How are orders to be obtained and how are prospective users to be supplied with the goods?

Methods of distributing industrial goods are varied, and many manufacturers are by no means certain that the methods which they now are using are the ones best suited to their needs. This uncertainty is the result of changing conditions among producers, changing conditions among users, modifications of distributors' methods, and, not least, the lack of scientific study of the problems of distribution. In

the absence of scientific study, solutions are being sought by the trial and error method. At the present time industrial markets are in too great a state of flux to warrant dogmatic statements; a general discussion of methods of securing distribution of industrial goods can lead to tentative conclusions only.

In breaking down this subject into its constituent parts, it is essential for the purpose of this article to omit a discussion of methods of marketing primary materials. The market for each primary material presents specialized problems peculiar to itself, such as the operation



© An etching by O. Kuhler

of wool pools and "buying on the back" in the wool trade, the contrast between packer hides and country hides in the hide market, and the contracting system in the sugar beet industry. Those problems are no less important than the ones to which attention is to be directed here, but this is not the place to take them up in detail. This article is confined, therefore, to methods of distributing manufactured goods in industrial markets.

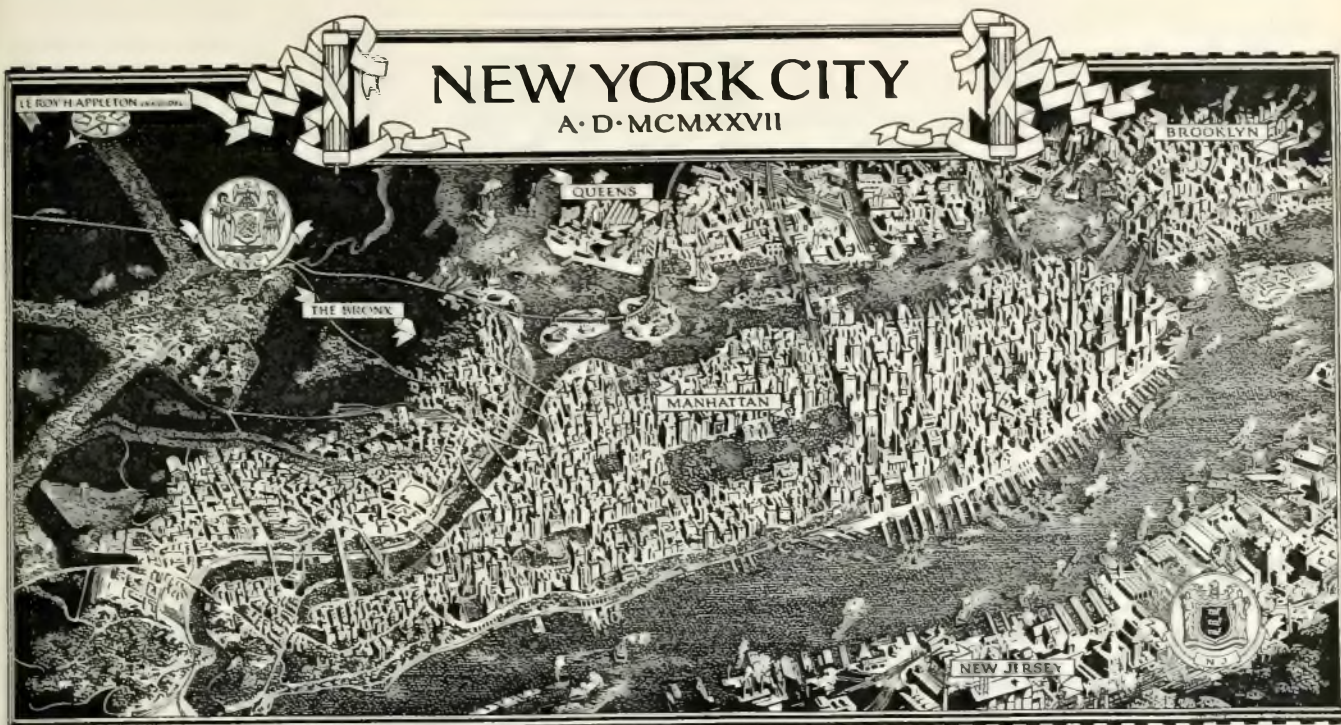
The first differentiation to be made among methods of distributing industrial goods is between direct marketing and indirect distribution.

By direct marketing is meant sale or lease to industrial users by the manufacturer's own sales organization or his sales agents. By indirect distribution is meant marketing through the medium of jobbers or dealers who purchase for resale. The term "direct marketing" is used here to include sales by selling agents, manufacturers' agents, and brokers, as well as sales made by manufacturers' salesmen, whereas "indirect distribution" implies sales to intermediary merchants or dealers who buy and sell on their own account by taking title to the goods.

DIRECT marketing takes place more frequently in the industrial field than in the trade in consumers' goods. A farmer occasionally peddles his produce from house to house; a brush manufacturer and a hosiery manufacturer here and there sell directly to consumers; but the volume of such sales by producers directly to consumers constitutes only a small bit of the total volume of trade in consumers' goods. In the industrial markets, in contrast, many manufacturers of machinery and materials sell their entire output directly to the operators of the plants in which the equipment and materials are to be used.

Some of the chief factors which govern the choice between direct marketing and indirect distribution of industrial goods are: the number of potential users; the density of

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Designed and published by Leroy H. Appleton

The Newspaper Route to the New York Market

First Steps for the Manufacturer Who Seeks Distribution in the Metropolitan Area

By *H. A. Haring*

IT is the dream of every manufacturer in America to capture the New York market. They know that it is the greatest home market in the world, that it is the center of business and wealth, that it represents the greatest concentration of spending power within a small area—they know many other superlatives that apply to New York as a market, and yet smokestacks all over this country hesitate to enter New York.

As a matter of fact, "hesitate" does not properly express the situation. Most of them have at one time or another attempted to "break into" New York, only to go back home baffled. Among manufacturers there exists, accordingly, a very decided judgment that only those that are strongly entrenched in reputation and in capital dare make the effort; for the ordinary factory, making the

ordinary product, the cost of distribution in New York is too huge to warrant any closer approach than to "dream" of its vast potentialities.

The maker of food and drug products, or the concern that turns out some other article for retail outlets, usually enjoys a certain volume of New York sales. The totals are, however, of no great consequence; they look pitifully tiny when compared with the market's consumption. The cost of selling is generally so much higher than for other zones of the United States that profits are not encouraging.

TALKS with such manufacturers reveal quite commonly a misconception, due entirely to their failure to "know" New York. They *assume* that their individual impressions of the city accurately picture Greater

New York as a market. They err terribly, because they mistake the Grand Central zone as a cross-section of the larger center.

Manufacturers, or their sales managers, know only the visiting zone and the amusement zone. They spend a few hectic days at a time in hotel lobbies and showy restaurants, entertained once or twice by a host who spends \$300 in an evening, and they conclude that no man with less than ten thousand a year—which back home is a big salary—can live in New York. With some such misconception as this for their premise they jump to the conclusion that all of Greater New York is merely a multiple of its least representative district. The only portions of the entire New York zone which these men are apt to know are the financial district and the district wherein

transients and amusements distort all impressions.

Having formed this misconception, these men dismiss the idea of marketing in New York. When pressed to explain the failure of their product to share the richest market in the world, they fall back on aspersions of New Yorkers as individuals or some such statement as: "It costs sixty dollars a month to garage a car in New York, and it's no wonder our sales are poor." They fail to understand that the New York market, for forty per cent of its population, provides garages as cheaply as Wheeling; they have not so much as a guess that trees and lawns greet many New Yorkers when they go home from the day's work.

MEN, too, who have not lived in New York seem not to comprehend it as a manufacturing center. They are accustomed to think of the city in terms of skyscrapers and banks, theaters and shopping streets, but are surprised to be told that approximately fourteen per cent of America's manufacturing establishments are located within the city itself and that one-twelfth of the country's total manufactured products are produced therein, to say nothing of the output of the fifty-mile radius that makes the greater city.

It follows that those manufacturers who sell, not for retail, but for further fabrication have curiously failed to cultivate this market.

They therefore balk at New York. They do realize that "New York is not just another city of the 100,000 class," they feel helpless before the sheer size of the market and the hopelessness of denting it by methods that enable them to dominate lesser markets.

Many smokestack owners, it is true, try short-cuts into this market.

For one thing, for any product where it is possible, jobbers are tried. Jobber distribution often succeeds elsewhere. In the New York market, again, conditions are different. Jobbers already carry so many lines of goods and have so many private brands of their own that they fail to serve the market for a new product. If the manufacturer is equipped to maintain his representatives in New York to cultivate the demand and stir up orders, the jobbing house will fill them, but it is impossible for the jobbers to do salesmanship or introductory work. Their outside men can live only by covering their routes quickly and pick up "want orders"; they cannot take ten minutes per call to sell a new article, because then their own

commission earnings would suffer.

For another thing, wholesale houses are so numerous that one unacquainted with New York is staggered by that fact. In New York City there are 244 wholesalers of drugs, with 46 more in the Greater City; for groceries, the numbers are 158 and 382. Jobbing houses, doing an annual business that mounts into the millions, will serve intensively a restricted area within the city but hardly be known to the trades two miles from the "house." In every field there are all sorts of little jobbers, who handle limited lines of goods through a small territory. They can do business for eight to ten per cent for such goods as they carry at all, as contrasted with a cost of fourteen to fifteen per cent for the "service wholesaler" whose stock contains full lines and who delivers throughout the territory. In the competition between service, wholesaler and specialty jobber, concessions are always being made to obtain orders, with the result that the new manufacturer must allow long discounts, if he attempts jobber distribution at all.

PARTICULARLY with foods and drugs, where retail conditions are keen, does failure follow the effort to enter this market through jobbers exclusively. That type of short-cut seldom succeeds. The jobber, of course, will handle any commodity for which demand has been created, but as a promoter of sales the wholesale house, in this market, does not serve. If any distribution results it is "constipated" distribution, not well-spread-out or with stability of demand.

Any short-cut into this dazzling market will fall short. Consider some facts in the situation. Of the 32,000 groceries some 6000 are Italian stores and of this number more than 1000 cater exclusively to Italian trade. There are 1700 Italian bakeries. Surely these present a problem too complex for short-cuts.

Or, for another aspect of the market, look at the Jewish element which is, next to the American, the most lucrative for merchandising. Catering to the Jewish trade exclusively are more than 5000 groceries and delicatessens, 800 drug stores, 3400 stationery and cigar stores, 6000 kosher butcher shops, 700 shoe stores, 275 hardware stores, 250 paint stores, 250 furniture stores, 150 electrical and radio stores, 13 theaters, plus thousands of dry-goods and specialty shops. Most of these are located in definite sections of the city. Such a condition, to a maker

of butter substitutes for illustration, means that one-fifth of the anticipated market is wiped out to begin with. No amount of merchandising—or advertising—can develop demand for an animal product or by-product of unpedigreed origin.

"The New York market is the most difficult in this country for practically all products," declares the vice-president of a concern that has been outstandingly successful in the city. Yet by sensible planning, any manufacturer can penetrate the New York market. With moderate expenditure, with continuous effort and with good planning, any quality product should be able to win in New York and to do so almost on a pay-as-you-go basis. Certainly, within a year, returns should recoup initial outlays and show profits currently from month to month.

The tendency seems to be to sidestep pioneering. Makers of goods appear to "follow each other around the block"—each new product battering at the door-sill of a customer who is known to be owner of a competing make of the article or of some other which is "presumed to be of the same price class."

On analysis—not from the Grand Central zone but from the real city—all "mystery" about New York dissolves.

New York is big. To merchandise in it brings out every known sales resistance. To conquer the market is not some miracle. It is the common-sense method of dividing "the enemy's forces and whip them separately." In practice, this means that the city must be broken down into lesser units and then the selling be applied against individual communities or sections and not against a unit of ten million persons. With ten millions facing him, no manufacturer knows where to exert selling pressure; by breaking down those millions into a hundred trading districts, the peculiarities of each can be counteracted.

IN previous articles of this series mention has been made of the helps offered by newspapers. Nowhere are those aids so valuable as in New York, chiefly because nowhere else is the ordinary citizen so entirely at a loss as he attempts for himself to subdivide the city into marketing units. The job is tremendous, in New York, even to plan a merchandising campaign. The newspapers of New York, through their merchandising departments, have worked out "break-downs" of the city that are invaluable to any distributor. Each newspaper tends to

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What Is Your Research Worth?

The Intelligence of the Market Survey Investigator Should Also Receive the Consideration That Is Given to the Number of Replies He Has Collected

By Loyd Ring Coleman

IN 1917 a German by the name of Henning published a book which constituted the first real contribution to our knowledge of odors. He brought forth the somewhat startling statement that there were six primary odors, just as there are six colors in the spectrum. All other odors are just combinations of these six in varying degrees of saturation.

But the interesting part of Henning's work, so far as advertising is concerned, was his introduction. He spent well-chosen time giving vent to his dislike for the United States by holding up our psychologists to scorn. And it must be admitted that he did it rather well. He animadverted upon the American quantitative science — an indulgence common to psychologists and advertising men. He pointed out that the American prefers a thousand erroneous opinions to a single intelligent one, as though mere weight of numbers might bring accuracy out of error. Henning used his own experiment as evidence of the value of small numbers. He used only seventeen people as subjects, but he trained them uncommonly well. He felt that it was better to have seventeen men who smelled accurately than a thousand who sniffed at random.

It is a gargantuan leap from this to *The American Mercury*, but it will be a diverting leap. Not long ago a young man who had been doing so-called research work wrote his *apologia pro sua vita* in *The Mercury*. In it he confessed the inevitable turpitude of the fact-collector when sheer quantity is the desideratum. He pointed out that the chief duty of his colleagues and himself was to determine ahead of time what

results were desired. Then exactly those facts were brought in. They could prove that the product under consideration was either 100 per cent or 0 per cent known, or distributed, or desired, or whatever was wanted by the person paying for the

Answers are valuable or valueless depending upon the amount of intelligence used in their collection. I like to think of the fact-collector as a genus of spectrum analyst. As in spectrum analysis all manner of lights enter and are given a perfect separation, so in a market survey the good research man accepts the disorganized facts that pour into his mind and organizes them, giving them out with the verisimilitude of truth.

As a rule, facts cannot be gathered by people who are not equipped to treat them after collection. In other words, the man who goes from store to store should possess not only knowledge of the statistical treatment of results but also a thorough and well-grounded knowledge of merchandising and advertising, to say nothing of a smattering of production. Whether such men are available at thirty, forty, or fifty dollars a week I leave to the personnel department.

Some of the most suggestive studies I have seen have been little investigations undertaken in odd moments by some of the best magazine representatives. The information they acquire is generally red-hot, and it is not a collection of cut-and-dried answers to cut-and-dried questions. Of course, their answers are, not infrequently, a bit partial. But they are none the less suggestive.

In making a mass survey the idea seems to be that the number of chance errors will iron themselves out, and that the greater the number the greater is the possibility of accuracy. I wonder how many advertising men would subscribe to the truth of a survey which asked people point-blank whether or not they read advertising. It would not matter



survey and its incidental expenses.

It is readily apparent that collecting a thousand answers from young gentlemen like the *Mercury's* correspondent would give no better view of a situation than one answer would. But ten interviews by a man adequately qualified to undertake them would turn, possibly, an entirely new facet to light.

AFTER all, it does get boring and embarrassing to go to store after store asking questions to which the answers can be set down equally well on the street corner. And in the afternoon, when the movies are functioning on these corners, it makes the asking of obvious questions that much the harder. It takes a highly moral young man to resist faking some of his answers, either directly or by tacit collusion with the store man. But very few of them will make such an admission.



MAC FISHERIES FOR SNIPE & WOODCOCK



MAC FISHERIES FOR PHEASANTS



MAC FISHERIES FOR PTARMIGAN



MAC FISHERIES FOR YOUNG HARES

MAC FISHERIES, the company name of a large firm of "fishmongers" in England, should fulfill all the rules defining the perfect trade name. It carries every suggestion of salt-encrusted trawlers, bins of iridescent fish-bellies, the frozen oil-skins of North Country seamen. But Mac Fisheries now sell game, not only fish; and to keep before the public the products of the moors as well as of the sea, they display this series of posters, reminding every Briton that all the possibilities of a sound meal are not exhausted by frozen mutton

Agency Wins Government Tax Suit

The Complete Judgment Delivered by Judge Westenhaver in Favor of Fuller & Smith, Advertising Agency

AN advertising agency is clearly defined as a personal service corporation by Judge Westenhaver, of the United States District Court, in a decision in favor of Fuller & Smith, Cleveland advertising agency, who brought suit for the recovery of 1918 Federal Income Taxes.

The opinion, which is sweepingly in favor of the plaintiff agency, will have an important bearing on other cases now pending, and constitutes the clearest and most decisive statement of the conditions entitling an agency to personal service classification.

The Government contended that Fuller & Smith was not a personal service corporation, as defined in Section 200 of the law; first, because three of the principals had certain outside interests. The Court held that the language of Section 200 is not susceptible of such narrow construction as to exclude all outside activities of principal owners and stockholders. The language is "regularly engaged," not "exclusively engaged," says the opinion, and the evidence showed that the stockholders were regularly, actively and continuously engaged in the conduct of the agency's affairs.

The second contention, that capital was a material income-producing factor, Judge Westenhaver examined in detail, holding that, even though an agency were legally liable for its client's advertising bill, a point made much of by the Government, this was immaterial when, as shown, the agency so conducted its business that it did not need to use its capital.

That an agency's capital gives it financial standing, as argued by the Government, the opinion conceded to be true. Yet the evidence presented was held to show convincingly that the plaintiff's business was not due to these things, but to its standing in the advertising world.

The fact that Fuller & Smith had an art department, a condition much stressed by the Government, and about which previous cases have centered, was dismissed in a single paragraph of the opinion. Fuller & Smith were held to be "not trading, manufacturing or merchandising art work." Putting its clients' advertising in visual form was no different from written copy, the Court held.

The Government's third contention—that the agency's income was not to be ascribed to the activities of its principal owners or stockholders—centered on a classification between principal and minority stockholders, a distinction that was not made in the law, the opinion held, or in decisions concerned with its interpretation.

The complete opinion is as follows:

IN THE DISTRICT COURT OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF OHIO, EASTERN DIVISION

FULLER & SMITH, corporation, Plaintiff.

vs.

CARL F. ROUTZAHN, Collector of Internal Revenue for Eighteenth District of Ohio, Defendant

AT LAW 14396.

WESTENHAVER, District Judge.

The question involved in this case is whether plaintiff is entitled to classification as a personal service corporation under Section 200, Revenue Act of 1918. It was denied this classification by the Commissioner of Internal Revenue, and assessed income and excess profits taxes for January, 1918, and for the year ending January 31, 1919, as a trading or business corporation. The taxes so assessed were paid under protest. This action is to recover back the sums so paid. Jury trial has been waived in writing. All jurisdictional conditions precedent are admitted. The controversy turns in part on the proper

construction of Section 200 and in part on the evidence.

The Revenue Act of 1918 creates for income taxing purposes at least two classes of corporation. One is known as a personal service corporation. Others are corporations engaged in trade, manufacturing and merchandising, and using and employing capital in earning income. The income of the first is taxable at the rate and in the same manner as the income of partnerships. Section 200, which defines a personal service corporation, is quoted in the margin. (*) The last part of the section, pertaining to foreign and other corporations, is without application. Whether plaintiff is entitled to the classification sought, is controlled by the first part of the section. From the language used, it is apparent that the following conditions are essential to such classification: (1) Plaintiff must be engaged in rendering personal service, as distinguished from trading, merchandising, or manufacturing; (2) the principal stockholders or owners must be regularly engaged in the active conduct of its affairs; (3) its capital, whether invested or borrowed, must not be a material income-producing factor; (4) its income sought to be taxed, must be ascribed primarily to the activities of its principal owners or stockholders. Defendant insists that the last three conditions are not present.

That plaintiff was primarily engaged in

performing personal service cannot be seriously questioned. It is and, during the period under investigation, was a general advertising agency. It was organized February 1, 1917, succeeding to the business and assets of a partnership bearing the same name and having the same owners. Briefly stated, the services rendered by it as an advertising agent consist in counseling and advising clients in connection with advertising their services and products. Such counsel is given only after diligent and thorough study of the production and services its client has to sell. This study is directed to an investigation of the present and potential market for such products and services, an analysis of all factors of distribution, a survey of all advertising media and means which can be profitably used to market the products and services to consumers, having at the same time reference to the character, physical requirements and costs of such advertising. The foregoing services were performed for a retainer fee, usually agreed upon in advance. When and if an advertising campaign is determined upon as a result of such studies and counsel, plaintiff renders other and additional services, such as writing, designing, and illustrating all advertisements in exhibit form, placing orders for space with publishers of journals and periodicals, transmitting advertising copy, checking and verifying insertions of the same, and generally all such services as are incidental to this advertising.

The courts, as well as the Board of Tax Appeals, have uniformly held that services of this nature are personal service and that a corporation rendering the same is entitled to classification as a personal service corporation, unless deprived thereof because some of the limiting conditions of Section 200 are absent. As in the present case it is so contended with respect to the last three conditions, it becomes necessary to consider the same with due care.

First, it is urged that the principal stockholders or owners were not regularly engaged in the conduct of its affairs. This contention rests primarily on the activities of certain stockholders in connection with the Craig Tractor Company. When the corporation was organized, its capital stock was owned by six persons. Of these owners, F. R. Fuller and Harry Dwight Smith each held 330 shares, Norman Craig and Arthur Judson each held 75 shares, C. Madden and Patrick W. Murphy each held 26 shares, and C. E. Horton held 40 shares. In the interval prior to January 31, 1919, Fuller had retired and other stockholders had been admitted, the nature and extent of which changes will be later stated. For present purposes it is sufficient to say that Smith, Craig, Judson, Madden, Murphy, and Horton were at all times the largest stockholders and never owned less than two-thirds of the capital stock. During this period, as a result of studies made of the tractor industry, Smith, Judson, and Craig became persuaded that there was an opportunity for making and selling a farm tractor. They organized a corporation for that purpose. A factory site and equipment were procured and a tractor was designed and two experimental tractors were built. Plaintiff rendered some advertising service to the tractor company, for which it received some \$2,100. It also permitted the lending or investing therein from its surplus funds, the sum of \$28,000. It permitted most of the office and clerical work of the enterprise to be conducted from its own office and by its own employees. Except as to the item of \$2,100, plaintiff received no income from the tractor company or its investment therein. The project proved a failure and everybody's investment therein a total loss.

Plaintiff was not engaged in making tractors. The tractor corporation was a

[CONTINUED ON PAGE 72]

The Effects of Installment Selling Upon the National Welfare

The Consumer Can Receive from It Benefits Similar to Those Gained
by the Producer from the Modern Banking System

By *Edwin R. A. Seligman*

A WIDESPREAD opinion is to the effect that installment selling does not increase the demand for a commodity but simply advances the time when the demand becomes effective; and that it cannot result in any general increase in purchasing power because the growth of present sales is sure to be offset by a decrease in future sales. A little reflection, however, will show us that this argument rests on the assumption that the income of every member of the community remains constant from year to year. But there are two fallacies in this assumption. In the first place, there cannot be any increase in production called for by this temporary increase in purchasing power without affecting the incomes of individuals. Production and purchasing power, in the long run at least, are correlated. But the second and more important weakness in the argument is the failure to recognize that, as we have seen, consumption may sometimes mean a productive utilization and may thus modify the income flow to the individual. We shall come back to this point in just a moment, because it is an important one, and we shall see that if consumption goods which in the long run minister to the efficiency of the individual are made available to some who would not otherwise be able to obtain them, installment credit does not simply advance purchasing power, but may augment purchasing power. It would otherwise be impossible to explain a part, at least, of the prodigious increase in the output. Installment selling has increased demand.

On the other hand, so far as supply is concerned, whole undue claims have sometimes been put forward, our studies have led us to the undoubted conclusion that in certain cases, at least, installment selling has increased production. As we



DR. SELIGMAN is McVickar Professor of Political Economy at Columbia University and the author of "The Economics of Installment Selling," published by Harper & Brothers. This article consists of excerpts from the address delivered by him at a dinner, held recently at New York, in his honor

have mentioned before, one of the consequences of installment selling has been the stabilization of output; but stabilization implies the possibility of economies and of reduction of cost. Where purchasing power has been increased, mass production becomes still easier. Of course, we must be careful to distinguish here between different kinds of commodities. In the clothing business, for instance, we have found that the ten-payment plan has led simply to the substitution of one kind of credit for another kind of credit. In other industries, like painting and plumbing, and the like, the conditions have been such as to lead to no increase of production. But in automobiles and similar articles the reverse is true.

Nor can we attach much importance to the argument that all this applies only to the past and that we are approaching the saturation point in automobiles and the like. There is no fixed saturation point in progressive society; there are no limits to the growth of demand. If the farmer's income grows, he will use two automobiles instead of one; and in proportion as it grows still more, he will replace the Ford by the Cadillac or even by the Rolls Royce. If the possibilities of output are boundless, the possibilities of consumption are still more so.

Thus at both ends of the business structure installment selling exerts a well-defined, beneficial influence. It has rendered possible greater business prosperity because it has contributed to both the enlargement and the steadiness of the market.

IN the next place, however, bankers often tell us that there are special risks connected with the credit structure. Now as to this point, several considerations are to be urged. In the first place, the losses connected with installment paper are much smaller than is frequently thought. We have found, after protracted investigations, that the average amount of note at the time of purchase has been falling from year to year. At the end of 1925 the average note on new cars had fallen to \$528 and on used cars to \$280. And the loss ratio amounted to less than one-sixth of one per cent on used car paper. We must distinguish here, however, between the system of recourse and of non-recourse. Both theory and experience have brought us to the conclusion that the only legitimate system is the recourse one. The finance company is properly a dispenser of credit and not a seller of automobiles.

But some of our banker friends

[CONTINUED ON PAGE 70]

THE · EDITORIAL · PAGE

Business and Farm Research

WE are on the eve of far bigger things in research by government agency. Business men have become rather insistent that there should be at least a fraction of as much research work done on business problems as is done on farm problems. Ten cents per man, woman and child is spent by the government on farm research, which, according to Dr. A. F. Woods of the Agricultural Department, has returned \$500 for every dollar expended. Delegations from twenty of the largest farm organizations called in Washington recently to press the need for more farm research—yet not even one-tenth of one cent per capita has been expended on research of business problems.

However, thanks to Herbert Hoover, a start has been made with a distribution survey.

ADVERTISING AND SELLING has for many years insisted editorially that both farm and business research form one of the most important solutions of farm and business problems. We know more, by far, about the worms which eat tobacco or cabbage than we do about the worms which eat business profit! We do not even have a count of business noses; accurate statistics of distributors cannot be obtained.

This is a great country of business, but business men have been too busy to ask its government for assistance. Farm research ought to be doubled—it will surely lead to better business; but business and farm research are only different names for essentially the same things.



"You're All Wrong" Is Poor Selling

THERE are altogether too many salesmen in the advertising business who make their living tearing down what someone else has accomplished.

They get their interviews by offering free advice on a sales or advertising campaign. And when their gratuitous proposition is accepted they "do their stuff" by telling their hapless victim that everything he is doing is "all wrong."

Fortunately these dispensers of the gospel of advertising discontent do not get much business. But they do disturb advertisers. They ignite the fires of suspicion. They make an advertiser feel that perhaps his efforts are being misdirected and that probably his campaign would be handled better or more successfully if he placed it elsewhere.

There is no question that this explains the inconsistency of many advertisers. They are always making radical shifts in their policies. They go this direction for awhile and then turn around and go the opposite direction. Thus they are always traveling, but never arrive.

The most essential quality in advertising or selling is consistency. To achieve results efforts must be maintained along one line for sufficient time. Even bad advertising will accomplish something if it hammers away at one spot until the opposition capitulates. Good advertising will not do as much, if it is taken off the job before it has had a chance to function.

The Dentists Object

THE *Dental Students' Magazine* made the following editorial comment in a recent issue:

Indignant at an attempt to secure dental authority for current advertising, hundreds of leading dentists have protested against the biased solicitation by a cigaret company which has sent queries broadcast to the dentists of the country, accompanying the letter by a hundred cigarets. The protesting dentists declare that the questions are entirely misleading and disingenuous and that the premises established by the writer of the letter are untrue. The protesting dentists gave their opinions to Dr. Henry G. Harvitt of New York City, who conducted a survey among the dentists of the United States to ascertain what the best opinion of the profession was in regard to the matter. He found that dentists agree almost unanimously (1) that no special processing of any cigaret can have any salutary effect that is not common to all cigarets and (2) that cigarets are chosen only upon a taste preference and no other.

We make no claim to being able to judge as to the accuracy of the two points on which the dentists agree; that is a matter for scientific determination. But we agree with the dentists that no cigarette company has a right to base an advertising appeal on the results of a biased and "disingenuous questionnaire" accompanied by a bribe.

There has been too much of this sort of thing in advertising. If, as Kenneth Goode pointed out in a recent issue of this publication, the cigarette interests have suddenly discovered that the consumer has a throat, there is no excuse for stretching professional ethics to the snapping point in order to create an advertising appeal. There are enough honest appeals to serve honest products.



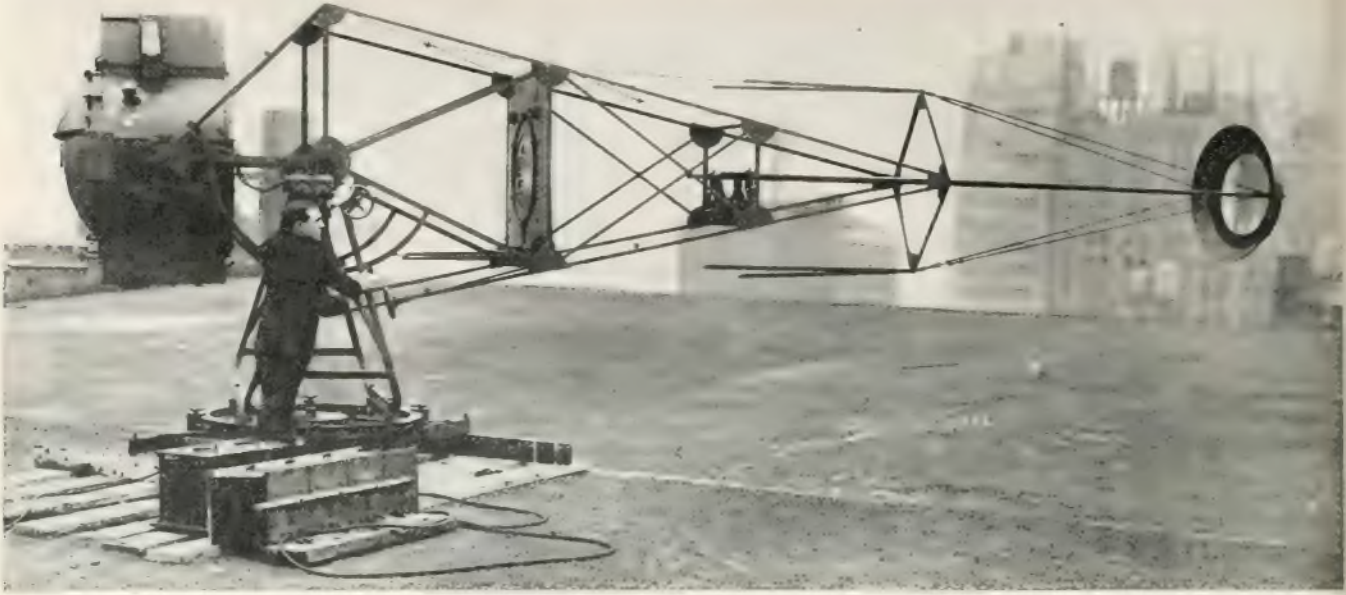
The Decline of the Purchasing Agent

WILLIAM E. KERRISH, advertising manager, Boston Gear Works Sales Company, writing in *The New England Purchaser*, makes this interesting statement: "We seldom see the grim and bearded visages of owners and founders or monotonous factory buildings elongated to twice their normal proportions, used in industrial advertising today. The modern manufacturer realizes that he is neither selling hair restorers nor real estate."

Mr. Kerrish goes on to say that what the industrial buyer expects to find in advertising copy today are "definite and reliable facts" and not blue sky.

There is no question that Mr. Kerrish is right. The biggest change that has come, not only into industrial advertising, but into all advertising, is the demand for information in place of the old "bunk" talk. But as far as industrial advertising is concerned an even bigger development than the one referred to by Mr. Kerrish is the way advertising is used to influence the men behind the purchasing agent.

The purchasing agent is not so powerful as he once was. As a rule, buying power no longer originates with him. About all he does is to carry out the buying instructions that he receives from the executives and superintendents and officials of his company. To get an order from a purchasing agent, all these other executives must be "sold." It is in selling to these executives that industrial advertising is today doing its biggest job.



© Wide World Photos

"The Sky's the Limit"

A Giant Magic Lantern Converts the Heavens into an Advertising Medium

By *Edgar H. Felix*

NEW advertising media must struggle through long adversity before winning recognition. At first they are disregarded; then openly snubbed; next tried out by a few spendthrift advertisers; and finally adopted as legitimate children of the advertising family.

But, recently, a four billion candle power magic lantern upset precedents and set the advertising world agog over night. First utilized by the Capitol Theater, it flashed the words, "Go to the Capitol," on the principal skyscrapers of New York's Great White Way, in a manner so startling that the *New York Times* could not resist running the story of its first appearance on the front page. A spectacle so unusual and so potent in winning attention has incalculable advertising value. It is true that so startling an introduction is unpromising because it portends an ephemeral medium which depends upon novelty alone for its value.

The plans of the Sky Projector Corporation, of which Harry E. Aitken is general manager, are much sounder than their spectacular in-

itiation would indicate. They consider their mammoth magic lantern a device of permanent value in spreading the message of the advertiser.

The four billion candle power magic lantern spreads its lettering for distances up to twelve thousand feet, flashing advertisements on a cloudy sky with extraordinary clarity, in letters up to two hundred feet high. When using buildings as a background, the principal difficulty is to find surfaces large enough to accommodate the huge lettering.

FOR distances of a few hundred feet to a mile, the lettering is undistorted. The mounting of the searchlight is so arranged that the stencil through which its beams pass may be flashed readily from building to building, adding the alluring factor of motion to hold the public eye.

A Sperry arc, drawing about two hundred amperes of current at eighty volts, converts about twenty horse power of electrical energy into a concentrated and powerful light ray. The light is so mounted that a strong man can readily focus the

beam on any desired point. In a heavy wind, however, he may have difficulty in maneuvering the heavy machine and it would hardly be a handy toy for an anæmic book-keeper. An idea of the size of the apparatus may be gathered from a statement of its sponsors that it can be mounted on a ten-ton motor truck, together with all the necessary generating machinery to supply the intensive arc.

Although the first utilization of this beam was confined to black and white lettering, color screens can be used. There is a possibility of highly attractive color efforts against the clouds. The use of a color screen shortens the range of the beam because the prime colors shut out about a third of the light energy. Even so, the beam has ample range, if but a single prime color is used, to hold the street crowd's attention in any city. Combining motion, color, and novelty, it has all the necessary elements to win attention.

Objection has been raised that flashing this brilliant light against buildings causes such annoyance to the occupants that the use of the

BRUCE BARTON

ROY S. DURSTINE  ALEX F. OSBORN

BARTON, DURSTINE & OSBORN

INCORPORATED

AN ADVERTISING AGENCY

of about two hundred and seventy-five people among whom are
these account executives and department heads

James Adams	B. E. Giffen	Allyn B. McIntire
Mary L. Alexander	Geo. F. Gouge	John Hiram McKee
Joseph Alger	Louis F. Grant	Walter G. Miller
John D. Anderson	E. Dorothy Greig	Frederick H. Nichols
Kenneth Andrews	Girard Hammond	Loretta V. O'Neill
J. A. Archbald, jr.	Mabel P. Hanford	A. M. Orme
R. P. Bagg	Chester E. Haring	Alex F. Osborn
W. R. Baker, jr.	F. W. Hatch	Leslie S. Pearl
F. T. Baldwin	Boynton Hayward	Grace A. Pearson
Bruce Barton	Roland Hintermeister	T. Arnold Rau
Carl Burger	P. M. Hollister	James Rorty
Heyworth Campbell	F. G. Hubbard	C. A. Ryerson
H. G. Canda	Matthew Hufnagel	Mary Scanlan
A. D. Chiquoine, jr.	Gustave E. Hult	Paul J. Senft
Thoreau Cronyn	S. P. Irvin	Leicester H. Sherrill
J. Davis Danforth	Rob't N. King	Irene Smith
Webster David	D. P. Kingston	J. Burton Stevens
Clarence Davis	Wm. C. Magee	William M. Strong
A. H. Deute	Fred B. Manchee	William M. Sullivan
Ernest Donohue	Carolyn T. March	A. A. Trenchard
B. C. Duffy	Elmer Mason	Anne M. Vesely
Roy S. Durstine	Thomas E. Maytham	Charles Wadsworth
Harriet Elias	G. F. McAndrew	D. B. Wheeler
G. G. Flory	Frank J. McCullough	C. S. Woolley
Herbert G. Foster	Frank W. McGuirk	J. H. Wright
K. D. Frankenstein		

New York: 383 MADISON AVENUE

Boston: 30 NEWBURY STREET



Buffalo: 220 DELAWARE AVENUE

Member American Association of Advertising Agencies

Member Audit Bureau of Circulations

Member National Outdoor Advertising Bureau

sign may perhaps be enjoined by the courts. Its sponsors, however, are fully conscious of their responsibility to the public. They do not flash the sign down upon traffic where the beam of light might cause accidents, nor do they focus their magic lantern persistently against any one building so as to inconvenience its occupants. Court decisions, rendered upon complaints of occupants of nearby buildings who have been annoyed by electric signs, have been unfavorable to the plaintiffs.

It is quite likely, therefore, that we may regard the four billion candle power magic lantern as a permanent factor in advertising.

The inventor of this device, H. Grindell Matthews, a British scientist and engineer, is best known as the inventor of the "death ray," and his latest invention is naturally associated with death dealing proclivities. However, the Sperry arc light, which is used, radiates pure, white light and is no more harmful than a powerful, automobile headlight. Even in war service, the Grindell Matthews invention was used as a searchlight and not as a so-called "death ray." Infantry, flooded with a rapidly changing swirl of colors, red, green and yellow, were nauseated and confused, a possibility which might occur if two rival advertisers, boosting the same product, were to engage in a sign war of the clouds. The invention was also used to locate and dazzle night prowling Zeppelins over London. The super-magic lantern is in no sense a death ray.

When the novelty value of the magic lantern is exhausted, there may be question of its utility. The plans of the Sky Projector Corporation c o n t e m p l a t e making their equipment available only in thirty or forty of the largest cities. Large street crowds are essential to profitable use of the super-power magic lantern. It may also be used effectively at fairs and carnivals and at any point where large numbers con-

gregate. At the present stage, it is not necessary to contemplate vast numbers of magic lanterns flashing all over the sky to such an extent that one must go to the mid-Pacific in order to see the stars unobscured by advertising.

AN advantage which the magic lantern offers is its semi-portability. It does not require a permanent installation, similar to that required by a spectacular electric sign. Our rapidly changing skylines often make it necessary to tear down expensive electric signs because new buildings crop up to hide them in opaque obscurity. This is no small problem to electric sign owners along the Great White Way. The Criterion Theater, for example, found it necessary to take a lease on an entire building in order to assure itself a permanent and impressive sign in New York's theater district. The four billion candle power sky projector is independent of such changing conditions.

The first commercial projector is mounted, rather inconspicuously, on the roof of the Capitol Theater. On all sides are huge, conventional, electric signs of massive steel structure, dwarfing their new rival at least into daytime obscurity. The projector is principally a searchlight

and a lens, mounted at opposite ends of a framework which looks like an old-fashioned airplane fuselage, except that steel rods take the place of wooden spars and guy wires. The searchlight is mounted at one end of the steel fuselage and a huge lens at the other, the whole outfit being set on a turntable. The lens, we noted, was carefully concealed by a canvas cover, a very necessary precaution. Its importance was discovered the very first time the projector was left unattended. A bright sun, a large focusing lens and a tar-paper roof proved to be an ideal combination to start a fire in short order, which was fortunately discovered before much damage had been done. Altogether the device impresses one with its simplicity.

The technical knowledge required to maintain the lantern presents no serious problem. A building or theater electrician, with two weeks of special training, is competent to keep the light in operation and repair.

The actual maintenance cost is sufficiently low to make the new system a real competitor to the fixed electric sign.

People will always look at a moving sign. Skywriting, now a frequent sight to sophisticated New Yorkers and totally without the appeal of novelty, never fails to make them crane their necks.

While it is still a novelty, the charge for using the super-magic lantern will probably be gauged by what the traffic will bear. The Sky Projector Corporation has not yet definitely determined its policy and, while novelty is one of its principal assets, the cost of making the heavens an advertising medium will remain sky high. After its novelty value recedes, it is still likely that the lantern will remain a permanent competitor of the electric sign. It will always have on its side the advantage of greater flexibility, simplicity in changing the text of the advertising, and portability. And, at last, advertisers will hope for a cloudy day!



© Elliott Service Co.

THIS was one of the effects produced by the 4,000,000,000 candle power magic lantern on the night of its sensational debut, when Broadway was startled and amused to find one moving picture theater nonchalantly advertising itself on the spacious walls of a conveniently adjacent rival. It was announced on the next day that future experiments would be made on a back-ground of clouds or smoke screens spread by airplanes. How valuable this new advertising medium may prove to be is still a matter for speculation and experiment



Make this Issue the Opening Gun of Your 1928 Railway Sales Campaign

THE Annual Statistical Number of the *Railway Age* is your greatest single opportunity of the year to place your sales story before railway officers on every railway in North America and on many foreign railways.

It is the greatest single issue of any railway publication in the world.

It is a compilation of statistics that are secured by months of painstaking and costly effort, but which when compiled in logical form make a record, published nowhere else, that is sought and used

by railway officers throughout the world.

More than 3,000 extra copies of this issue are purchased each year by the railways so that every important officer may have a copy on his desk for continuous reference throughout the year.

Make the Annual Statistical Number the opening gun of your 1928 railway sales campaign. Make your advertisement a complete sales story featuring all of your railway products. Make your plans now—for December 15th is the closing date.

Simmons-Boardman Publishing Company, 30 Church Street, New York
 "The House of Transportation"

Chicago: 105 West Adams St.

Cleveland: 6007 Euclid Ave.

Washington: 17th and H Sts., N. W.

San Francisco: 74 New Montgomery St.

The Annual Statistical Number

Railway Age, January 7, 1928

1927-TRADE PAPER SCHEDULE

Page Spread
4 Page Cover

NAME	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
GENERAL BUILDING & CONTRACTING DIVISION												
Architectural Forum 100 West 42nd St New York City 7 1/2 x 10 1/2 7 1/2 x 10 1/2 7 1/2 x 10 1/2												
SHEET METAL DIVISION												
Sheet Metal Worker American Air-Ship 100 West 42nd St New York City 7 1/2 x 10 1/2 7 1/2 x 10 1/2												
ENAMELING DIVISION												
CASKET & GRAVE VAULT DIVISION												
REFRIGERATION DIVISION												
INDUSTRIAL BUYERS - FABRICATOR DIVISION												
Iron Age Iron Trade Review 270 W. 42nd St New York City 7 1/2 x 10 1/2 7 1/2 x 10 1/2												
RAILROAD DIVISION												
Railway Age 700 W. 42nd St New York City 7 1/2 x 10 1/2												
OIL TRADE DIVISION												
GAS TRADE DIVISION												
COAL & COKE DIVISION												
OUTDOOR ADVERTISING DIVISION												
MISCELLANEOUS												
Electrical Engineer 100 West 42nd St New York City 7 1/2 x 10 1/2												

After Media and Copy... What Then?

By *W. E. McFee*

Publicity Department, The American Rolling Mill Co., Middletown, Ohio

AFTER media, of course, come copy, layouts, art work, and endless details of seemingly secondary importance. But, on the hypothesis that an advertising plan is no more potent than its weakest segment, let us consider these minor details for a moment.

Minor details, here, have to do with the business paper schedule as a physical unit. For instance, among the component parts of schedule planning are mailing dates, closing dates, page sizes, number of insertions, and other miscellaneous items relating to production.

Kipling, who has a facile and unusual way of expressing ancient platitudes, once wrote, "There are nine and sixty ways of constructing tribal lays. And every single one of them is right." And so it is with laying out media schedules in industrial advertising workshops. All suit the purposes for which they are intended; else would we not read more dissertations on this subject?

Here, however, is a schedule chart that has functioned exceptionally well, for at least one advertiser. It has stood the test of time and changing conditions.

Best of all, it is comparatively simple in its operation.

The current copy situation is revealed at a glance—to the copy man, department executives, and sales executives. Moreover, little time or effort is required to keep the chart shipshape. As the accompanying illustration shows, this schedule is broken down into twelve distinct divisions. Each of these represents a primary market requiring the underfooting for sales efforts afforded by business publications. Secondary markets, with us, customarily call for little or no trade paper barrage; until such time as they take their place in the scheme of things as full-fledged markets. And so, you will see, on this chart, a General Building and Contracting Division, a Sheet Metal Division, Enameling Di-

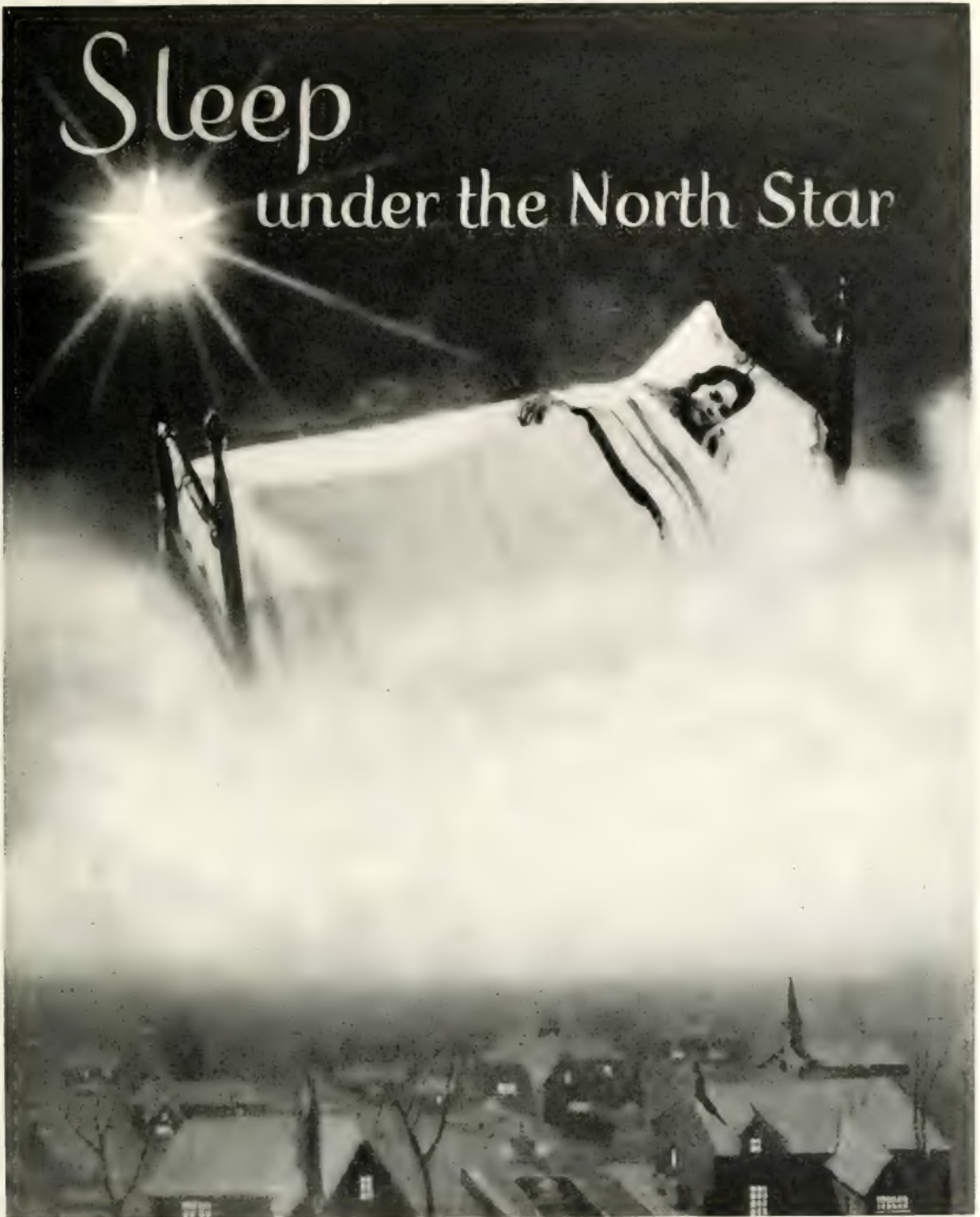
vision, and so on—a total of twelve primary market classifications including a category labeled Miscellaneous.

An analysis of one of these sectors will demonstrate the system or principle upon which all are founded. For example, there is the General Building and Contracting Division illustrated in the first section reading downward from the top of the chart.

In the uppermost ruled space is the key for all divisions.

Using this as a guide and glancing down at the top division we find that the type size of the first-listed publication, *Architectural Forum*, is seven by ten inches; that the number of pages scheduled for the year is twelve; and that the mailing date is the first of each preceding month. The last-named classification obviates the listing of closing dates. Copy goes out on the mailing date indicated, which automatically anticipates, with a comforting margin

[CONTINUED ON PAGE 77]



As a rule, people don't bother about looking for trade-marks when buying blankets. The problem was to *make* them bother . . . And so the North Star trade-mark was dramatized pictorially and verbally as the Interrupting Idea for advertising in Sunday rotogravures . . . *Now*, people look for the North Star trade-mark. Federal Advertising Agency, Inc., 6 East 39th Street, New York.

A Company That Advertised a State

How a Public Utility Built Up Its Own Market
in the "New" South

By *W. J. Baldwin*

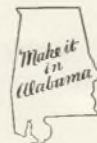
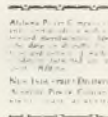
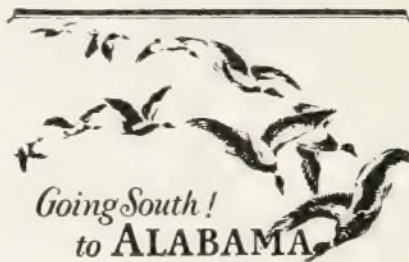
Director of Publicity, Alabama Power Company

THE theory that the electric light and power business is the basic industry, and that a public utility will prosper only in proportion to the progress and prosperity of the region it serves, has been the actuating motive behind one successful development program.

Nearly fourteen years ago, when Alabama Power Company began active operations, Alabama was a field of great industrial and agricultural possibilities, but severely handicapped by lack of power in quantity and at reasonable rates. The company began to function as a unified system in October, 1913, with five customers, including three municipalities, a brick plant and a cement plant, the total load being about 6500 horsepower. The scope of its operations was steadily extended year by year until early in 1922 the management decided to engage in a program to attract new industries to Alabama as a means of finding an outlet for further quantities of power.

The South was then just beginning to feel the stimulating effects of its industrial activity during the World War. The economic crisis of 1920 had failed to halt its onward march. It was a young giant feeling the first strength of his manhood. Hydro electric power was to be had in plenty and at attractive rates. Taxes, building costs, and living expenses were low; untouched reservoirs of native white Anglo-Saxon labor were available at reasonable wages; and the attitude of governing bodies was characterized by a spirit of fairness. Vast stores of practically every conceivable mineral were undeveloped, and quantities of products were being exported in their raw and semi-finished form for want of local fabricating facilities. These were the conditions in the South, especially in Alabama, when the program was inaugurated.

Simultaneously, burdensome legislation, confiscatory taxation and labor troubles were working havoc with certain industries in a number



ALABAMA POWER COMPANY
BIRMINGHAM, ALABAMA

of states in the North and East; especially with the textile industry in New England. Higher transportation costs, increasing living expenses and other changing economic factors imposed new and, in many cases, fatal burdens upon industry in that region. These factors, and the increasing wealth of the South, which made it an attractive local market for many commodities then imported, further served to make the South a desirable location for new or branch plants, warehouses, and sales offices.

IN considering the form of campaign which Alabama employed in this field in its effort to attract new industries, it is well to bear in mind the lack of accurate knowledge of conditions in the South on the part of even the more intelligent class in the North and East. They had given no thought to the South and had taken no interest in it. Occasionally they noted something in the public prints which led them to believe in a general way that it was waking up. To many, the South was a low, swampy and remote land in-

habited by mosquitoes, negroes, "Crackers," and a poverty-stricken aristocracy of hot-tempered gentlemen and beautiful women.

The first step in Alabama's campaign was to assemble accurate data on conditions in the state. Surveys were made on every possible factor in certain industries; of undeveloped resources, and of conditions in various localities.

The consistent use of business publications, reaching the executives of specialized industries, was decided upon as the least expensive method of paving the way for further sales efforts. Later a number of the metropolitan daily newspapers were used to good advantage. Advertisements were published each month, month in and month out, featuring legislation, taxation, climate, labor conditions, living and building costs, raw material and power supply, and other conditions in Alabama. As an adjunct to this advertising, attractive direct-mail literature, containing facts accurately portraying conditions in Alabama, was distributed in response to requests and to selected lists of "prospects." Then followed the interviewing of "prospects" by representatives thoroughly conversant with conditions in Alabama.

Later these efforts were supplemented by the distribution, on non-theatrical circuits in the North and East, and in 115 theaters in Alabama, of six one-reel motion pictures portraying Alabama's resources and industries, and by exhibits at national industrial expositions.

For three years the campaign continued without attracting a single large industry from without the state. But the power company did not falter or deviate from its plan in the slightest. For your Eastern business man is no impetuous individual. To the New Englander especially, the decay of industry in the cradle of America's independence was a tragedy. Unconsciously he resented the healthy economic conditions and superior natural resources

[CONTINUED ON PAGE 54]

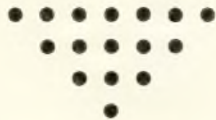
G O O D S T O R E S

ALL OVER THE COUNTRY

asked us 36,421 questions last year. Regularly to the tune of more than seven hundred per week they write, wire, 'phone and visit us to secure expert, intimate counsel on storekeeping problems. All of them important store executives—buyers, merchandise managers and advertising managers, presidents, store owners. Asking every question from “where can I get the new “so-and-so” to “how can I speed up slow-selling in this or that department?”

Here is overwhelming evidence of reader interest and acceptance, but it is only part of the Economist picture.

Equally convincing proof of buying interest is ready for the manufacturer who sells or wishes to sell to “live” department and dry goods stores throughout the country.



DRY GOODS ECONOMIST

The most effective, most economical way to reach and influence department stores.

Offices in principal cities—in New York at 239 West 39th Street

Editors—A Neglected Sales-Asset

A Note Addressed Primarily to Publications

By Marsh K. Powers

WEDNESDAY of last week I had three separate experiences, unrelated at the time, which have since "come together" to form the basis for this discussion.

At noon I lunched with the editor of a prominent and growing magazine.

In the afternoon, at my office, together with others in the organization, I listened to an elaborately staged presentation of another magazine—a carefully worked out speech given by an "imported" speaker, supported by well-handled charts which the regular representative from the territory displayed at the proper points through the speech.

In the evening, at home, I read Colonel Leonard P. Ayres' absorbing business essay, "This Prosperity" (*Review of Reviews*, October issue).

As mentioned above, at the start the three incidents were entirely isolated. It was not until the next day that I first saw any relation between them.

Colonel Ayres, in his article, prophesies that, keen as is today's commercial and industrial competition, it is only a foretaste of what will develop as the months pass. Then he adds that probably the most successful method of escaping the rigors of direct competition will be for a manufacturer to embody in his product some special appeal, some distinct point of individuality to set his merchandise apart.

It was during a re-reading of Colonel Ayres' article that something made my thoughts flash back to the elaborate, formal presentation and I was rather startled to realize how little of it had slipped through the sorting-screen of my memory. Then a contrasting fact came to mind as I realized that I still retained a vivid memory of the topics which had come up for informal discussion at the lunch table with the editor.

The factor of individuality, so highly recommended by Colonel Ayres, was obviously the explanation of the seeming paradox.

The publication which had enjoyed the elaborate presentation had been

"represented." The other had been *present in person*.

That set me analyzing my conceptions of various publications with which I have had dealings. As I mentally catalogued those which I believe I understand most thoroughly in all their ramifications, I found that, with only a few exceptions, they were publications whose editors I know personally and whose affairs I have discussed with them at first-hand—not from a space-selling angle but more often from the purely editorial angle of gaining and holding reader-interest.

THE list was interesting in its diversity, including magazines of general appeal, class publications, business journals and newspapers, each identified and unmistakably stamped with the impress of the individual who directed its editorial policies. One publication reflected S—, scholarly, meticulous, slow to action, dependable. Another was the type-and-black-ink reproduction of W—, direct-thinking, hard-hitting, outspoken, impatient of diplomatic amenities. A third was M—, agile-minded, inventive, unquenchably optimistic. A fourth was A—, politic, cautious, middle-of-the-road, holding his publication in a position of previously-established leadership by never risking offense to any group or strata. A fifth, B—, was cultured, sophisticated, somewhat cynical—an apostle of easy spending. And so on down the line—each publication clearly and lastingly impressed on my mind, differentiated from all others by the basic factor of individuality.

After all, isn't there the soundest of logic behind this?

A publication in its final analysis is useful for advertisers only according to the number and kind of readers its pages attract and the closeness and consistency with which it holds them. These are the results of editorial judgment, foresight and method. A scholar will not attract and hold jazz-hounds, no matter how much their easily-coaxed dollars may appeal to his advertising representa-

tives—his following will come from individuals and families of a different type. The business man who places high value on absolute accuracy is soon alienated by the editor who uses figures loosely or prints statements without verification.

To this extent a publication is "the lengthened shadow of one man"—of the man who establishes the editorial program. Sometimes this guiding force is an owner not personally active in the actual publishing routine—sometimes he is identified as "publisher"; sometimes, "managing editor"; sometimes, "editor." Whoever he is, if you know his aims and ideals and gain some conception of his problems, you know the fundamentals of his publication—of its strength and its limitations, of the type of readers it will attract and those to whom it will never appeal. It will never be, in your mind, "just another paper," another pea in the row down the pod of publications of its class or locality.

Now I realize how confining a task it is to do an outstanding job as the editorial pilot of a publication.

On the other hand, I do believe that many will be better editors as a result of some "barn-storming."

For my suggestion is simply this—expose the larger advertising prospects, particularly of general and class magazines and business publications, to first-hand contact with editors.

IN some agency offices an actual editor may prove to be an unprecedented novelty. In most he will at least be a *rara avis*, to be welcomed with interest and respect, if not with actual curiosity. And when he is in the advertiser's or agency office, I urge that you do not have him coached to parrot the usual "presentation." Let him, instead, "talk shop"—editorial shop—and give his hearers an opportunity to see the editorial problem through the eyes of the man who lives with it.

He will make his paper a living, breathing entity, instead of a rate-card, a circulation statement, five graphic charts and a sample copy of the latest issue.

THE KANSAS CITY STAR'S WEEKLY-SUNDAY COVERAGE OF THE SOUTHWEST

**Kansas City Star
SUBSCRIBERS**

Sunday—Weekly

Missouri	337,429
Kansas	193,714
Iowa	43,800
Oklahoma	63,658
Colorado	14,266
Nebraska	36,385
Arkansas	49,287
Other States	31,494
Total	770,033



A Three Billion Dollar Market

THESE seven states produce three billion dollars in basic wealth every year.

The greatest oil pool in the world is in this territory. The biggest wheat state is in this territory. The largest production of livestock comes from this territory. The most flour is milled in this territory.

Record after record is credited to this great area of which Kansas City is the center.

And this season is especially prosperous. A corn yield of bumper size, selling at high prices. A wheat crop better than the average, also selling at high prices.

A demand for livestock unequaled in peace time.

When all phases of a diversified territory happen to hit pay dirt the same year it results in an era of prodigious spending. That era is here and now in the Kansas City territory.

Claim a bigger share of the patronage of this seven-state area by using The Daily Star and Weekly or Sunday Star and Weekly Star in combination. Two-thirds of this market is rural, and it is this rural two-thirds that is covered by The Weekly Kansas City Star. With nearly half a million subscribers it is the largest farmer's weekly in America.

The Daily-Weekly combination affords a circulation of 974,260 copies, and the Sunday-Weekly combination 770,033.

**25%
DISCOUNT**

**DAILY STAR AND
WEEKLY STAR
COMBINATION**

974,260 Circulation

Per line (small ads) \$1.53³/₄

1/4 Pages (532 lines) per line 1.44³/₈

Full Pages (2,128 lines) per line 1.35

**SUNDAY STAR AND
WEEKLY STAR
COMBINATION**

770,033 Circulation

Per line (small ads) \$1.35³/₄

1/4 Pages, per line 1.26³/₈

Full Pages, per line 1.17

THE KANSAS CITY STAR

New York Office
15 E. 40th St.—Lexington 10122

Chicago Office
1418 Century Bldg.—Wabash 1067

Advertising Intoxication

Discourage the Man Who Promises That Advertising Will Cure All Business Ills

By *Emil Brisacher*

President, Emil Brisacher & Staff, San Francisco

HAVE you ever heard of advertising intoxication? It is a malady which seriously affects the judgment of newcomers in advertising. They see several advertising campaigns produce large sales increases, and jump to the conclusion that advertising is a miracle worker. They do not realize, however, that advertising was only one of the factors that made those campaigns unusually successful.

The old-time advertising man promised everything. Just give him a bottle—a fancy label—and advertising. A fortune was guaranteed. He could increase your sales from 1000 per cent to 10,000 per cent in a few months—and if that percentage wasn't large enough, he would quote you a bigger amount. The quality of your product didn't matter. The magic of his advertising was all that was necessary.

Unfortunately, there are present today numerous descendants of the old-time advertising man. Under stress of competition they will often make promises that only miracles can fulfill.

I have just read a letter from our Southern office which says: "We didn't get the Blank account because a newly established agency guaranteed a sales increase of thirty-three and one-third per cent within one year with the proviso that they themselves would pay half the cost of the advertising campaign if the quota was not reached."

The product to be advertised is bread. The manufacturer has a large, successful business, and with competitive conditions as keen as they are, a ten per cent annual sales increase would ordinarily delight him.

While advertising plays an important part in the success of most businesses, it is only one of the many spokes in the business wheel.

First, and most important of all, is administration. No business can succeed in a big way without proper

direction and vision. Then comes the product—its quality and its features. Another consideration, how it compares with competitive merchandise is in value, price, uniformity, appearance, together with the size of the natural market for the product. Another factor is the factory and its ability to keep step with the activities of the sales department. More important than that are the operations of its research department and their endeavor to lower manufacturing costs by developing improved machinery or a higher quality of merchandise. Of course, the financial affairs of the corporation are vital. Without intelligent direction and careful handling of the purse strings, no company can endure. Then comes the sales organization—its relation with the trade, its ability to secure adequate and enthusiastic distribution. The general reputation of the company is important. So is the *esprit de corps* that should flow through the entire organization. Advertising can only hope to succeed to the greatest degree if all the other spokes in the business wheel are functioning properly. If there are weak departments the campaign is inevitably doomed to mediocrity or eventual failure.

THE able executive realizes the importance of these parts of his business and can well afford to smile at the effrontery of the advertising man who, with only a smattering knowledge and no intimate study of his method of management, can calmly guarantee a substantial sales increase.

There are many variations of advertising intoxication—some not as serious as others. All, however, are detrimental.

One of the most common of these is idea intoxication—a malady possessed by many executives who, in spite of the productivity of their present advertising, continually in-

sist on injecting new and sometimes diametrically opposed ideas into it. Then, too, there are those who refuse to advertise except when new, dynamic ideas are presented.

"One dynamic idea is worth one hundred bromidic advertisements," they say. Such thoughts as the necessity of continuity and persistency are unspeakable to them.

"Advertise when you have something to say, then when the public sees your advertisements it will always read them because it knows that they contain real messages." The theory looks all right—but the public has a brief memory and seems to buy the merchandise that is most often brought to its attention. Should these same executives endeavor to run their sales departments on such a theory they would be out of business in a very few months.

A close relation of idea intoxication is stunt intoxication. Here you have the executive who wants to do something unusual. He cannot realize the difference between interest in the product and interest in the stunt.

I have a pet story that often puts over a sound advertising campaign and defeats several stunts that have been suggested.

"Suppose you saw a friend walking down the street without his collar. You certainly would look at him, wouldn't you—so would everyone else—but would you speak highly of him and recommend him to your friends as a stable member of the community? That is the way stunt advertising usually reacts. People speak about your stunt, but it doesn't put over the salient features of your product."

To some, typography is everything. To others, the art must take up sixty-two and forty-four-one-hundredths per cent of the advertisement, or it is obviously a poor one. To others it must follow their layout or it cannot hope to win their approval and commendation.

[CONTINUED ON PAGE 78]



You can win this rich market

COMPANIES who concentrate their sales attack on territories that prove most responsive, are putting Iowa near the top of the list for 1928. To understand why, just remember this one point:

In per capita income, as estimated by the Brookmire Economic Service, Iowa stands among the first ten states, and is 14 per cent above the national average.

Industrially, Iowa has 3,500 factories with an annual production amounting to more than \$800,000,000. Agriculturally, Iowa has a gross annual income of approximately \$720,000,000. And commercially, Iowa offers more than 27,000 retail outlets for merchandise. From any viewpoint, Iowa is certainly a market worth winning.

Go after it the right way

To conduct a successful merchandising campaign in Iowa, it is necessary to consider certain unusual features of the Iowa market.

Here is a state with two and one-half million people, but no city of even 175,000. No single newspaper — no two or three newspapers can cover such a market effectively. Iowa's commercial activity is not concentrated in one or more tre-

mendous centers but is divided among a group of important cities, each serving some particular section of the state.

That is why advertisers who understand the Iowa situation have learned from experience that newspaper advertising in these key cities is necessary in securing their full share of the business from the rich Iowa market.

IOWA DAILY PRESS ASSOCIATION

DAVENPORT, IOWA

Ames Tribune	Davenport Times	Mason City..Globe-Gazette
Boone News-Republican	Dubuque Telegraph-Herald	Muscatine Journal
Burlington Gazette	and Times-Journal	& News-Tribune
Burlington Hawk-Eye	Fort Dodge Messenger	Oelwein Register
Cedar Rapids Gazette	& Chronicle	Oskaloosa Herald
& Republican	Fort Madison Democrat	Ottumwa Courier
Centerville Iowegian &	Iowa City Press Citizen	Sioux City Journal
Citizen	Keokuk Gate City	Sioux City Tribune
Council Bluffs Nonpareil	Marshalltown Times-	Washington Journal
Davenport Democrat &	Republican	Waterloo Evening Courier
Leader		Waterloo Tribune



Up-to-date, accurate information on the Iowa market has been condensed into a 32-page book. If you do business in Iowa, you'll be interested in reading it. Free to executives on request.

The 8 pt. Page

by

Odds Bodkins

THE Maxwell House Coffee people surprised Chicago at its breakfast table the other morning with a picture page advertisement in the *Tribune*. This page followed almost the exact make-up of the paper's own picture page, but all the pictures had to do with the opening of a new Maxwell House roasting plant in Chicago.

By some magic of politics or publicity they had pictures of the Mayor opening a bag of Maxwell House Coffee, the Postmaster of Chicago shipping some Maxwell House Coffee by air mail, Melvin Traylor, President of the First National Bank of Chicago and ex-president of the A. B. A., pouring a cup of Maxwell House Coffee; to say nothing of a reproduction of an oil painting of Mr. Joel Cheek drinking the last drop of his famous beverage.

About next week look for an epidemic of picture page advertising!

—8-pt—

The six Constance Talmadge testimonials in one issue of *Liberty* remind me of a word that is the pet aversion of a young woman of my acquaintance. The word is "colorful," and she declares that it is used in almost every advertisement she sees, and every time she sees it she is irritated by it.

Granting that she is sweetly unreasonable, it is sort of annoying to see a word over-used. And I've noticed that "colorful" is worked to death in advertisements, now that I am conscious of it.

Wonder what other words are over-worked. Have you any pet abhorrences that hit you in the face every time you turn to the advertising columns?

—8-pt—

In J. St. Loe Strachey's "American Soundings" I stumble upon Solon's famous reply to the man who asked him whether he felt sure that he had given Athens the very best laws that could be desired.

To which Solon gave this wise answer: "I have not attempted to give the Athenians the best laws that could be made, but only the best laws which they could bear."

That describes a great many of our American laws and institutions.

—8-pt—

Later on in the book Strachey makes a shrewd observation on his own account. Speaking of the press, he says, "What we want here (in England) is more news and less comment. And what America wants is rather less news and more comment."

"Now Two-Dollar Paris Garters" says a news release article, and it goes on to explain that the \$1.00 Paris garter was so successful that the makers have now brought out a \$2.00 garter "packed in the most luxurious conceivable sort of a box—a package that would lend dignity to the finest watch."

There are a lot of things that might be said about this. Three of them are:

That it shows shrewd merchandising imagination.

That the prompt success of such an expensive garter is an index of our national prosperity. It is reminiscent of the Silk Shirt Boom.

That it is the sort of thing that justifies a book like "Your Money's Worth."

—8-pt—

Rambling through "The Letters of William Roscoe Thayer," I came upon this very select anecdote:

The ten-year-old boy of one of my Cambridge neighbors was fuming over his composition. His father suggested that it would be easy enough if he would simply describe something he had seen.

"That won't do," said the boy. "The teacher told us to use figurative language." "What's that?" asked the father. "Oh, that's where you call a rooster a chandelier."

—8-pt—

The Wallops have arrived in town! The Alpha Wallops, they are—sponsored by the Chase Brass & Copper Co., makers of the well-known Alpha Brass Pipe, as a radio announcer would phrase it.

The "average man" has come in for much discussion of late. The "middle west" has been more or less definitely located. In the Wallops we have at last the "average family."

Here they are, George Wallop, his wife, Clara, and their daughter, Lily:



As the first advertisement—Wallop 1, it might be called—puts it, "The Wallops are an average American family. The only great misfortune in their life is that they did not install brass pipe in their house."

There, gentle reader—the secret has leaked; the Wallops are going to make a family life work of selling Alpha Brass Pipe to the unsuspecting American public!

They will go down in history as one of the first families in advertising!

—8-pt—

I very much want a prayer-wheel—a sure-enough old Tibetan prayer-wheel that has turned off a couple of million prayers in its day.

I confess, I don't know exactly why I want a prayer-wheel, any more than Mrs. Bodkins can explain why she wants some of the antiques she wants. I guess a prayer-wheel is my kind of an antique: my spinning wheel, as it were.

I mention this want, not with any immediate hope of obtaining a prayer-wheel. It is just that if I don't begin to let it be known that I want a prayer-wheel, how is anybody going to know that I want one, and when shall I ever get one?

Suffice it to say, that I shall not rest content until I have my prayer-wheel. It and my London office are my two great weaknesses, and now they are both exposed to the cold and critical world! I have neither; some day I shall have both. Perhaps I shall keep my prayer-wheel in my London office!

—8-pt—

In introducing Henry Wickham Steed, editor of the *London Review of Reviews* at the New York Advertising Club the other noon, Harry N. Holmes, of the World Alliance, quoted Lord Morley's definition of journalism as "literature in a hurry."

How, one wonders, would his Lordship define advertising?

What is your idea?

For the definition that strikes me as best I offer a copy of "The Kasidah of Haji Abdu El-Yezdi," (published by Mosher), as a Christmas present.

THE SOURCE OF SALES

Though the rest of the town is as still as the proverbial cemetery, there is one place where life really hums. There the crowds go to market, there they meet for interchange of opinion, there the standards that govern the buying habits of the community are set. It is the "Source of Sales."

And, it is right there that the magazines comprising the ALL-FICTION FIELD are for sale, in town after town, clear across the country. These magazines have a way of centering on sales sources. It is a way which has brought profitable results to a host of national advertisers.



All-Fiction Field

Magazines of Clean Fiction

NEW YORK CHICAGO BOSTON SAN FRANCISCO

The Newspaper Route to the New York Market

[CONTINUED FROM PAGE 24]

emphasize certain elements, occasionally arbitrary bases have been established for groupings, some contradictions may be discovered by careful comparisons of their results,—and yet, in a large vision, the trading areas of Greater New York, as worked out by a dozen or fifteen daily papers, show remarkable agreement. Many of them, in fact, hark back to a study by New York University for the benefit of publishers in common. Their districts may number anywhere from fifty to a hundred and fifty for the city, with fourteen to twenty-five "county" or similar territories in the outlying fifty-mile radius. Each area, whether denominated by name or merely by a number, centers about a "heart" of a convenient trading zone. The manufacturer will find avenues leading into this heart from all sides, varying in length according to the location and character of the section. Yet each zone presents fairly uniform characteristics of racial elements, living conditions, income, educational and æsthetic tastes, etc.

As with newspaper merchandising helps elsewhere, the New York publishers have done much to prepare the way for the manufacturer's salesmen who are sent out to cover these districts. Some newspapers provide detailed route lists of dealers, with route maps. Some maintain a force of merchandise men to do introductory work, as a part of an advertising campaign of course; some are equipped to supervise the manufacturer's own men; some employ really experienced men who train head salesmen for the advertiser.

All of them, varying of course in thoroughness, have had so much experience up and down the Greater City selling and introducing that they possess an intimacy of knowledge that is beyond price to any sales manager. For the newspapers, in their effort to secure "distribution" of their merchandising services, have developed specialists for the various groups of trading areas.

In this way the manufacturer may utilize first-hand acquaintance with a part of the city, or a racial element therein, such as he can hope to gain

for himself only after years of contact.

Beyond the rather obvious zoning of the city for ordinary retail outlets, these newspaper departments possess similar data and acquaintance with industrial groupings of the city,—contractors, warehouses, manufacturing of all sorts, professional and most unexpected classifications. They have, furthermore, definite knowledge of racial and religious buying habits; they know, from daily covering of their districts, the changes that are creeping in from residential to business, from good business localities to poor, and from reputable to questionable standards. If one wishes to open a candy store, the merchandise men can often suggest a promising locality; if a dealer is uncertain whether to price a suit of clothes at \$37.50 or \$42.50, the merchandise men can give helpful leads; if a manufacturer wishes to know whether unemployment among a group of residents is up or down, these same men will probably hold a clue to the answer. They know the city, big as it is; and they know it merely because each man knows a

part. They can give the manufacturer a grasp of the entire market through a composite picture formed of their many sectional views.

The New York market, for the outsider, can best be broken down into convenient areas by using the newspaper trading area data and maps, supplemented by the up-to-the-minute "feel of the pulse" of those areas which is possessed by the better men engaged in this merchandise "service."

Beyond the breakdown of the market into geographical zones, New York requires a cutting up on another basis. This, for the manufacturer, is an advantage, when once he grasps the situation, but it is, far and large, the one element most commonly missed by non-New Yorkers.

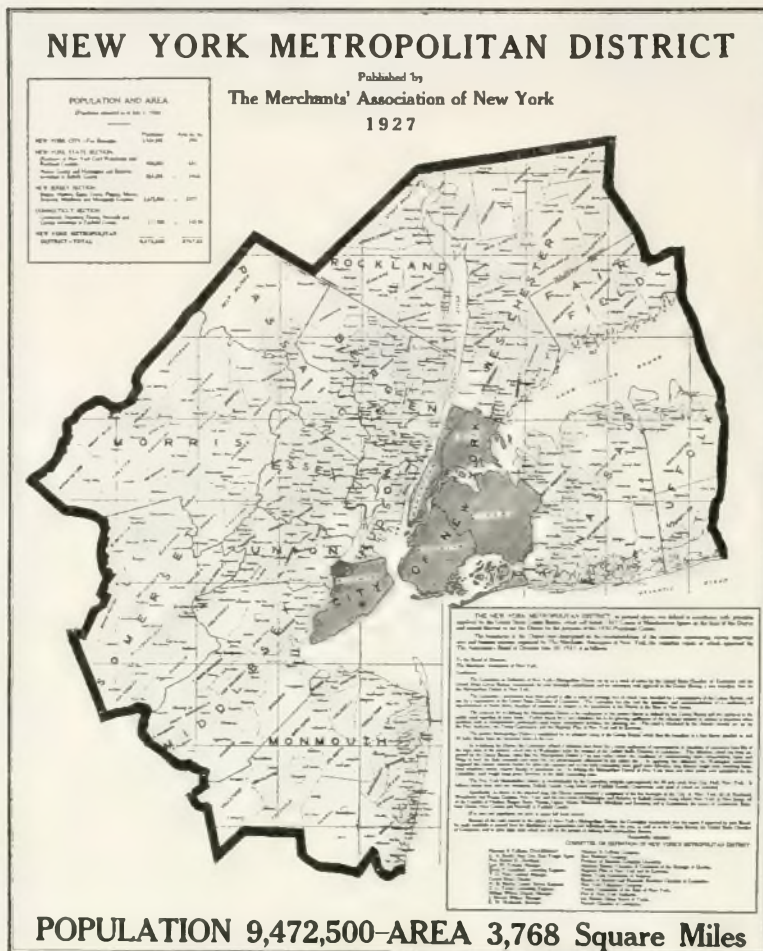
The New York market offers what no other American community has: class and caste. The ten millions may be separated into rather well defined levels of intellectual tastes, buying habits, living requirements and social criteria. Other cities, of course, reveal similar cleavages. The dif-

ference lies in this: in the New York market these strata have each enough population to constitute a practical unit for merchandising and for advertising. For marketing purposes they may be segregated,—in the thought and the plan of the manufacturer. Unless they are, the manufacturer fumbles his approach and his appeal.

Witness some of the facts. The greater city has twelve daily papers in the English tongue, which do not seriously duplicate each other's circulation. Each appeals to a class on an intellectual level. No other city in America has a large enough population of discriminating readers to warrant a *Times*; no other city provides a circulation of a million each day for a *News*.

Lying between such papers as the *Times* and *The Herald-Tribune* and the most sensational of the evening papers are nearly a dozen gradations of newspaper appeal. The one of smallest circulation will outrank all other papers of the country in volume, except possibly a dozen or twenty outstanding circulations.

Although we are, in this article, con-



FLAMING YOUTH and FLAMING COPY



GEORGE
BATTEN
COMPANY

INC.

Advertising

+

NEW YORK
CHICAGO
BOSTON

Theodore Roosevelt, enthusing over "Tess of the D'Urbervilles," declared that the present era would be known to posterity as the age of Thomas Hardy.

The average age of the thirty-one members of our copy department is exactly thirty years. A few of them have never heard of Thomas Hardy, but they know Lou Gehrig, Chance Shot, Helen Wills, Anita Loos, Eugene O'Neill.

Tabloids . . . rouged knees . . . transatlantic hops . . . speed . . . change . . . off with the old . . . call it, rather, the age of flaming youth and hardening arteries.

The writing of copy is more and more a business for young people. Most of the things advertising offers are bought by people of the restless years.

In the thirty-seven years we have been in the advertising business we have prepared successful campaigns for many and diversified products. This experience is here—and firmly nested. The copy department calls on it every hour of the day . . . and pours it forth with the undimmed enthusiasm of youth.

Copywriters of thirty have had enough experience to write forcefully and profitably. They haven't begun to slow up under the poundings of too many cautions.

It's just the age, as a matter of fact, when Hannibal crossed the Alps. And within a year of the age when the little Corsican routed half of Europe at Marengo.

In Step with the Publishing Needs of Industry

Twenty-five years ago, each industry was living pretty much unto itself. Industry traditions blocked progress. "Our business is different" sealed the eyes and ears of plant management in each line, forestalling adoption by one line of successful policies of the other lines about them.

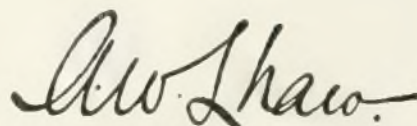
The establishment of "Factory" and of "Industrial Management" symbolized a new era in management thinking—the consolidation of isolated industrial viewpoints into a broad outlook for industry as a whole.

These magazines pierced the walls of the century-old traditional thinking that had separated industries. Growing parallel in service, their pages demonstrated the common principles on which sound production management in any industry is based. They interpreted one industry to another. They served as a timely interchange of policy and method, experiment and fruition.

Today we see a veritable science of management arising from the free interchange of management thinking, accomplished through educational institutions, through national and local associations, through governmental and functional committees and through business papers.


But on publications lies the task of interpreting the common goals of management throughout industry. There is no other quick and universal method to coordinate and make common property the work of all other mediums of idea exchange.

The combination of "Factory" and "Industrial Management" also of "Industrial Engineering" and "Industry Illustrated" insures the expansion of a commanding service to plant management, with resources ample to the task.



A. W. Shaw.


Chairman, A. W. Shaw Company
President, McGraw-Shaw Company



Tomorrow's manufacturing profits lurk in today's plant economies. Far-sighted production management is daily searching for clear principles, enlightened policies, penetrating methods. And industry's insistent demand for guidance makes stronger publishing service inevitable.

How can the activities of the manufacturing world be reported but by augmented reporting staffs!

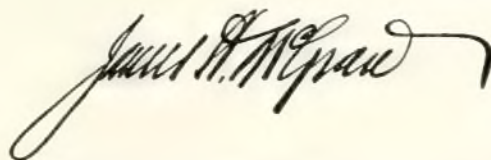
How can significant tendencies be interpreted but by experts in management technique!



To the two publications of McGraw-Shaw Company, therefore, the McGraw-Hill Company pledges its whole resources of manpower and of industry contact. It joins with the A. W. Shaw Company in the backing of an expanded publishing program, in service to both reader and advertiser.

Editors will be given a free hand to interpret industry to itself. They will be expected to assume leadership, to point out production management's short-comings, to mould a program for production which thrusts its way through out-worn traditions and short-sighted inaction. Both "Factory and Industrial Management" and "Industrial Engineering with which is consolidated Industry Illustrated" will be guarantors of continued industrial foresightedness.

And for advertisers, the consolidation of four publications into two will make industrial marketing more effective. Supplementing the markets now offered by both McGraw-Hill and Shaw publications, the McGraw-Shaw publications will complete a waste-free service for the economical movement of industrial products.



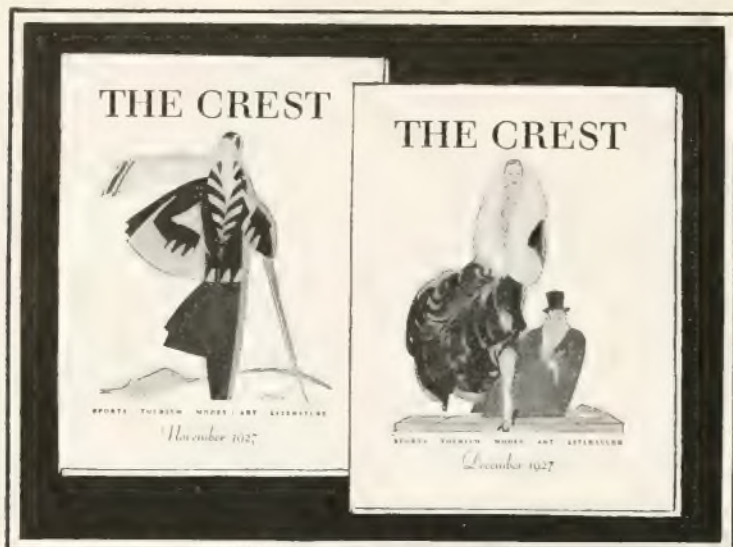
President, McGraw-Hill Publishing Company, Inc.
Chairman, McGraw-Shaw Company

McGraw-Shaw Company

A subsidiary of McGraw-Hill Publishing Company and A. W. Shaw Company

Publishers of "FACTORY AND INDUSTRIAL MANAGEMENT" and

"INDUSTRIAL ENGINEERING with which is consolidated INDUSTRY ILLUSTRATED"



"WHAT'S it all about?" asked the president.

"Well," answered the advertising manager, "*The Crest* is in effect a complete direct advertising campaign in itself, aimed at a market from which come the majority of Cadillac-LaSalle sales—present owners of the cars. It is separate and apart from two other continuous direct advertising campaigns which go each month to new prospects."

"How are they handled?"

"Evans-Winter-Hebb of Detroit are producing all three campaigns."



EVANS-WINTER-HEBB Inc. Detroit

822 Hancock Avenue West

The business of the Evans-Winter-Hebb organization is the execution of direct advertising as a definite medium, for the preparation and production of which it has within itself both capable personnel and complete facilities: Marketing Analysis · Plan · Copy · Design · Art · Engraving · Letterpress and Offset Printing · Binding · Mailing

sidering primarily the newspaper route to the New York market, other media to draw attention must not be overlooked by the smokestack that is fighting for a place in this market. Varying, of course, with the nature of his product, a manufacturer must take account of car cards (surface and subway), painted and electrified signs, and billboards (including those on station platforms). Nor should he forget the theater programs with their large circulation any more than he should omit from consideration the many foreign-language newspapers.

EACH of these media has, in New York, a "class" appeal or a "temperament" appeal far beyond anything to be found in other American cities. Possibly this phase of marketing in New York is most perfectly exemplified by *The New Yorker*, which is by no means a newspaper but which boasts a circulation of 50,000 within the metropolitan area and desires none elsewhere. Deliberately this publication is directed to a certain level of taste and intelligence, with no attempt to appeal to anyone outside a certain definite grouping of the population. It is distinctly a medium of "class appeal" which pretty surely reaches a multitude of readers not otherwise touched, or, at least, not touched in the "particular mood of reading" with which they approach its pages.

New York is a quality market,—various qualities being defined by the tastes and the intelligence of newspaper readers. It is not an exclusive market, socially or financially; for that, it is too big. Snobishness does not factor. It presents, at the same time, our one cosmopolitan market. Differences in its population exist, each rather exacting in demand and each distinctly susceptible to a "different" appeal.

Entering this market involves a few cautions.

Manifestly it is useless to advertise without adequate distribution. Everywhere this is a truism but nowhere is it so disastrous as in New York. The nervousness and the whims of city living are magnified in New York; demand that cannot be satisfied on the instant is soon gone forever.

The sheer immensity of the market suggests that time is required to attain distribution commensurate with a campaign. Five thousand drug stores, 32,000 groceries and 20,000 licensed restaurants, even with all the conveniences of transit, are no small task for the manufacturer who desires to introduce a product. The only mode of attack is that already described,—break down the city into trading areas and assign men to working units of a size that may be cultivated intensively. As each unit is planned, the man to do the work must be selected with reference to its prevailing racial, social and intellectual qualities,—these being largely the basis for demarking a trading district.

A second caution will sound ridiculous. Yet one who has attained outstanding success in this market has remarked: "the biggest sales resistance is in the size of packages." This comment referred to foods.

Manufacturers "break their hearts" because New York stores buy small quantities." They picture the market as they do other cities, where stores are far apart and jobbing services are



AKRON —

5th in Population in the State of Ohio

3rd in Building in the State of Ohio

AKRON'S building permits for the first 8 months of 1927 were \$18,719,920. Cleveland, with four times the population, issued permits for only \$30,015,450. Cincinnati, twice as large, issued permits for only \$24,150,484.

This is just another indication of the wealth of the average consumer in the Akron Market.

Your product can best approach this wealth thru the Akron Beacon Journal, the newspaper that is first in circulation and in advertising in the Akron Market.

AKRON BEACON JOURNAL

Member of the 100,000 Group of American Cities

[STORY, BROOKS & FINLEY, Representatives]
 Chicago New York Philadelphia Los Angeles San Francisco

LA PRENSA

of Buenos Aires

PRESTIGE

It is necessary to talk to an Argentine to understand the unique prestige enjoyed by LA PRENSA at home.

Any international journalist, however, will tell you that for many years it has been considered as one of the most interesting newspapers published due to its enterprise, editorial integrity, and extraordinary social services.

A careful examination of any copy of LA PRENSA, if you read Spanish, will reveal the sources of its reputation.

The characteristics that are immediately apparent are dignity, an independent and liberal outlook, and the presentation of a large volume of factual news, selected for its informative value, including what is probably the most complete service of cabled news in any newspaper.

Beauty of typography and printing are also present, especially on Sundays when there are not less than 24 pages in rotogravure, including pictures and a notable magazine section.

If, instead of a current issue, you examine a copy fifty or more years old, you will find the same fundamental characteristics that mark it today.

Exclusive Advertising Representative

JOSHUA B. POWERS

14, Cockspur St., LONDON, S. W. 1

250 Park Ave., NEW YORK

Important Reminders

regarding the 1928 issues of The Architectural Record

SIZE

Beginning with the January 1928 number. The Architectural Record assumes the larger page size. The new page dimensions are as follows:

Full page	- -	7 x 10 inches.
Half page	- -	3 $\frac{3}{8}$ x 10 or 4 $\frac{7}{8}$ x 7.
Quarter page	-	3 $\frac{3}{8}$ x 4 $\frac{7}{8}$ or 2 $\frac{3}{8}$ x 7.

CLOSING DATE

It is necessary to set the first of the preceding month as the final closing date. Additional time should be allowed if proofs are required. The necessity of cooperation on the part of advertisers and agencies in getting copy in as promptly as possible cannot be overemphasized.

ATTENTION VALUE

The new ARCHITECTURAL RECORD, in the new page size, with a new typographical dress, new editorial features and new methods of pictorial presentation, will be the most talked of journal of the year. It will be read, examined and studied with the keenest interest. It will possess in the highest degree that most desirable of advertising qualities—*attention value*. Nineteen-twenty-eight will be the ideal year in which to run a dominating campaign in the RECORD.

The ARCHITECTURAL RECORD

Division F. W. Dodge Corporation

119 West Fortieth Street, New York, N. Y.

Member A. B. C.

Member A. B. P., Inc.

poor. In the New York market, several stores lie in every block and jobbers number hundreds; moreover, store sizes are tiny as compared with other cities. Therefore both buying habits and space requirements dictate small unit of purchase,—it is not a gross, nor two dozen; it tends to be a half dozen. To meet this situation, packaging into cartons often must be altered unless jobbers are to be forced into broken lots. In the course of many New York interviews of recent months, I have repeatedly asked the question: "If you were new to this market, how would you go about it?" and fully half the replies have prefaced a condition of this sort: "The first study ought to be to determine the size of retailers' buying orders; then make up a package to fit; that smashes the biggest obstacle for any new product."

RUNNING close to the disappointing size of dealer orders is the failure to understand chain-store distribution in New York. Too often manufacturers do not realize that to "sell the chain" through its purchasing department *does not mean* that every one of the chain's 1400 units at once stocks the article. There is just as much competition between chains, even between members of a single chain, as between chains and independents. The manager of a chain branch no more asks for goods on which he is not "sold" or for which there is not a distinct demand than an ordinary retailer orders under the same circumstances. Chains do not, necessarily, give wide distribution; for a new product, they give very little if any. The purchasing agent for the chain does not "ship out" new goods to the component units, demanding that each dispose of its quota. Chains operate on the opposite basis,—the unit's manager requisitions such goods as his community wants.

A further caution grows out of the city's strata of intelligence and taste. Copy that may have put across a product in Cleveland or Detroit *may be* right for New York. Again, it may not. Even if it pulls in some newspapers of the New York market it is a dead certainty that it will not be effective with all of them. No more instructive half day can be spent by the smokestack, before entering this great market, than a study of the advertising copy in the city's dozen papers.

The merchandise is the same, the price is identical, it is the same store,—but the advertising copy, of astute merchandisers in this market, is widely different in the various papers. "Come to Canal Street and save a dollar!" is an appeal fitted to some papers but wholly out of place in others. Four times, from different sources, have I been told of the women's wear dealer who advertised a garment for twenty-five dollars in the "high-brow" dailies with good results; the following week he tried out offering two garments for the same price, with no appreciable gain in sales; then the two appeals were inserted in a paper of another "class" on successive weeks. This time the first advertisement yielded poor results but the second week's insertion required policemen to handle the crowd.

In an exaggerated way, this pictures the New York market. The merchandise and the price are identical, but the *appeal* must be attuned to the caste

tastes of the medium. In other words, the dozen newspapers offer a wonderful chance to present a dozen *appeals* for buying. Study the department stores' differing approach to ten million buyers. Compare the copy, in small-space advertisements, of makers of specialties. Best of all, analyze for contrasts, food and apparel and toilet appeals in the fifteen foreign-tongue dailies, remembering all the time that the merchandise and the price is identical with that advertised in the *Times*. Would a food maker urge *Tribune* readers to buy his breakfast food for its bulk, for its capacity to fill hungry stomachs? Would Classical derivatives be used in wording copy for the *Jewish Forward*? In the *New Yorker* such phrases as "an arriviste air" sound the proper note. How effective would they be in the tabloids?

Another error is to expect complete coverage for too little money and in too brief a time. Let not the manufacturer be misled by enthusiastic accounts of wonderful results of a quick campaign. New York is too huge, its market too glutted with competing merchandise. Campbell or Kellogg or Atwater Kent, with prestige and thousands of dealer connections already cemented, is able to do spectacular things with a new product. The Smith Manufacturing Company of Bigville, with precisely a similar product at an identical price, would bankrupt itself by such an attempt.

Merely to contact the necessary thousands of dealers and the hundreds of jobbers is the work of a year or two. To plan the job is a real task. To attain high percentage of distribution and advertising coverage requires time and money, much of both. Yet,—and this is the winsomeness of the New York market,—with sensible planning the money can be made to bring returns almost from the first and the time can be utilized progressively for bigger and bigger volume. The zones of geography, known as the trading areas, and the strata of taste and intelligence, giving many criteria of "appeal," make possible a gradual attack at the ten millions.

And this leads to what shall be our final "Don't." It is: "Don't be talked into using a one-paper schedule!" In New York it will not give coverage.

We are not here discussing Cleveland or Pittsburgh or Los Angeles. We are considering the Greater New York market. Whatever may succeed in other cities, this is unquestionably true of New York: the one-paper schedule does not work.

THIS does not mean that, at first break into the market, a twelve paper schedule is needed. Probably for the ordinary smokestack the wisest beginning is with a single paper. Even the smallest New York circulation reaches the eyes of as many people as a "complete coverage" paper in another city. To hit hard and often at 250,000 readers will yield results in advance of an appeal thinly spread through a dozen papers. Most campaigns for new products, as a matter of fact, concentrate for the first year on one or two media; then, as distribution spreads and returns begin to "take the market out of red," other papers are added to the schedule.

No argument should be required to bring home this truth. No newspaper in New York reaches all the

COPY that sells must sing!

MASTERPIECES of copy may take many forms—but they will always have one thing in common:

A certain quality which only sophisticated producers and users of advertising recognize or appreciate—but which reaches subtly into the hearts and minds of readers.

As a river in its course will drape the precipice and mirror the forest, refresh the plain and turn the mill-wheel—such copy will have many moods, serve many needs and play a part in many spheres of use.

But there will be no mistaking its essential character.

It will be natural, gracefully effective and in perfect harmony with its purpose and its setting.

SUCH copy will ring with its own sincerity!

Such copy—whatever its form, purpose or media—will be vibrant with its own vitality.

It will allure and suggest, or arrest and impel—as the need may be—by a natural beat and rhythm, a fitting cadence and a motif arising easily from the logic of its message.

Without false note, clash or clamour—it will sing its way into the consciousness and confidence of the reader.

And it will sell BECAUSE it sings!

COPY with this pervasive selling quality is ineptly imitated by writers who but vaguely understand it—or foolishly belittled by those who can not or dare not attempt it.

But its essential quality cannot be even passably simulated by tricks or rhetoric because it flows from a sympathetic understanding of the product to be sold and the market to be served by the selling.

Hence the better agents and the more successful advertisers—

Seek this quality and pay well for it because *they* know that—in these days of keener competition for the reader's interest—

"COPY THAT SELLS MUST SING!"

WALTER CHESTER, 220 W. 42nd St., New York

Writer and Counsellor to Sophisticated Agents and Advertisers



House Organs

We are the producers of some of the oldest and most successful house organs in the country. Write for copy of THE WILLIAM FEATHER MAGAZINE.

The William Feather Company
605 Caxton Building :: Cleveland, Ohio

Established 1847
BAKERS' HELPER
A.B.C. Chicago A.B.P.

is the magazine of Bakery
Practice and Management

It wins mail renewals by service to readers. Not premiums—but business service holds over 9000 live bakers who will buy your product.

BAKERS' HELPER COMPANY
431 South Dearborn St.,
CHICAGO

Shaving Cream & Apples

Radio & Pumpkin Pie

—we are advertised by our approving friends!

ALBERT FRANK & COMPANY
ADVERTISING
James Street
New York City

RADIO

Mr. L. E. Green
1234 5th Ave
New York

Dear Mr. Green:

How like you, you asked me to submit an ad for your "Radio" department. I am glad to make arrangements for advertising in your paper, and I am glad to have you as a customer before replying to your request. I am glad to make arrangements for advertising in your paper, and I am glad to have you as a customer before replying to your request. I am glad to make arrangements for advertising in your paper, and I am glad to have you as a customer before replying to your request.

Yours very truly,
ALBERT FRANK & COMPANY

from P. S. Weil of
Albert Frank & Company
Advertising, New York.

THE radio dealer does not differ greatly from the retailer of ordinary commodities. He is primarily interested in selling. His regard for a product increases with the frequency of its sale. He knows what sells and what sells best. He knows that consumer demand is the only real basis for dealer influence and that the choice of media will make or break a product. Most manufacturers value his opinion.

Quoting from Mr. Weil's letter . . .
 "Frankly the opinions of Freshman Dealers were all very flattering to The News" . . .
 "The mere fact that we used more space for the Freshman Company in The News during the past season than in any other paper, in proportion to its size, certainly upholds our opinion. I can honestly say that The News has proven eminently satisfactory in every respect and you may rest assured that we will continue right along with you in the future."

C. F. KEIDEL
Saddle River Apple Orchards
Largest Commercial Orchard in
Northern New Jersey

Apples

Mr. W. S. Douglas
National Advertising Dept.
New York

Dear Sir:

I am pleased to learn you that the 100 bushels you put for me through National Advertising Dept. are now on their way to the market. The 100 bushels are now on their way to the market. The 100 bushels are now on their way to the market.

C. F. Keidel

from
C. F. Keidel, owner of the
Saddle River Apple Orchards.

JERSEY grower disposed of his surplus crop of apples with two small advertisements. The first ad, 28 lines, brought 250 orders; and the second, 28 lines, brought more than 450 orders. Each order was accompanied by a dollar bill. And the advertising was run at the tail end of a season notable for its large crop. This farmer found his new market in a metropolitan medium, and another firm believer in the effectiveness of advertising was created.

RODEN-CLEMENTS COMPANY . . . ADVERTISING
 1500 Market Street
 Philadelphia
 Pa.
 U. S. A.


Pumpkin Pie

Mr. John Smith,
 The Daily News,
 25 Park Place,
 New York City

Dear Mr. Smith:

I am enclosing a proof of a Pumpkin Pie advertisement which we are in Philadelphia. I have had 25,000 copies of this ad prepared to send to 1000 people in the next few days. In a competitive market of this kind, the advertisement very soon will give the edge to the advertiser.


With all good wishes,
 Sincerely yours,
 I. W. Clements



from I. W. Clements of the Roden-Clements Co. Advertising of Philadelphia, Pa.

ONE advertisement, four hundred and fifty lines, sold 108,000 portions or 27,000 pumpkin pies for Horn & Hardart during the first five fall days that this delicacy was offered to the public. A pie sale of over ten thousand dollars, largely to men. Ten times the volume realized last year for the same five days. Only one New York newspaper was used. The advertising appeared for only a single day, but pulled for five days and produced results far in excess of normal expectancy.

"The only NEW IDEA in shaving since the safety razor"



Shaving Cream

October 27, 1927


Mr. Nelson S. Moulton,
 Daily News,
 25 Park Place,
 New York City, N. Y.

Dear Mr. Moulton:

I thought you might be interested in this new shaving cream and I am sure it will be profitable to you. The advertisement is enclosed and will be in the paper on November 27.

To give you some idea of the new shaving cream, I am enclosing a sample of the cream. It is a new idea in shaving cream and will be a great success. I am sure you will be interested in it. The advertisement is enclosed and will be in the paper on November 27.

Very truly yours,
 T. A. Moulton of the
 Vaniva Products Company, Inc.



from T. A. Moulton of the Vaniva Products Company, Inc.

COMPETING against the inertia of settled shaving habits, the resistance of retailers who had shelves full of other and older shaving soaps and creams, and priced at fifty cents, VANIVA made a successful entry into the New York market. Keyed copy of 260 lines brought 1300 requests for samples—the highest response among papers tested before the campaign. Merchandising service, working with the manufacturers' new specialty sales force, helped open 400 new outlets in the first five days of sales work. The advertising sold the dealers. Results sold the advertiser.

PUMPKIN Pie, Shaving Cream, Radio, Apples—all sold with advertising in this versatile medium. And there was sales Volume as well as Versatility in the medium.

A million and a quarter circulation — of which a million is concentrated within New York City alone; a majority of readers in almost every income class; a comprehensive coverage of America's greatest market; high visibility of the small page; convenience of handling and limited paper size that ensures actual thorough reading; and the lowest milline rate in America — make The News an invincible and indispensable medium in this market. Reserve space for coming schedules now!

THE NEWS
 New York's Picture Newspaper
 Tribune Tower, Chicago 25 Park Place, New York

Bernhard Cursive

is a new tool for your work, a new medium of expression, a new bearer of impressions, thoughts and feelings. It is a vehicle of supreme grace and rare beauty. It expresses through its form and proportions a subtle message of quality and charm and does it more convincingly than any words.

Ask for our Portfolio of Inspirational Prints

The BAUER TYPE FOUNDRY Inc

New York · 239 W 43^d Street

BERNHARD CURSIVE IS PROTECTED BY NUMEROUS DESIGN-PATENT APPLICATIONS

Reinforce Your Local Coverage of the Dallas Market

THE Dallas Morning News is the biggest advertising medium in the Dallas field, and as such it is given overwhelming preference by national advertisers.

A special combination rate between The News and The Dallas Journal (Evening) permits the use of The Journal at a small part of its individual cost.

The Journal gives intense city coverage. Ninety-two per cent of its circulation is city and suburban. It is read by people of good taste and corresponding buying-power.

Use The News and The Journal in combination. One order, one set of plates or copy, one handling.

The Dallas Morning News The Dallas Journal

Both members of the Audit Bureau of Circulations

people. Even the overlap of circulations is not serious; no single paper is read by even a majority of the wealth or opinion or buying power or taste of ten millions. Yet the manufacturer who studies his present trade outlets, who visualizes his potential outlets and who seizes the proper "appeal" for his goods, can select a right newspaper for his needs in Greater New York, and, with one paper, he can do a good job as a beginning to dent this market. He cannot, however, cover New York until he expands into other media.

Manufacturers stay out of this most profitable selling area in the country. They are baffled by first attempts, those efforts being such as have succeeded in other cities. The United States is filled with concerns who "dream" of this market but dare not venture into its throes.

The possibilities, however, for sales promotion are here unrivalled. Within a radius of fifty miles lies a concentration of buying that means wealth to any factory that copes properly with its difficulties,—difficulties that may be overcome by breaking down the one big unit into component zones and strata; and, remembering certain cautions, tempering distribution and shaping advertising appeals to those segments one after another.

Advertising a State

[CONTINUED FROM PAGE 36]

of the South. Add to this his provincialism, his pride, and his faith in the ultimate readjustment of conditions, and it will be understood why many hesitated to take advantage of the more favorable conditions in the South. It required the failure of scores of once-prosperous firms, some nearly as old as New England itself, to bring them to a full realization of their plight.

But the power company used this three-year period to good advantage in building up sentiment in Alabama for industrial development, in gathering further data on Alabama's resources and industries, and in establishing contacts with civic organizations and bankers to assist in the local financing of new industries, the acquisition of sites, tax exemptions, and other local cooperation. Reprints of the advertisements and of the direct mail literature used in the campaign were distributed regularly to Alabama newspaper editors, civic organization officers, and state, county and municipal officials. Advertisements containing reproductions of the company's national advertising were published from time to time in Alabama papers throughout the state, and were supplemented by a weekly bulletin containing short news stories, of a development nature and of interest to Alabama people, clipped from state and foreign papers. From this it should not be judged that the company was guilty of "space-grabbing" in the Alabama newspapers, for it never hesitated to spend its money for advertising space to tell what it was doing for Alabama. The news bulletins distributed from time to time lauded the state and not the company, and were offered in the nature of a service to the papers. In addition, indirect advertising of the state was obtained through a high-powered

NINE MONTHS' ADVERTISING COMPARISON OF LEADING WEEKLIES

LIT. DIGEST
Lost 87 Pages

SAT. EVE. POST
Lost 145 Pages

COLLIER'S
Gained 9 Pages

LIBERTY
Gained 232 Pages



LIBERTY Out-Gains *in* Advertising the 12 Other Leading Magazines *Combined and Individually*

FOR FIRST NINE MONTHS OF 1927

THE thirteen leading national magazines gained 336 pages, of which 232 pages is LIBERTY's individual gain. LIBERTY's gain was nearly *three-fourths* of the total increase. It was 128 pages *more* than the combined net gain of the 12 other magazines. It was 123 pages *more* than the individual gain of the second highest magazine in the list. Only one other national weekly made a gain—and LIBERTY exceeded it by 223 pages!

Magazine advertisers are buying more this year than last. *But they are buying differently*, as this comparison for the first nine months of 1927 over like period of 1926, shows:

	<i>Pages</i>		<i>Pages</i>
LIBERTY	Gain *232	RED BOOK	Gain 12
DELINEATOR	Gain 109	COLLIER'S	Gain 9
MCCALL'S	Gain 91		
LADIES' HOME JOURNAL	Gain 49	GOOD HOUSEKEEPING . . .	Loss 19
PICTORIAL REVIEW . . .	Gain 45	WOMAN'S HOME COM. . .	Loss 23
COSMOPOLITAN	Gain 35	LITERARY DIGEST	Loss 87
AMERICAN	Gain 28	SATURDAY EVENING POST	Loss 145

*Fractions disregarded throughout list. Figures tabulated from Reports of Publishers' Information Bureau.

FOR explanation of advertisers' growing preference for LIBERTY acquaint yourself with LIBERTY's "Points of Advertising Difference." Sent on request of any advertiser or advertising agent.

Liberty
A Weekly for Everybody

247 Park Avenue
NEW YORK

General Motors Building
DETROIT

10 High Street
BOSTON

820 Kohl Building
SAN FRANCISCO

Tribune Square
CHICAGO

COMBINED NET GAIN
12 MAGAZINES ~ 104 PAGES

LIBERTY GAINED 232 PAGES



Presuming that you are a manufacturer of industrial equipment Have you ever made sure whether the gas industry affords you a market? You will have full and competent advice on the question, three days from now, if you care to consult with us. No obligation attaches.

G A S A G E - R E C O R D
 9 EAST 38th STREET
 New York

broadcasting station operated by and at the expense of the company for several years. Gradually a growing sentiment for local and state development was created, in which the state's newspapers played the leading rôle.

Though for the first three years only a few relatively small plants were brought into Alabama, during that period many existing industries were expanded and many new enterprises were financed by local capital.

But finally a large, nationally-known industrial organization established a branch plant in Alabama early in 1925. Strange as it may appear, thus was the ice broken and the battle won, for many other large organizations followed in the wake of this ladder.

Translated into general terms of benefit to the state, individual communities, and the man in the street the establishment of these new industries created new consumers of Alabama's raw materials and semi-finished products, thousands of new jobs for skilled and unskilled workers drawn from unprofitable and overcrowded agriculture, an increase in population, the creation of new payrolls, local markets and more consumers for farm and manufactured products.

Media Records, Inc., New Lineage Bureau

IN order to offer publishers, advertisers and advertising agents a national and standardized audit of advertising lineage, a new organization has been formed, Media Records, Incorporated, with offices in New York, Boston, Columbus, Chicago and San Francisco. These five offices established in advertising centers are prepared to render publishers twenty-four hour service.

The bureau is already operating and will release its first report on January 1. From then on the reports will appear quarterly, each report being bound in book form. While the charge for the service has not yet been definitely determined, it is believed that it will be approximately \$500 a year.

Each report contains a record of the amount of advertising carried by each newspaper tabulated under 151 classifications and sub-classifications. Sunday and daily papers are considered separately, the classifications being standardized to apply uniformly to all papers. They will also record every line of advertising published by each national advertiser in papers in cities over 100,000 population.

An executive board has been formed to consist of nine members of important advertising agencies to whom the problems of the bureau will be referred. This board consists of: N. K. McInnis, N. W. Ayer & Son; Frank M. Lawrence, George Batten Company; Elmer E. Bullis, Lord & Thomas and Logan, Inc.; George Pearson, J. Walter Thompson Company; Ralph Starr Butler, Postum Cereal Company; S. E. Coneybeare, Armstrong Cork Company; John E. O'Mara, O'Mara & Ormsbee, Inc.; George A. McDevitt, George A. McDevitt Company; Frank Hubbard, Barton, Durstine & Osborn, Inc.

Associated with Mr. Rock are Arthur M. Crumrine and W. H. Johnson. The New York offices are located at 245 West Fifty-fifth Street.



HERE in the New York market containing nine and a half million people—offering advertisers far greater sales opportunities than any other market in the world—The Sun is recognized as a selling force of unusual power.

To sell their products in this fertile territory—both national and local advertisers use more space in The Sun than in any other evening newspaper. They have found that advertising in The Sun creates sales, brings customers, increases business.

The Sun has a larger home circulation among the active, prosperous people of the New York market than any other week-day newspaper. It reaches all members of the family six days a week. And 96 per cent of its readers live in the city and suburban territory.

The Sun



280 Broadway, New York

BOSTON Old South Building WASHINGTON, D. C. Munsey Building CHICAGO 208 So. La Salle St. LOS ANGELES W. M. Garland Building SAN FRANCISCO First National Bank Building

Securing Distribution of Industrial Goods

[CONTINUED FROM PAGE 22]

the market; the average unit of sale; the credit standing of the users; the regularity of demand; the degree of promptness in delivery required; the opportunities for economy in shipping; and the amount of technical sales service needed. When the number of potential users is small, the market concentrated, the unit of sale large, the credit standing of users high, demand regular, prompt delivery not of major importance, economies in shipment possible, and technical sales service needed, direct marketing is favored. Contrary circumstances, on the other hand, favor indirect marketing.

A RAILROAD company buying steel rails or purchasing a locomotive deals directly with the manufacturers of those products. The unit of purchase is large enough to warrant direct dealings. In the marketing of locomotives, moreover, the element of technical sales service enters. For another example, take the case of a company which manufactures newsprint; if the company undertakes to sell to newspaper publishers in the large cities, direct marketing is practical, since those publishers buy in large quantities and regularly. A manufacturer of book paper which is to be used for the printing of booklets, pamphlets, circulars, and miscellaneous notices, on the other hand, must have his product distributed in small lots to scattered job printers who require prompt deliveries and whose credit is not always of the best; hence jobbers' services are required for supplying that trade.

Several factors commonly combine to determine a producer's choice between direct marketing and indirect distribution. In the book paper business to which reference was just made, for instance, the size of unit sales, delivery requirements, and credit standing of purchasers all affect the selection of marketing methods. The experience of a manufacturer of drilling machinery illustrates how one set of circumstances may lead to direct marketing and another set to indirect distribution even by the same company. This company after manufacturing rock drilling machines for use in ore mines for some time, added to its line drills for use in rock quarries and in such work as pavement breaking and the demolition of concrete structures. When the company entered the mining field, it had decided to sell directly to mining companies, since the mining districts afforded sufficiently dense markets and the size of the orders would be sufficiently large to warrant adoption of that policy; technical sales service, furthermore, was required for inducing the mining engineers and superintendents to specify the company's machines when they sent requisitions to the purchasing agents of the mining companies. Conditions in the market for the new line of drills, however, were very different from those in the mining industry. The num-

ber of potential customers was large; the unit sale frequently was small; the demand in numerous instances was sporadic; and it was necessary to provide liberal credit terms. Under these circumstances, the company decided that it could distribute its products to the quarry and contractor markets more economically and more effectively through supply dealers than it could by direct marketing.

In the marketing of installations direct methods predominate. Such equipment as lathes used in small machine shops and job printing presses often are handled by dealers or jobbers, for the purchases of such items by scattered users are small, infrequent, and irregular; but factory equipment such as knitting machines, spinning frames, looms, material-handling equipment, refrigerating equipment, and steam boilers usually is marketed directly. Construction materials, such as steel sash and valves and fittings, are sold by several manufacturers directly to contractors employed to erect large buildings. Orders for installation in factories commonly are large enough to warrant direct marketing of those items, and, in numerous instances, technical sales service is required or is at least advantageous for making sure that the equipment is suited to the needs of the purchasers.

FOR accessory equipment, both direct and indirect methods of distribution are used. Several manufacturers of mechanical conveyors sell directly to users and employ skilled sales engineers for analyzing the requirements of prospective users. Several large manufacturers of automobile trucks distribute through dealers in sparse markets, but sell the bulk of their output through the efforts of their own salesmen in the industrial and commercial markets. Manufacturers of factory steel equipment such as tools, bench legs, and bins usually distribute through dealers. Likewise micrometers and other precision instruments for metal working plants, printers' tools such as composing sticks, galleys, lead and rule cutters, and ink-mixing knives, and mechanics' tools generally are distributed by jobbers or supply firms, not directly by the manufacturers. Electric drills for use in automobile repair shops similarly go through jobbers' hands.

Occasionally a manufacturer of supplies markets his products directly to users. For instance, a company making a compound for cleaning metals in plants which manufacture metal parts and small metal objects employs trained salesmen to advise prospective customers regarding the utilization of the compound. In general, however, supplies are distributed through dealers and supply firms, which spread their selling expenses over a variety of goods, call on their customers frequently, and carry stocks from which prompt deliveries can be made.

Fabricating parts, such as automobile bodies, truck tires, and rubber heels for shoes, usually are bought in large enough quantities to permit direct sale, and, in numerous instances, prolonged negotiations take place between the fabricator and the manufacturer of parts regarding the detailed specifications of the parts and the terms of sale.

For fabricating materials and process materials it is common practice for manufacturers to sell directly to users when purchases are made in car-lot quantities, leaving the less than car-lot business to be handled by jobbers and dealers. The steel companies, for example, take contracts for direct shipments in car-lot quantities, while much of the trade in less than car-lot quantities goes through the hands of iron and steel jobbers. One of the manufacturers of alcohol and allied chemicals for industrial purposes features a policy of direct sale, even in less than car-lot quantities. One manufacturer of soda ash, bicarbonate of soda, and other alkalis has a similar policy of direct sale in both large and small quantities, whereas a competitor accepts only car-lot orders for direct shipment.

This summary indicates one of the outstanding differences between the trade in industrial goods and the trade in consumers' goods. The possibilities of direct sale and the conditions which give rise to those possibilities are foreign to the markets for most sorts of consumers' goods. This is one of the reasons why the problems of marketing industrial goods, if they are to be solved effectively, must be approached as a distinct type of marketing problems. The advertising agent, for example, who is accustomed to preparing copy for consumers' goods, is likely to make a sorry showing in industrial advertising until he learns to distinguish clearly between the characteristics of the two general types of markets.

IN connection with the direct marketing of certain types of installations and accessory equipment, one of the major questions of policy is whether to sell outright or to lease. If the equipment is leased it may be either at a flat rental rate or on a royalty basis. Examples of marketing equipment by leasing are afforded not only by the shoe machinery industry but also by the tabulating machine business, the carton machinery industry, formerly by the coke oven industry, and by several others.

One of the chief reasons for leasing equipment instead of selling it outright is that thereby higher financial returns may be secured. These higher financial returns are partly the result of the rates that are charged and partly the result of facilities for sales promotion which the lease system affords. The lease system usually is utilized only for equipment protected by patents. The higher rates that are charged by

SOARING TO NEW HEIGHTS!

*Breaking Our Own Past Records
and Making New Ones*

Muncie and Eastern Indiana Families
Show Their Preference for

The Muncie Morning Star

By Boosting The Star's Circulation to

24,202

Total Net Paid Subscribers as of
Friday, November 4th, 1927

9,693

Subscribers in
MUNCIE

Alone

An average of 95 out of every 100
Muncie homes buy The Star.

20,022

Subscribers Within an Average
18 MILE RADIUS

This figure includes Muncie Circulation and covers that territory from which Muncie draws its business.

12,880

Subscribers in
DELAWARE COUNTY

Alone

There are 14,646 homes in this county. This is an 88% coverage.

The Muncie Star is a member of The Star League of Indiana—The Indianapolis Star, The Muncie Star and The Terre Haute Star.

By using all three papers the advertiser can save four cents a line.

SPECIAL REPRESENTATIVES

KELLY-SMITH COMPANY

New York — Chicago

Boston — Philadelphia

...when you consider 1928...

Think from the angle of the observer rather than *how little the cost*. Prestige-appeal advertising cannot be reckoned by price. How is this class dignity to be acquired?

The third dimension and bas-relief provide that certain distinction not to be acquired in ordinary pictures. A substantial display at the point of selling that will be continually exhibited because of the outstanding attractiveness it commands: i.e. advanced advertising.

Old King Cole Laminite Papier Mache is a product that has every advantage for such advertising!

**OLD KING COLE
LAMINITE PAPIER MACHE
CANTON, OHIO**

Jewish Daily Forward. New York

Jewish Daily Forward is the world's largest Jewish daily. A.B.C. circulation equal to combined total circulation of all Jewish newspapers published. A leader in every Jewish community throughout the United States. A Home paper of distinction. A result producer of undisputed merit. Carries the largest volume of local and national advertising. Renders effective merchandising service. Rates on request.

A FINE SUBJECT IS WORTHY OF FINE TREATMENT

To All Users of FilmSlides

THE SPENCER LENS CO. OFFERS COMPLETE SERVICE

including

Consultation regarding application to your Sales Program.

Suggestions for, or complete scenarios for Visual presentation of your Sales Story

and

A LABORATORY EQUIPPED WITH APPARATUS DESIGNED AND BUILT IN OUR OWN FACTORY EXCLUSIVELY FOR FILM-SLIDE REPRODUCTION. IT IS UNIQUE—NOTHING ELSE LIKE IT IN THE WORLD, AND IN CHARGE OF AN EXPERT—A SCIENTIST.

**SPENCER LENS CO.
BUFFALO, N. Y.**

New York, Chicago, San Francisco, Boston, Washington

SPENCER LENS CO., Buffalo, N. Y.

I am interested in securing information on:

Name _____ Position _____
Company _____ Address _____




Tie-up

Your Consumer Campaign with Trade Publicity

for Sample Copies address:
KNIT GOODS PUBLISHING CORP
95 Worth Street New York City

Don't miss an issue of Advertising & Selling. Send in your old and new address one week before the change is to take effect.

MOVING



Folded Edge Duckine and Fibre Signs
Cloth and Paraffine Signs
Lithographed Outdoor and Indoor Displays

THE JOHN IGLSTROEM COMPANY
Massillon, Ohio Good Salesmen Wanted



FILMSLIDES



SPENCER SALESMAN'S PROJECTOR

some companies for leased equipment, therefore, include the monopolistic profits which they are permitted to gain as reward for their ingenuity in devising machines worthy of patent protection. Monopolistic control, however, is not the only consideration involved in deciding whether to lease or to sell machinery outright; in so many instances are patented machines sold outright that the leasing problem obviously is one of distribution policy as well as of price policy.

FROM the standpoint of distribution policy, one of the advantages of the leasing system is that under it less sales resistance is encountered, especially in the introduction of a new and expensive item, than is encountered under a system of outright sale. Expensive tabulating machines, for example, will be installed on leases in many offices which would not purchase the machines outright, at least not at the outset. When equipment is leased, the lessor bears the risk of obsolescence and finances the capital investment. A prospective user often will be less reluctant to try out a new kind of machine when relieved of these risks. This was the case, for example, when machinery for packing goods in cartons first was placed on the market. Another example is that of a special type of knitting machine for use in the lace industry. Still another example is afforded by a company which is just now putting on the market, under a lease system, an ingenious instrument in which radio principles are applied to the measurement of the regularity of thickness of rubber, paper, and similar materials during the manufacturing process.

For some expensive items of equipment, moreover, many of the potential users have such limited financial resources that they could not purchase outright. Use of the lease system under such circumstances widens the market. Examples of this sort have been furnished in the shoe manufacturing industry, where some of the most expensive machines are leased on a royalty basis; and in the tailor trade, where pressing machines are leased to small tailor shops.

Use of the lease system, furthermore, not only facilitates the introduction of expensive, new, and improved equipment, but it also facilitates the introduction of improvements on that equipment. The United Shoe Machinery Corporation, for example, maintains a large experimental staff, and the improvements invented by that staff are utilized much sooner by shoe manufacturers than they would be if the machinery were sold; the reluctance of owners to scrap machinery which is in good working order, even though it is obsolete, is a substantial obstacle to the sale of improved equipment.

When machinery is first applied to the performance of operations previously done by hand, as in shoe manufacturing seventy years ago, or to the performance of new operations, such as packaging cereals in cartons, the chief market is for new equipment. As the machinery comes into more and more general use, the expansion of the demand for new equipment slackens and the demand for repair parts increases. A company which leases the machines that it makes controls the market for repair parts used on those machines—

Yesterday . . . Today and Tomorrow

*To thoughtful investors in advertising space
the following facts will be significant—*

When The Crowell Publishing Company acquired the Woman's Home Companion, its circulation was 469,104. Its circulation today is 2,200,000. Advertisers have shared steadily in the profits incident to its growth.

. . .

When The Crowell Publishing Company acquired the American Magazine, its circulation was 248,655. Its circulation today is 2,200,000. Advertisers have shared steadily in the profits incident to its growth.

. . .

When The Crowell Publishing Company acquired Farm & Fireside, its circulation was 380,000. Its circulation today is 1,250,000. Advertisers have shared steadily in the profits incident to its growth.

. . .

And NOW it's Collier's.

THE CROWELL PUBLISHING COMPANY

Collier's

— now more than 1,500,000

*As advertised
in the*

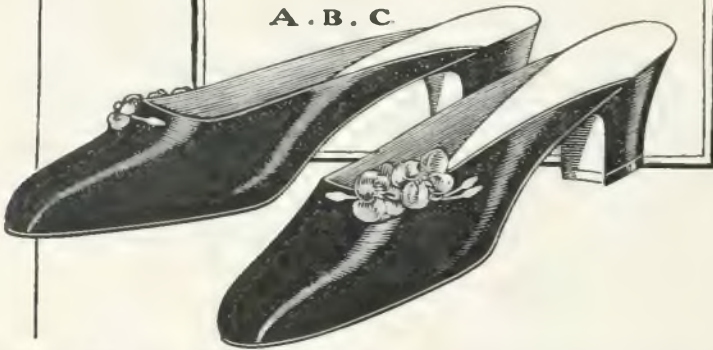
BOOT and SHOE RECORDER

B O S T O N

Daniel Green Comfy Slippers, nationally advertised by the Daniel Green Felt Shoe Company, find quick and profitable merchant acceptance through page advertisements in the Boot and Shoe Recorder, the great national shoe weekly.



A . B . P.
A . B . C



Chicago New York Philadelphia BOSTON Rochester Cincinnati St. Louis

an advantage of no mean significance.

While the lease system enjoys the advantages that have been enumerated, it also involves special burdens for the company which utilizes it as a method of distribution.

The extra financial investment that it requires and the risk of loss from obsolescence are obvious.

A company that leases machinery to users, furthermore, must set up an organization for providing inspection, repair, and upkeep service, which becomes costly in a scattered market.

Although the lease system lessens sales resistance in placing a new type of equipment on the market, it is significant that when the dependability of the machinery has been proved, the tendency is for the lease system to be supplanted by outright sale except in those cases where monopolistic control is preserved by means of patented improvements.

A company which manufactured machines for packaging cereals and similar commodities leased its machines to users at the outset; after the expiration of the patents, however, competitors offered similar machines for sale and the company has found that many of its customers prefer to buy rather than to lease.

THE first company to manufacture coke ovens in the United States built and installed the ovens on customers' property and also operated the ovens, receiving remuneration at monthly or yearly rates or from a royalty per ton of coke produced. That plan continued till 1912, when another company began to introduce ovens of a type developed in Germany.

At a slightly later date a third company entered the field. These two competitors offered their ovens for sale and the first company changed from a leasing to a selling policy.

A company which developed a particularly efficient process for producing carbon dioxide originally leased the equipment; now, however, the company also offers it for sale. A company that invented devices for spraying molten metal on metal surfaces at one time leased the equipment, but now has given up the practice. These cases illustrate the tendency for the leasing system to be supplanted by outright sale.

The reasons why customers prefer to purchase machines of proven dependability rather than to lease them in such instances as have been cited comprehend not only the anticipation of lower costs, but also greater independence in controlling the equipment, freedom from inspection, and, if the leases are on royalty terms, relief from the necessity of reporting the volume of production.

Another broad question of policy involved in direct marketing concerns the employment of selling agents, brokers, manufacturers' agents, and manufacturers' representatives. That question will be taken up in connection with problems of sales organization. When a company utilizes indirect methods of distribution, the problems of dealer relations loom large and it is to that subject that attention is next to be directed.

This is the fifth of a series of articles on industrial marketing by Professor Cope-land. The sixth will appear in an early issue.

**EASTERN
REPRESENTATION**
for
Publications of Merit

John Schaefer
Publishers' Representative

55 WEST 42 St.
New York

**Here is the Cap
that** helps to increase sales, because
¼ turn easily opens and ¼ turn securely
seals.

Write for prices

AMERSEAL CAP

AMERICAN METAL CAP COMPANY
Brooklyn, N. Y.

THE ADVERTISING LINEAGE OF EVERY ADVERTISER



Media Records, Inc., has marshalled an army of trained auditing and accounting experts as one organization to compile advertising lineage under a national, standardized system of newspaper measurement:—

- To provide a national source of advertising lineage information for agents, advertisers and publishers.
- To measure each display advertisement of every advertiser, national, local, automotive or financial.
- To classify and tabulate every advertiser under a standardized and uniform system of classification.
- To furnish the complete and detailed lineage record of every newspaper in every city of over one hundred thousand population.

Media Records, Inc., answers the insistent demand of the advertising profession for a national audit of newspaper lineage and furnishes a service now available to publishers, advertisers and advertising agencies.

Prospectus on request

MEDIA RECORDS

INCORPORATED

245 WEST 55th ST., NEW YORK CITY

Boston

New York

Columbus

Chicago

San Francisco

The OPEN FORUM

Individual Views Frankly Expressed

Concerning Claude Hopkins' "My Life in Advertising"

"I SEE be the pa-pers," as Mr. Dooley used to say, that Hopkins' new book is already attracting attention. Harry Hansen, the New York *World's* clever columnist, wonders what a man gets out of life who works so hard at it. It seems, however, that one must get much out of life who does as much for his fellow men as Claude Hopkins has done. Maybe Brother Hansen doesn't know the value of this book to us in advertising. I suspect that if it were made up of short cuts to journalistic success he would write about it more appreciatively.

I might as well say exactly what I mean while I'm at it and express as my personal opinion that this book is the most valuable single contribution which has ever been made to advertising progress. Since you had the editorial foresight to run it in your own columns, you probably cannot in good taste review it, but it ought not to go without further notice in any publication dedicated to advertising progress.

Mr. Hopkins' value to the advertising world lies as I see it in his individual performance and in the way he has preserved the record of both his successes and his failures. The thirty-five year story is plain to read and unobscured by confusing elements. No other factors enter into it to any extent, such as cooperation with organizations. The man has been and is an individualist, working out singly his own theories. As such it is easy to get him under the glass and see what makes him tick. And as you examine him and his work through the medium of his own revealing simplicity and frankness, you get, (if you are willing to admit others may know more than you do) a tremendous stimulus of solid fact information. There are no frills and few theories in this book. It says "This is what I tried, and this is what worked." Hopkins is to be judged according to two criteria: his own success and the reader's own experience. The first speaks for itself. So far as the second is concerned, if my own twenty odd years in advertising have taught me anything, they lead me to believe that Hopkins is closer to one hundred per cent right than any other writer on advertising it has been my good fortune to encounter.

KENNETH GROESBECK, *President*
Groesbeck-Hearn, Inc.,
New York.

Renewal Percentages

A RECENT issue of ADVERTISING AND SELLING contained a short article entitled, "Can Renewal Percentages Be Too High?" in which the publisher who wrote it suggests that a renewal percentage of about forty per cent is ideal. Of course, he has in mind only the smaller business papers—those covering a very limited portion of their respective fields. For obviously no business paper reaching the majority of units in its field could long continue in business with such a low renewal percentage.

If a publication started with perfect coverage (100 per cent), it would enter the second year with but forty per cent. Where would it go to fill up the gaping hole in its circulation? And where would it be the third year, and the fourth?

Naturally this does not apply to the small publication reaching ten, twenty, or thirty per cent of its field. It can cultivate a small patch of its field this year, another next year, and so on, *ad infinitum*. While it might be an excellent advertising medium it could not be an important factor in an advertising campaign, by reason of its sketchy "coverage" of its field.

To my mind, the business paper's circulation list should duplicate as nearly as possible the "prospect" and customer lists of its advertisers. If a publication reaches only forty per cent of the advertiser's market in a certain field, it is equivalent to the advertiser using a prospect list containing only forty per cent of the buyers in that field. Certainly, the business concern that neglects more than half its "prospects" is not going to get very far in these days of hard competition. Similarly, advertising which misses the majority cannot be expected to play a strong part in the advertiser's sales work.

The author of the article cites, as an illustration of the virtue of small renewal percentages in certain fields, a farm paper. This agricultural publication doubtless thrives on mail order advertising, but very few people are selling business paper fields today by the mail order method. Competition offered by personal selling is too strong. The major function of business paper advertising today is not to make direct sales, nor even to produce inquiries, but to cut the cost of personal selling.

ARTHUR H. DIX, *Manager*
Reader Service Department,
The Iron Age, New York.

Why Illegible Letters?

SOME time ago, I saw an advertisement in a newspaper which measured about a quarter of a page. It extolled the merits of a certain gasoline—the entire message of the advertisement being written around and dependent upon the text of a letter of which there was a facsimile reproduction. I tried to read this letter and the type was so small that it required the aid of a magnifying glass to decipher it.

Here was an advertisement whose whole import depended upon the contents of that letter, which was so greatly reduced as to make it practically unreadable. Just what did that advertiser wish the reader to do? Did he want him to read the letter? If so, why did he not make it large enough to be legible? Here was an advertisement, probably costing thousands of dollars, with the whole substance of its story lost.

This seems to be a common failing in the facsimile reproduction of testimonial letters. The advertiser starts off in a bold way with a good headline and large type leading one up to what the letter has to say—and right there nine times out of ten the reader stops. The letter is too small to read—and the prime part of the advertisement with its message is wasted.

It seems to me if a letter is of such importance, that it should be reproduced so that it could be read—and read without straining one's eyesight.

Some advertisers, to get around this, circle important phrases here and there, but even that falls short of its aim if it cannot be read easily. If mechanical requirements necessitate making a letter small, the least that could be done would be to magnify that part which bears the kernel of the thought or message.

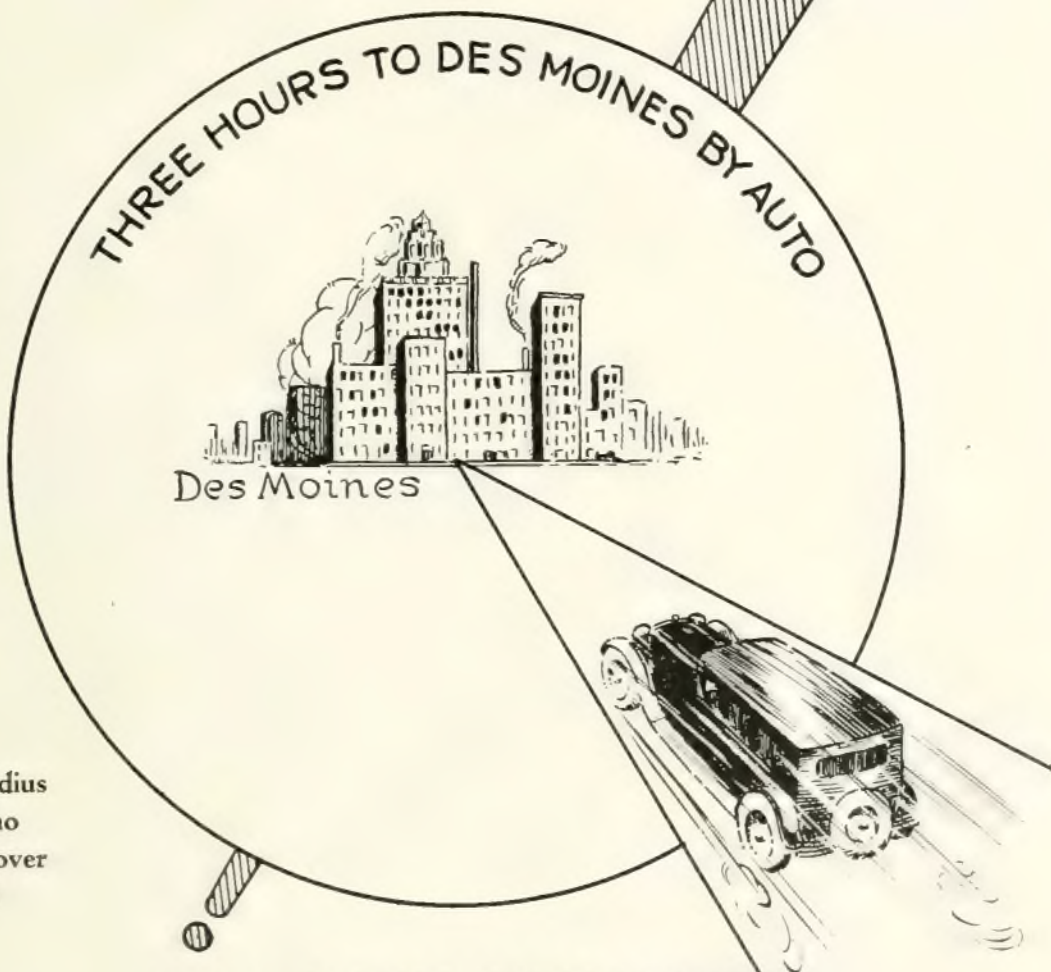
If it is necessary to print a letter differently from the rest of the text matter—why not use a different type face? It would not detract very much from the appearance of the page, yet it would differentiate the text of the letter from the text of the article and one could read it comfortably.

It is hard enough to make people read advertisements without handicapping them. If the letter is worth reading at all—make it large enough to be legible. If it isn't worth reading—why not leave it out and write some good selling copy instead.

JOHN FALKNER ARNDT, *Pres.*
John Falkner Arndt & Co.,
Philadelphia.

More than a million

Iowans live within a three hour auto ride of Des Moines



In this radius there is no other city over 30,000

226,804 DAILY CIRCULATION*
99% IN IOWA

Des Moines Register and Tribune

*OCTOBER NET PAID AVERAGE

Julius Rosenwald:

"I was so delighted with the frank and refreshing statements in 'Old Sox on Trumpeting' that I have sent out a large number of copies to friends . . . The author has rendered a real service . . . and he has done it well."

Gundlach's book "Old Sox on Trumpeting"

—a book that every man interested in sincere advertising should surely read—out only eight weeks and selling this week at a rate to exhaust the first edition in a few weeks.—READ IT.



362 pages 12 mo. cloth, 43 full page illustrations

Wm. Wrigley:

"'Old Sox on Trumpeting' is certainly an eye-opener for business men who want to know what *results* they get from their advertising."

The Editor of Advertising & Selling, Mr. Frederick C. Kendall, writes:

"Old Sox isn't one of those books you will complacently agree with—and quickly forget. It will make you violently enthusiastic—or violently mad."

Earnest Elmo Calkins writes:

Mr. Gundlach's opus will be read with entertainment by all advertising men and by all manufacturers who are familiar enough with advertising to appreciate the hits.

Homer J. Buckley writes:

An extremely keen analysis of the fundamentals of advertising without technical details.

THE book is a burlesque. The head of a well known special agency said: "I laughed until my sides ached."—But the underlying purpose is serious. Socrates ("Old Sox"), step by step, asks questions, and digs down and down to the fundamentals of advertising. He forces close reasoning, clear definition, accurate statement of theories. Finally simple, common sense methods of advertising to secure action by consumers are suggested. Read "Old Sox"!

On Approval

Send copy of Gundlach's book, "Old Sox on Trumpeting," on 10 day approval. Price \$2.

Name

Address

Position in firm

Name of firm

Tear out this coupon and present to any bookseller (he has the book or can get it) or mail to:

CONSOLIDATED BOOK PUBLISHERS, INC.,
S. H. Livingston, Pres., 2244 Grove St., Chicago.

In case of an official or department head, of a rated firm, invoice can, if desired, follow; otherwise please enclose \$2.00; money refunded if asked.

Everybody's Business

[CONTINUED FROM PAGE 5]

The exercise of the rankest kind of stupidity comes from some of our brightest minds. Great nations are always in bitter disputes with one another because their leaders laud national tendencies that are highly destructive. Along comes a disagreement about a boundary, a foreign policy, a great supply of oil, a method of government, or even a question of religion, and we are quickly encouraged to develop an intense dislike for the entire population of a foreign land. Famous literary figures lend their superior mental faculties to the antecedent plans that finally bring war into reality.

It is our ruling classes, not our ignorant people, who get us into trouble. Very often it is not our wicked element, but our highly moral citizens, who show greatest ability to develop indignation and hate. One may look where one will and read what one may without discerning any marked tendencies throughout the world to get away from the plans and policies that for centuries have brought war and ruin to the peoples of the earth. Everywhere the State is under the domination of wealth in the form of "big business."

A comparatively short time ago almost everyone here in the United States was in business for himself. The small retailer was majestic in his freedom of action. Each family maintained a high degree of independence and in a large sense was both economically and socially self-sufficient. As recently as the administration of Roosevelt the chief aim of government was to prevent the over-centralization of property and executive authority.

But human nature got busy, and, as usual, we went to an extreme. Restrictive action was carried too far. This brought a return to ultra-conservatism in political and economic fields. Now in the realms of politics and organized labor the radical has very little standing. Individuality is disappearing. People everywhere are commencing to look and act alike. Even the women in Turkey are substituting modish hats for the time-honored head scarf. The big corporation is displacing the little dealer. The huge transportation system is doing away with the small railroad. In our super-sentimentalism, public actions are influenced more by kindness based on sympathy than by justice founded on judgment.

We say, "that government is best which governs least," and then go ahead and pass 5000 laws a week. We talk about dispensing with legal limitations so that business may be left entirely under the control of economic law. This we propose at a time of transition when the immediate result of such a policy would be the creation of a machine autocracy that would take away not only the freedom of our bodies, but also the freedom of our minds.

What I am here striving to get across is the folly of assuming that the road ahead is free of pitfalls. Prosperity swells us all up. Full pockets bring mental laziness and make it easy to accept ready-made opinions. Many of

us at present do not object to giving up our freedom to think, but we are determined that no one shall take away our freedom to drink. Respect for law has become a matter of convenience and comfort.

Fortunately our younger generation will probably save the day for us. Youth is tearing the curtain aside disclosing the truth about our egotism and stupidity. It has a moral honesty and mental balance that will draw it away from its present tendency to exaggerate indiscretions. Soon there will be an end to the reign of immodesty and any display of vice will be in as bad taste as eating mashed potatoes with a knife. We will once more have the refreshing experience of leaving something to the imagination. Things that become so common that they fail to attract attention quickly go out of style. Satiation can be a matter of the eye as well as of the stomach.

When some of these ideals are realized it will be time enough to talk about perpetual prosperity. Human nature controls society in its largest aspect. It is the prime source of the unexpected happening, the great puzzle of life, the unbridled force that is always upsetting the best laid plans.

The factors that brought up distress in the past were not recognized until their consequences were felt. Inflation comes in a variety of disguises. Certain elements were inflated in 1907, different ones in 1921, and still others today. Since our last depression bank loans have risen ten billion dollars. Investment holdings in these banks have increased seven billion dollars. Loans to stock exchange brokers have jumped from less than a billion dollars to four billion. Real estate loans from banks in the Federal Reserve System have likewise increased two billion dollars. Fifty leading stocks have risen from an average low of 58 to an average high of 180. New building has increased from less than three billion dollars to more than seven billion.

Just as I might have presented a far greater array of optimistic facts in the beginning of this discussion, so I might add a dozen additional figures to support the thought that we now have an inflation of many important elements. In the glare of a few amazing developments in recent times, we are likely to lose our perspective. A person investing \$10,000 in our ten largest companies operating chain stores, placing one thousand in each of the ten in 1912, would now have an investment worth approximately \$300,000. Doubtless a similar story may be written fifteen years from now about some entirely different group of stocks.

As to what is going to happen in the meantime is a question that not one of us can answer with certainty. But we can at least see both sides of the story. The higher we climb, the more care we must exercise. Figures can be correct and their interpretation wrong. So long as we are governed by our emotions rather than by cold logic, we may well doubt that the millennium in business has arrived. Let the hand of caution continue to control.

44 National Advertisers

The Bon Marche

Merchandise of MERIT Only

LOWELL, MASS.

Here is a listing of the merchandise we regularly sell that has been advertised nationally during the past year in

The Christian Science Monitor

Pequot Sheets and Pillow Slips	Crosse & Blackwell English Jams and Jellies	Parker Duofold Pens and Pencils
Osborn Brushes	H. & H. Honey	Waterman's Ideal Fountain Pens
Spode China	Kay Sandwich Spread	Armand Cold Creams and Powders
Carbona Cleaning Fluid	Kraft Cheese	Every Week Shampoo
Cash's Woven Names	Malt Breakfast Food	Pepsodent Tooth Paste
Kleinert Rubber Goods	King Arthur Flour	"B. V. D." Underwear
Canada Dry Ginger Ale	Shredded Wheat	Books from the following Publishers:
Foss Chocolates	Slade's Spices	Dodd, Mead & Co.
Moxie	Danersk Furniture	Geo. H. Doran Co.
Domino Sugar	Peck & Hills Furniture	Doubleday Page & Co.
Bensdorp's Royal Dutch Cocoa	Ace Knife Sharpener	Funk & Wagnalls Co.
Wheatworth Crackers	Linit Starch	The Macmillan Co.
Grandma's Molasses	Solid Sanflor	Oxford University Press
Mapleine Syrup	Moore Push Pins	Webster's Dictionary
Lea & Perrin's Sauce	Squeeze-Ezy Mop	
	Lablache Face Powder	

You know, our policy permits us to offer Merchandise of MERIT Only—never anything that we cannot guarantee to give satisfaction. No "Seconds"—no "Irregulars."

are featured in
this merchant's advertisement in

THE
CHRISTIAN SCIENCE MONITOR

107 Falmouth Street, Boston, Mass.

We like to tell about this unique "tie-in" service"—Ask Us!

REALITIES

THE book by the cover; the man by his clothes; that's how the world still judges. We all know better and have known for ages. Yet, we keep on mistaking appearances for realities.

We walk into an office. It is well appointed. There is a businesslike hum in the air. The staff is doing what appears to be work and seems to know what it is doing.

Those things constitute appearances.

But, a look over the balance sheet would reveal the realities. If the balance sheet shows some meaty profits, compared with volume, then that organization is the real thing. It knows and is doing its stuff.

Appearance and reality differ in all walks of life. It is my guess that they differ much more often than they agree.

Advertising media are no exception.

Many media are selected because of what they appear to be and not what they really are.

Two magazines in the same field are compared for the purpose of selecting one in which to advertise. More often than not, the one that superficially is the "loudest" gets the patronage. Yet, the one that makes the lesser "show" may really be it, when it comes to taking your message to Garcia.

The difference between appearances and reality is often very subtle. Hence, it requires an astute judgment to separate the gold from the dross.

In this season of the year, when many schedules are being revamped, the foregoing thoughts may help.

A. R. Maujer.

for
INDUSTRIAL POWER
608 S. Dearborn St.
Chicago, Ill.

Our claim to your patronage lies not in bulk and bluster but in that quiet, unobtrusive, efficient service that does not loom so large in appearance but is real. Please have us come in to tell you about it.



The Little Fellow's Opportunity

The box-spring of one of my beds showed signs of decrepitude and so, the first time I happened to pass the furniture store where I had bought it, I interviewed the man in charge of the bedding department. I told him what I wanted—to have the thing repaired and recovered.

"We'll be glad to do it for you," he said.

"What will it cost?" I asked.

"Eighteen or twenty dollars."

"How long will it take?"

"Oh, ten days or two weeks."

"Too long," said I. And that night on the way home I dropped in at a little upholstery shop not far from where I live.

"Yes," the proprietor said in answer to my questions. "Yes, of course I can do it. I'll call for it tomorrow morning and have it back in two days. I'll charge you twelve dollars."

As a matter of fact, he took three days, but he did a wonderfully good job. That much is to his credit. What is not to his credit is that his manner was almost offensive. He gave me the impression that he did not care a snap of his finger whether he got the order or not.

Yet, judging from the appearance of his shop, I doubt if he had fifty dollars worth of work in hand.

Why are men "that way?"

"Near-Professionals"

If you would find a perfect example of "professional dignity," don't look for it among successful doctors or lawyers. The mere fact that they are successful is, in itself, evidence that they are simple, straightforward and totally lacking in "side." No! It is among the hangers-on of the professions that professional dignity attains its most splendid growth.

Take medicine, for example. Attached to it are all sorts of men and women who do "something" which physicians are too busy or too proud to do. These people administer baths or they massage you or fit you with trusses or do something else which your physician tells you ought to be done for you. These are the boys that maintain the dignity of the profession. They wear side-whiskers or a beard. No one ever sees them without a frock coat. They are always addressed as "doctor."

And most of them look as though they were born wearing a silk hat. Dignified! I should say so.

—JAMOC.

Her "Bread and Butter Face"

Shortly after I came to New York to live, I met a woman who, I was told, was "one of the leading club-women in America." Until recently, it never occurred to me that she might be anything else, although, if I had given the matter a moment's thought, I would have known better. For, I need not tell you, no woman can make a living by being a "club-woman" any more than a man can by being a "club-man."

The fact is, Miss X. is a teacher of singing. A few Sundays ago I was invited to one of her recitals. When she sat down at the piano to accompany one of her pupils, a curious change came over her. Her face usually is wreathed in smiles and her manner is almost queenly. There were no smiles and mighty little graciousness that Sunday afternoon. I turned to the man seated next to me and asked "What's the matter with Miss X.? She doesn't look herself."

"Oh!" said he, "She always looks that way when she gives a recital. I call it her 'bread and butter face.'"

My Money's Worth

I am a great one for attending lectures, particularly those on current events. But I am beginning to wonder if I am getting value received. Not that the lectures cost very much—they don't—but because they cut into one's time.

To illustrate: Last night, in common with several hundred other seekers after the truth, I listened to a man who gave us the "inside dope" as to what is going on in Europe. It was what my theatrical friends call the "real low-down." Somehow, I was not greatly impressed. The lecturer had a pleasant voice and his stage-manners were all they should be. But—he did not tell us a darn thing we had not read, weeks ago, in the *New York Times*. Not a thing. Give me a file of the *Times* for the last two months and I can write a better lecture myself any rainy afternoon. But the delivery—ah, that is quite another matter. My women-folk, it is only fair to say, were enthusiastic. But it wasn't because of the lecture—it was because of the man who delivered it. He had "It."

"Half-empty" envelopes are waste

WHAT business man would pay \$1,000 a ton for first-class postage rates if he could secure a rate of \$640? Yet, that is just what many business houses do if they neglect to use enclosure advertising—and let envelopes go out carrying less than the weight allowed under a 2c. stamp.

At no expense for distribution blotters can be slipped into envelopes. Day after day they will drive home in laconic form something prospects should remember.

Not only the manufacturer's own mail—but the mail of his jobbers and dealers—can be utilized by furnishing them with good blotter ad-

It pays to take advantage of the unused margin of postage

vertising. A constant campaign can be kept up at no postage expense, yet traveling as first class mail.

Those interested in taking advantage of the unused margin of postage should have a copy of Standard's Dictionary of Blotter Advertising and the Scrap Book.

The Dictionary shows the six major functions that blotter advertising performs—the 42 kinds of copy that can be used. It relates instances in which blotters have been most successful and suggests how they can be employed in varied businesses.

The Scrap Book reproduces the blotters that many successful advertisers are using. It shows:

- the kind of helps supplied Edison Mazda Lamp dealers.
- how the makers of Lehigh Cement provide blotters suited to the industries of diverse communities.
- how the Upjohn Company keeps its products before doctors.
- the kind of aids Burroughs salesmen use.
- how Squibb gives added emphasis to "The Priceless Ingredient."
- how the National Biscuit Company makes boosters of its stockholders.

Both books will be sent without cost to executives requesting them. Standard Paper Manufacturing Co., Richmond, Va.

Use Enclosure Advertising
Printed on Ink-Thirsty

Standard Blottings

Easy to Specify—Easy to Buy

Standard Blottings are sold by leading paper houses in the United States and Canada

FREE
to you!

Hall's new
book with
Hall's great
Library

Are you breaking into advertising?

Hall's new book—GETTING AHEAD IN ADVERTISING—is a book you will want if you are trying to get a foothold in this field; in fact you will be glad to have a copy if you are already engaged in this work, regardless of how, or where, or at what price.

The book is a meaty little volume of how to use advertising and selling ability to your own best advantage. It gives you hundreds of bits of practical experience in making your efforts count. It comes to you FREE with

S. Roland Hall's LIBRARY OF ADVERTISING AND SELLING

4 Vols., 3223 pages, 1090 illustrations. Flexible binding, \$1.50 in 10 days and \$2.00 monthly.

This is the indispensable advertising and selling reference and home-study set. Hundreds of men and women are using it to push themselves ahead. Hundreds of experts in all branches of marketing have it handy for reference. Agencies throughout the country have these books in their libraries. Colleges and universities use the books as texts. If you're in advertising, or selling, or any branch of marketing, don't be without the good this set can bring you.

**\$20 worth of books for
\$17.50
Only 7 cents a day**

The big, well-paying jobs call for men with all-round knowledge of the entire selling business—advertising, personal salesmanship, planning, managing, etc. Add to your own experience a working command of the principles and methods that have been proved in the experiences of the most successful selling organizations. You get them—hundreds of them—in this great set.

**Examine for 10 days FREE
No money down
Small monthly payments**

Try the set for yourself. Examine it at our expense. If you like it, keep it. If you don't, send it back. It has helped and is helping others. There's personal wisdom in seeing, at least, what it can do for you.

**Prove it for yourself
Mail the coupon now**

Installment Selling

[CONTINUED FROM PAGE 28]

fear that installment paper impairs the liquidity of credit and may involve inflation. It would take me too long to explain the results of our investigation into the field. Suffice it to say that while the liquidity of consumers' loans is at least not perfect, the same may be said of producers' loans. The addition of consumers' loans to ordinary business life impairs the liquidity of banking assets just as much as but no more than any new extension of credit. A long and detailed study, which it would be impossible to summarize in a few minutes, has brought us to the conclusion that this new use of bank credit, which is, after all, insignificant in comparison to the credit extended in ordinary business, if in the proper hands and conservatively managed, does not threaten the banks with any special, new danger, but that, on the contrary it will do good rather than harm. Just as ordinary bank credits have tended to facilitate exchanges because they have removed such obstacles as the request of sellers for definite prices and the lack on the part of buyers in purchasing power, so bank credit designed to finance the purchase of durable consumers' goods may be expected to do the same. In fact, while installment credit is not more dangerous than the ordinary forms of credit, it possesses certain additional advantages of its own; as, for instance, the distribution of risk over a wide variety of occupations, of geographical areas, and of industrial situations.

ONE further criticism, however, must be met. It is sometimes claimed that as a result of installment credit the peak of the business cycle is driven somewhat higher, with a consequence that when the slump comes, there will be a correspondingly deeper trough. To test out this theory we made an elaborate study of the situation in a period of almost complete business depression caused by the coal strike in Eastern Pennsylvania, a few years ago. Here, again, without the possibility of our going into details, our conclusion is that the dangerous effects of installment selling on the credit structure have been considerably exaggerated. Making a detailed study of delinquencies and repossessions, we came to the conclusion that the curtailment of purchasers' incomes may be very severe without the finance companies suffering any very decided embarrassment. In fact, we found that there was even an advantage in installment credit over general bank credit. In ordinary business, it is precisely in bad times that the bankers are compelled to continue to extend credit to customers of doubtful solvency in order to tide them over the difficulty. In installment credit, when the time comes to pull in sail, the total volume of outstanding paper will diminish with every week and will completely disappear within a few months. Our conclusion, therefore, is that while in some respects, and especially where there is a carelessness in granting terms, installment credit may tend to intensify business depressions; in other and perhaps more significant respects

the opposite is true. At all events, frozen credits are not necessarily the concomitant of installment selling.

We come now to our final problem. Even if installment selling is good for general business, and even if it does not really add to the hazards of the banker, what shall we say about its effects on the consumer? For, after all, everybody in the community is a consumer. Here we are told that installment selling is a deplorable institution, that it reverses the true economic practice of paying for a thing before using it, that it distorts the consumer's judgment, that it discourages savings, that it puts the consumer into a position of virtual slavery. But are these charges true? Let us see.

IN the first place we are confronted by a distinction which is really more important than that between so-called producers' goods and consumers' goods. So far as consumers' goods are concerned it is far more significant to distinguish between goods before utilization and goods after utilization. Much of the apprehension regarding installment sales rests upon the conviction that it is unsound to use or consume first and to pay afterward. If I buy a package of cigarettes on credit and smoke them, the seller must look for his payment elsewhere than to the property sold. But if I buy more durable goods like the automobile, each time I pay an installment I pay at the beginning for the use of the automobile in the future. Credit granted to the purchaser of cigarettes must be liquidated after consumption; credit granted to the buyer of the automobile is liquidated before consumption. The purchaser of a new car has a stock of unused transportation of which he may and often does again sell a portion. In other words the sale of a new car is really the sale of only a fraction of a car, the fraction depending upon the time that the buyer may be expected to drive it. The purchaser of an automobile, in other words, pays at each periodic installment for something that he will utilize in the future. The essential service of installment credit is that the individual secures an immediate enjoyment of goods which could not otherwise be obtained until the future. Through the device of fractional payments the service which installment credit renders is comparable to that rendered by the retailer who sell in small quantities commodities that are obtained from the wholesaler in large quantities. The problem here presented to consumers is really just about the same as that presented to producers. The consumer must decide, whether, by purchasing something durable, like an automobile, on installments, he is getting more satisfaction than if he were to spend his money at once upon something more ephemeral, like a succession of good dinners. But if the consumer must choose between the durable and the ephemeral goods, the producer is every day confronted by the question as to the relative amount of durable goods or capital which he must put into his business. Just as the de-



FREE EXAMINATION COUPON

McGraw-Hill Book Company, Inc.
370 Seventh Avenue, New York

You may send me the HALL LIBRARY OF ADVERTISING AND SELLING for ten days' free examination.

If the books are satisfactory, I will send \$1.50 in ten days and \$2 a month until your special price of \$17.50 has been paid. With the library I am to receive a free copy of Hall's GETTING AHEAD IN ADVERTISING AND SELLING. If not wanted, I will write you for shipping instructions.

Name
Address
Position
Company

AS-11-30-27

velopment of ordinary bank credit has enabled the producer to facilitate this process, so the present development of installment credit is enabling the consumer to accelerate the same process.

The next question is, whether the consumer is more irrational than the producer. It is true, indeed, that as the result of a long evolution, the business man has developed great skill in his financial arrangements. But is it true that all consumers are sloppy in this respect? And the higher up we go in the scale of income or wealth, do we not find a distinct difference? Doesn't the rationality of the consumer depend largely upon the kind of article he buys and the income class to which he belongs? And in the next place, doesn't installment credit in itself tend to rationalize spending and to make for more careful budgetary methods? Our studies have brought us to the conclusion that in so far as we are dealing with the purchasers of automobiles and similar high-priced durable goods, the installment plan induces the consumer to look ahead with greater care and to plan his economic program with a higher degree of intelligence. And, finally, coming to the question of savings, while it would again take us too long to go into the details, we have found that installment credit not only tends on the whole to strengthen the motives which induce an individual to pay but also influences his capacity to do so.

This is due to the fact that the possession of the article, which he otherwise could not get at all, will give him augmented satisfactions which will be brought into such relations with his productive capacity as to increase his efficiency. If this is true, installment selling, not indeed of the low-grade business that we mentioned before but of the high-grade business typified by the automobile, will tend and does tend not to enslave the consumer but to liberate him.

THUS we come to the end. It is exceedingly difficult in a few words to discuss thoroughly the many fundamental points of economic theory or the numerous teachings of experience. But if I were to sum it up in a word, it would be to say that we are on the eve of a revolution which is just as important as the industrial revolution of several generations ago. The industrial revolution was based upon or accompanied by the change in financial methods and the growth of banks which brought credit to the producer and thus helped to render possible the immense increase in modern wealth. What we are witnessing now is a similar change, only in its first beginnings applicable to consumers' credit. The theory is fundamentally the same. In the one case, as in the other, individuals are enabled to secure facilities which otherwise would be impossible. In the one case, as in the others, the surplus of satisfactions transmutes itself into increased wealth and increased welfare. In the one case, as in the other, there are grave abuses at the outset and grave dangers to be avoided. Decade by decade the evils attending ordinary bank credit have been gradually removed.

So, in the same way, this new-fangled device is beginning to do for the consumer what the old banking system has done for the producer.



A symbol of direct editorial appeal to women through the pages of a magazine subscribed for by men

THE results of this unique publishing experiment prove a definite family interest in The Shrine Magazine. May we tell you about them?

The net paid circulation of The Shrine Magazine is 607,112 copies monthly. A distribution statement, by states, will be mailed upon request.

THE SHRINE MAGAZINE

1440 Broadway · New York

Phone: Pennsylvania 7827

CHICAGO

BOSTON

Developing and Managing SALESMEN BY RAY GILES

The Blackman Company, New York

Unusual help for men who have the practical job of developing a sales staff and maintaining the right personal relationship between the sales executive and his men. Gives most successful methods drawn from all lines of merchandising. Covers hiring, sources of supply, training methods, morale, territory, dealer's agency, cost of travel, conventions, etc. 216 pages. \$3.50.

Sent on 5 days' approval. Address Dept. M-226

Write for new, complete catalog of books on advertising and selling. No charge.

THE RONALD PRESS COMPANY
15 East 26th St., New York, N. Y.

PHOTOSTAT SERVICE RAPID—ECONOMICAL

FACSIMILES - ENLARGEMENTS - REDUCTIONS

Commerce Photo-Print Corporation
42 BROADWAY 80 MAIDEN LANE
Manover 8993 John 3697

Bakers Weekly A. B. C. - A. B. P. New York City

NEW YORK OFFICE—45 West 45th St.
CHICAGO OFFICE—343 S. Dearborn St.

Maintaining a complete research laboratory and experimental bakery for determining the adaptability of products to the baking industry. Also a Research Merchandising Department, furnishing statistics and sales analysis data.

Government Tax Verdict

[CONTINUED FROM PAGE 27]

separate and independent enterprise. The plaintiff had no corporate power to engage in a manufacturing business. If some of its funds were used therein, no income resulted. Its use therein of its funds, whether as a loan or an investment, was an *ultra vires* act. In *Alexander & Garrett v. United States* (D. C.) 21 F. (2d) 547, a personal service classification was allowed notwithstanding some of the corporate capital was invested in a livery stable which produced some income not held to be material in amount, and some was invested in a lease of an office building which produced a loss. With the principle thus declared, we agree.

HOWEVER, inasmuch as Smith, Judson and Craig were among the plaintiff's principal stockholders and yet devoted some of their time and energies to the Craig Tractor Company, it is insisted that they were not regularly engaged in the active conduct of plaintiff's affairs. The evidence shows that during this period they were performing for the plaintiff the same active services that they had performed before and since; that they carried on the same work and produced the same results, and that such time and energy as were given to the tractor enterprise in no wise diminished their usefulness to the plaintiff or interfered with the efficiency of their services in its behalf. The tractor enterprise was with them only a side issue. It was hoped that the enterprise might, but it did not, grow into an active business. If it had, the latter might have become their regular employment. But, under the circumstances, it does not deprive them of the right to claim that they were regularly employed in the active conduct of the plaintiff's affairs.

The language of Section 200 is not susceptible of a construction so narrow as to exclude all outside activities of the principal owners or stockholders. The language is "regularly engaged," not "exclusively engaged." These important stockholders were regularly, actively, and continuously engaged in the conduct of its affairs. This was their regular and principal employment. They were none the less regularly, actively, and continuously engaged, even though they may have devoted some time and energy to the abortive tractor enterprise as a side issue. This conclusion is in accord with the ruling of the Board of Tax Appeals in *Lee Live Stock Commission Co. v. Commissioner*, 7 B. T. A. 532, and nothing in conflict is found in *Matteson v. Willcuts* (D. C.) 12 F. (2d), 447.

Secondly, it is contended that the plaintiff's capital was a material income-producing factor. In support of this contention it is urged that plaintiff had a substantial capital, greater than was normally required in its business; that as a result of the presence of such capital it had a good credit rating; that it used some part thereof in producing or procuring art work for its clients; and also that it bound itself to publishers for its clients' advertising bills, and used at times its capital in paying these bills. I am not certain but that defendant does not make a like contention with respect to the Craig Tractor Company. But if so, what has already been said is adequate, and the contention will be disregarded.

When plaintiff organized, it had an authorized capital of \$125,000. It had an issued capital stock of the par value of \$90,000, of which \$15,000 was issued for good will. On Jan. 31, 1918, it had assets of \$136,504.07, and outstanding capital stock of the par value of \$96,500. On Jan. 31, 1919, it had assets of \$167,761.83 and outstanding capital stock of the par value of \$115,000. Plaintiff did not need and did not actually use in its business more than a third of this amount of capital. The increase in assets during the period in question was chiefly due to payments made by new stockholders for the capital stock issued to them. The capital not needed was invested, part in Liberty Bonds and part in loans to or notes of its several stockholders. Its earnings from personal services rendered to clients account for 99.24 per cent of its total income. Its return from its invested capital and other sources amounts to .76 per cent of its income. The important, if not the only, reason for having this excess capital would seem to be the legal prohibition against impairment of outstanding capital stock. It was built up

from the payments of stockholders for capital stock and not accumulated from earnings. The annual earnings, after the payment of salaries and expenses, were distributed as dividends.

Nor did plaintiff buy and sell or otherwise trade in advertising space. Its method of doing business is the same as that described in several opinions of the Board of Tax Appeals and of the District Courts dealing with advertising agencies. After its study and investigation of a client's problem and the submission to and approval by a client of a plan of advertising, a contract was entered into with the client, designating plaintiff as its advertising agent. This contract provided for the performance of services substantially as already outlined. Plaintiff did not contract for space on its own account. It merely reserved advertising space for specific clients. If the client for whom the space was reserved, did not use it, plaintiff could not transfer it to another client. The publisher rendered its bills direct to the plaintiff. The advertiser made payment direct to the plaintiff. The advertising space billed by plaintiff to its client in no case exceeded the publisher's card rates. The publisher with whom plaintiff reserved space and placed advertising, allowed the plaintiff a discount, usually ten (fifteen) per cent, from its published card rates. Some times a small discount in addition was allowed for prompt payment. The plaintiff's income consisted in the commission or differential between the publisher's card rates paid by its clients and the amount paid over by plaintiff to the publisher. In other words, the discount allowed by the publisher to the advertising agent, and the discount for each payment made up substantially plaintiff's entire income. Its other source of income consisted of the retainer fee paid by its client; but, whenever an advertising program was agreed upon, plaintiff's retainer was credited on the commission received, and, whenever the commission equaled the retainer, no separate income from that source resulted.

THIS method of doing business was uniform. In practice, plaintiff arranged its due dates with its clients in time to get in their money before the publisher's bills had to be paid. If a cash discount for prompt payment was realized, plaintiff gave the benefit of it to its client. In only one instance during the period in question did any of plaintiff's clients fail to pay on time. So that, except in this single instance, plaintiff was never obliged to use other funds to pay the publisher or ever extended credit to a client. Defendant's counsel stresses in this connection, two considerations. It is said that this method of doing business made plaintiff legally liable to the publisher for its client's advertising bill. This may or may not be true. No opinion with respect thereto need be or is expressed. If, in point of fact, the plaintiff so conducted its business that it did not need or use its capital, the fact that it was theoretically liable becomes immaterial. It is further said that plaintiff's capital gave it a financial standing and entitled it to a commercial rating. This is probably true. Yet the evidence is convincing that plaintiff's business success was not due to the presence of capital or to its financial rating, but that its standing in the advertising world on which its business success was based, was due to the prestige of Smith and other principal stockholders. Clients sought plaintiff's services because of that professional standing and reputation and not because of the financial rating of plaintiff.

The holdings of the courts, as well as the Board of Tax Appeals, when dealing with this question, are uniform that it is not the presence of capital, but its use in earning income, that is the controlling consideration. Those holdings likewise are to the effect that the presence and use of capital such as required to provide and maintain an office, with elaborate present-day equipment, and to pay salaries of employees, do not make capital a material income-producing factor. Such use of capital is incidental. In a modern law office, one-third of the gross income is usually absorbed in this way. In this respect, the cases arising under Section 209, Revenue Act of 1917, are in point. That section provides that trading or business corporations having no invested capital or only a nominal capital, are to be

classified separately and taxed as a partnership.

Advertising agencies and other corporations doing business in the same manner as plaintiff and having as much capital and making an equivalent use of it, were held to be entitled to the classification. See *Park Amusement Co. v. McCaughn* (D. C.) 14 F. (2d) 553; *Wallis-Armstrong Co. v. McCaughn* (D. C.) 21 F. (2d) 636; *De Laski & Thropp v. Iredell* (D. C.) 268 Fed. 377; affirmed (3 C.C.A.) 290 Fed. 955. See to the same effect under Section 200, Revenue Act of 1918, Appeal of *Massengale Advertising Agency*, 2 B. T. A. 26; Appeal of *S. A. Conover Co.*, 6 B. T. A. 679; *Geo. B. Ricaby Co. v. Nauts* (D. C.) 19 F. (2d) 271; *Alexander & Currett v. United States* (D. C.) 21 F. (2d) 547.

PLAINTIFF'S income otherwise than from its retainer fees and commission on advertising placed with publishers, is so insignificant as to be immaterial. In the matter of such discounts, as distinguished from commission, plaintiff lost \$3,204.17. This loss was due to the fact that its client computed the discount on the publisher's card rating, whereas plaintiff, in paying the publisher, computed the discount only on the net rate. Likewise, in the so-called art department, plaintiff suffered a loss of \$3,664.84. Hence, all of plaintiff's income except 76 per cent, derived from investments, is the direct result of personal service rendered.

The maintenance by plaintiff of an art department is much stressed. Part of this work was performed by means of employees regularly or temporarily employed. The greater part of it was procured from outside sources. As the result of experience, plaintiff finally abandoned its inside department and procured all art work outside. As to the outside work, actual cost only was billed to clients. As to the inside production, it suffered the loss already stated, which did not include all expense incurred in connection therewith. The total bears an insignificant relation to plaintiff's main business. This art work, it seems to me, was plainly a personal service incidental to the major service plaintiff undertook to perform for its clients. It was not trading, merchandising, or manufacturing art work. Plaintiff could not well perform its advertising service without giving visual form to its clients' advertising, and this required the preparation of designs and illustrations. In substance, this work was no different from written copy produced and furnished.

Thirdly, it is contended that plaintiff's income is not to be ascribed primarily to the activities of its principal owners or stockholders. In support of this contention it is urged that plaintiff has a large number of small stockholders sustained to it primarily the relation of employees and to whom are paid large salaries; that it has other employees, some performing duties of the same nature as those of its principal stockholders, and hence that plaintiff's income is not to be ascribed primarily to the activities of its principal stockholders, but largely to the activities of minority stockholders having each a small block of stock, and to salaried employees. In my opinion, this is the weightiest consideration making against plaintiff's right to the desired classification. It is a consideration which lurked in the record in some of the cases considered by other courts and the Board of Tax Appeals, in which the desired classification was allowed, but the full significance of these elements does not seem to have heretofore been given adequate thought. First the important facts will be stated and later the law will be considered.

The holdings of the several stockholders have already been sufficiently stated and will be repeated only in terms of percentages. On Jan. 31, 1918, Smith held 57 per cent, Craig 10 per cent, Judson 12.1 per cent, Madden 6.1 per cent, Horton 7.3 per cent, Murphy 4.9 per cent, and Charles E. Haring 2.6 per cent. On Jan. 31, 1919, Smith held 47.6 per cent, Craig 8.4 per cent, Judson 10.1 per cent, Madden 5.1 per cent, Horton 6.1 per cent, Murphy 4.4 per cent, Haring 2.1 per cent, Fawcett, Wrigley and Belsey 2.1 per cent, Spiro, Day and Dewitt 1.8 per cent, Flynn 1.3 per cent, Bresnan, Gymer, Jacobs and Jones 0.9 per cent. The dates of the several changes in

FIRST IN The New York Market

Circulation

The advertiser in the New York Market has his way made easier by The New York Times leadership in quality circulation—in prestige—in reader interest and confidence.

Never before has an advertiser found it possible to reach through one medium such a vast number of high quality readers. The Times net paid sale in October exceeded 400,000 copies daily, 690,000 Sundays—a new high record.

The Times circulation is legitimate, bedrock sale. No premiums, contests or features are used to catch occasional readers. The Times complete, trustworthy, impartial news attracts intelligent readers and holds them.

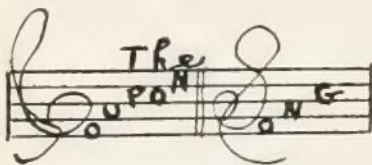
Advertising

In advertising The New York Times leads all New York newspapers in volume and character. The total volume of advertising published in The Times in ten months this year was 24,582,288 agate lines, 8,893,088 lines more than any other New York newspaper, morning or evening.

But the volume of this advertising is not more remarkable than the high character. The Times subjects all advertising submitted to censorship and excludes whatever is objectionable or misleading.

The Times unequalled number of high quality readers and their confidence in its news and advertising columns are the most important advertising facts in the New York market.

The New York Times



(more verses)

Now being chanted, carolled
and sung by

WALTER DREY And his FORBES Advertising Band

I sing a song of Coupons
Which prove that people read,
And give a chance to sample
What they may always need.

I sing a song of Coupons
Which make the prospects act,
And, tallied on the check sheet,
Turn theory into fact.

I sing a song of Coupons
On Air Mail paper laid,
How Esleeck used FORBES
columns

Which have paid and paid and
paid.

"News Value in Advertising Copy"

This illuminating circular citing
the Esleeck Mfg. Co.'s success-
ful experience will be sent on
direct request to all interested
in

Direct Returns from Advertising

FORBES

120 Fifth Avenue, New York
Members A. B. C.

Representatives: Chicago, H. C. Daych,
Tribune Building; Detroit, D. C. Murray,
General Motors Bldg.; Eastern Adv.
Managers, E. V. Dannenberg, Frank H.
Burns, 120 Fifth Avenue, New York;
Blanchard-Nichols-Coleman, Seattle, San
Francisco, Los Angeles, Atlanta

LAUNDRIES

Use tremendous quantities of steam
plant, electrical, office, automobile
delivery and other equipment.

Over \$4,000,000 is being raised to
advertise and sell the laundries to
the public.

The Laundry Business Will Be Dou-
bled in Less Than Four Years' Time!

There is an opportunity for everyone
whose product or services can be used
by power laundries.

THE STARCHROOM LAUNDRY JOURNAL
—monthly trade journal—over 200
pages, covers this industry. For copy
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The Starchroom Publishing Co.
421 Commercial Square, Cincinnati, Ohio

stockholding interests are immaterial. Thus it appears that on the last named date and at all times, Smith, Craig and Judson owned not less than 66.1 per cent. They received as salaries and bonuses \$33,376.39 and as dividends \$26,740. Defendant classifies them as principal owners or stockholders. The remaining stockholders owned 33.9 per cent. They received as salaries and bonuses \$62,684.34 and as dividends \$13,535. Defendant classifies them as minority stockholders. In addition thereto, there were many other employees who received salaries or wages aggregating \$37,571.98.† As appears from Schedule 7 annexed to the stipulation of facts, those employees were in fact employees, such as telephone operators, clerks, stenographers, bookkeepers and office boys. Many of them were employed temporarily and only for short periods of time. Three of them are described as artists, as to whom it may properly be said that their activities were not other or different from those of outside artists who were specially employed. One is classified as a research director, and he is the only one as to whose activities there can be any reason for thinking he performed other than purely clerical or minor duties. On the whole, it must be found that the employees to whom these salaries were paid, were clerks and assistants, such as are found in every law office, and whose work bore no material relation to the success of the business, either as a business getter or as a directing hand. The question, on the facts, narrows itself, I think, to the classification as between principal and minority stockholders.

SECTION 200 does not classify stockholders on the basis of the amount of stock owned or held. It does not distinguish between majority and minority stockholders. Nor have the regulations promulgated by the Treasury Department ever made a like distinction. These regulations recognize a distinction between active and non-active stockholders. Article 1529 prescribes that no definite percentage of stock or interest shall be taken as a conclusive test as to whether the active conduct of the corporation's affairs is to be deemed that of the principal stockholders. It further prescribes that no corporation may make a return in the first instance on the basis of being a personal service corporation, unless at least 80 per cent of its stock is held by those regularly engaged in the active conduct of its affairs.

Thus it appears that the practical interpretation given to Section 200 by officials charged with its administration is to classify stockholders between active and inactive and to disregard majority and minority stockholders. And such, also, I think, has been the general holding of the courts and of the Board of Tax Appeals. In *Matteson v. Willcuts* (D.C.) 12 F (2d) 447, a personal service classification was denied because one stockholder owning 16 per cent was not active, and another stockholder owning 20 per cent was regularly employed in another business and limited his participation to consultation at lunch or after office hours with the active stockholders having charge of its affairs. On the other hand, in appeal of *S. A. Conover Co., supra*, a personal service classification was allowed, although practically all the stock was held by one active stockholder, and numerous shares were distributed in small lots among former employees who continued active in its affairs. This is the latest expression on the subject by the Board of Tax Appeals brought to my attention. If it is sound law, it controverts the present case. In *Geo. B. Ricaby Co., 1 B. T. A. 512*, two stockholders owned 75 of the 84½ shares. One owned 8.8 per cent, and two others each owned 1.2 per cent. The stockholder owning 8.8 per cent was one of the principal executive officers. Another, who owned only 1.2 per cent, was in charge of the taxpayer's loan department, one of the principal branches of its business, and was also in charge of its main office. The taxpayer also had three branch offices under the supervision of branch managers, no one of whom was a stockholder. The taxpayer was conducting a real estate agency, and its sales manager was not a stockholder. At one time the company employed as many as 75 salesmen, none of whom, it seems, was paid a salary, but all of whom were compensated by commissions on sales effected by them. Undoubtedly the salaries paid to these small stockholders and employees largely exceeded the profits of the two large stockholders. It was held by my associate, Judge Killits, that the taxpayer was entitled to a personal service classification. See *Geo. B. Ricaby Co. v. Nauts*, 19 F (2d) 271. Other opinions of the Board of Tax Appeals and of the courts to the same effect can be found. The only case in sub-



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The Standard Advertising Register
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about National Advertisers and Agencies

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National Register Pub. Co.

R. W. FERREL, Manager

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140 S. Dearborn St. Chicago
209 California St. San Francisco
925 Walnut St. Philadelphia
7 Water St. Boston

"Arlington Operated"

HOTEL ANSONIA

Broadway, 73rd to 74th Sts.,
NEW YORK CITY

12 minutes from Penn. and Grand
Central Stations
5 minutes to Theaters and Shopping
Districts

1260 ROOMS (All Outside)

New York's most complete hotel.
Everything for comfort and con-
venience of our guests.

TWO RESTAURANTS

Open from 6:30 A. M. until mid-
night. Music, Dancing, 2 Radio
Orchestras, Ladies' Turkish Bath,
Beauty Parlor, Drug Store, Barber
Shop, Stock Broker's Office. All in
the Ansonia Hotel.

TRANSIENT RATES

300 Rooms and Bath... \$3.50 per day
Large Double Rooms,
Twin Beds, Bath... \$6.00 per day
Parlor, Bedroom and
Bath (2 persons)... \$7.00 per day
Special Weekly and Monthly Rates

A restful hotel—away from all the noise
and "dirt" of the "Roaring Forties."
No coal smoke; our steam plant equipped
oil fuel. Coolest Hotel in New York in
Summer.

THE ANSONIA

IN CONJUNCTION WITH THE
Hotels Colonial, Anderson, Richmond
and Cosmopolitan

"Arlington Operated"

stantial conflict is an earlier decision of the Board of Tax Appeals in Appeal of Patterson-Andreas Co., Inc., 6 B. T. A. 392. I admit my inability to reconcile this case with the later case of S. A. Conover Co., 6 B. T. A. 679.

UPON mature reflection, I am of opinion that the rulings in the several cases cited, correctly interpret the law. The law was directed at absentee stock ownership. If the service rendered is in the nature of personal service and is rendered by the owners of the business, the law intended a separate classification for income and excess profits taxes. It was intended to give corporations performing services of this nature and in this manner the same tax position as a partnership. The dominating purpose was to distinguish between corporations engaged in trade, merchandising and manufacturing, in which much capital is required and without which profits may not be earned, and corporations performing personal services in which large capital is not usually required or necessary to its efficient conduct. The discrimination is between income earned by capital and income earned by personal effort. The specific limitations in section 200 were inserted in aid of this dominant purpose and to prevent evasion. They should not be stressed to the point of destroying the major purpose of the law. Sections 200 and 218, Revenue Act of 1918, tax personal service at the same rate and in the same manner as partnerships. The number of partners and the amount of their respective interests is not made a test. So, under this section, the amount of the interest of the several stockholders is not to be taken as a controlling test. The controlling test must be looked for in another direction. It is whether the activities of the corporation are carried on by its owners regularly engaged, not whether some of its owners have a greater or less amount of stock. The law intended to forbid absentee stockholding interests of a material size. The administrative regulation already cited, impliedly declares that an absentee ownership of 20 per cent is not material in the absence of some other important features. In this case all the stockholders were active in the conduct of plaintiff's business. The minority stockholders were all former employees and were admitted to participation presumptively because they had proved their ability to direct and carry on the plaintiff's affairs. Their salaries and stockholding interests were no doubt apportioned with due regard to their ability and relative importance. Nothing appears to indicate that such action was a subterfuge to get a different classification for taxation purposes. It would, I think, lead to endless confusion if we were now to introduce into the law an additional classification among stockholders, so that instead of active and non-active stockholders, we should have in each case to reckon with majority and minority stockholders. Instead of having to consider, as we do now, whether the stockholders as a group are the principal owners and are regularly engaged, we should have also to consider whether the taxpayer's income is to be mainly ascribed to the activities of some one rather than some other active stockholder, depending upon the size of the stockholder's ownership. In my opinion, Congress did not contemplate such a test. The law, I fear, would become unworkable if we should adopt it.

All the authorities cited have been duly considered. For convenience they are grouped in the margin. In addition to what has already been said, further review in detail is unnecessary. Some of them arose under Section 209, Revenue Act of 1917. Insofar as they classify trading or business corporations, the uniform tendency is to support my conclusion. All the District Court cases arising under Section 220 are, I think, in agreement with my conclusion, except perhaps *Thos. E. Basham v. Lucas* (D.C.) 21 F. (2d) 550. The decisions of the Board of Tax Appeals, of which many are without opinion, appear to be in conflict, as was pointed out by Judge Killits in the Ricaby case, but most of them are in accord with my conclusion, and the latest of these, Appeal of S. A. Conover Co., *supra*, is in entire agreement. In several cases an opinion is expressed that the rule requiring a taxpayer claiming an exemption from a taxing law, to show himself clearly entitled thereto, is applicable to a corporation claiming a personal service classification under Sections 209 and 218. I do not deem it necessary to express a definite opinion on this question, but I deem it fitting to record a doubt. The question is, I think, not one of exemption from taxation, or even of exemption from the general provisions of a law otherwise applicable, but is, within which set of tax-

Create Desire

where you've created markets

- [1] From 5,000 to 65,000 homes in one market—from 5,000 to 375,000 homes in one to over thirty markets—all of them homes selected for their known purchasing power and habits—all of them on the mailing lists of magazines meant to create desire for more and better merchandise. *And the readers know this as well as the publishers.*
- [2] All of these homes have voluntarily established buying relations with the leading retail institutions selling several hundred millions of merchandise each year.
- [3] For less than *four cents* per home per year the manufacturer of approved merchandise can reach all of the 375,000 homes on the combined mailing lists in the following markets, and have his advertising share space with retail institutions of local prestige who invest many times that amount per home per year in the very same media:

BOSTON	HUNTINGTON	MADISON
PITTSBURGH	RICHMOND	CHAMPAIGN
ST. LOUIS	PROVIDENCE	OKLAHOMA CITY
LOS ANGELES	ELGIN	ANN ARBOR
OMAHA	LANSING	HARRISBURG
BROOKLYN	SIOUX CITY	LONDON (ONT.)
HOUSTON	DAYTON	HARTFORD
DENVER	ALTOONA	SOUTH BEND
PEORIA	TULSA	JOHNSTOWN
EVANSVILLE	WICHITA	WILKES-BARRE
AUSTIN AND OAK PARK, ILL.		

Modes & Manners ~ Fashions & Home

Standard Publishing Company

222 East Superior St., Chicago

AMOS H. WEIGEL, *Business Mgr.*
222 East Superior St., Chicago

JOSEPH C. QUIRK, *Advertising Mgr.*
681 Fifth Ave., New York

Halt This Shopping Frenzy!

WHAT shall I give him . . . and him . . . and *him*? Over and over again that eternal question that never seems to be answered quite satisfactorily. A last minute rush for a gift, distinctive and yet one that will not require an overdraft.

DON'T you dread it all? Well, you needn't. What could be more appropriate than a subscription to Advertising and Selling for a fellow executive—a friend—a business associate. A gift that will be a happy reminder—twenty-six times during the year—of your friendship and thoughtfulness.

USE the coupon now. Additional names can be attached on a separate sheet and each will receive a card inscribed with your name, announcing the gift. The cost—a mere \$3.00 for each name. [Canadian Postage 50¢ and Foreign \$1.00 extra yearly.]

YOUR Christmas worries are over when you mail this coupon.

ADVERTISING AND SELLING
9 East 38th Street, New York City

Please enter the following name to receive Advertising and Selling for the next year. My check for \$3.00 is enclosed.

Name.....

Address.....

City and State.....

My Name.....

Address.....

ing provisions a taxpayer falls. The Act provides two classes of corporations and provides a different manner for computing the tax. Hence the inquiry must be, in which class a particular corporation is to be placed. Even if it be admitted that the burden is upon a taxpayer enjoying a corporate form of organization to show in which class it is to be placed, nevertheless no greater burden of proof is required, I think, than is applied in determining any other simple issue of fact.

Judgment will be rendered in plaintiff's favor for the amount claimed in its petition.
D. C. WESTENHAVER,
Judge

Nov. 17, 1927

*"Sec. 200. That when used in this title The term 'personal service corporation' means a corporation whose income is to be ascribed primarily to the activities of the principal owners or stockholders who are themselves regularly engaged in the active conduct of the affairs of the corporation and in which capital (whether invested or borrowed) is not a material income-producing factor; but does not include any foreign corporation, nor any corporation 50 per centum or more of whose gross income consists either (1) of gains, profits, or income derived from trading, as a principal, or (2) of gains, profits, commissions, or other income derived from a Government contract or contracts made between April 6, 1917, and Nov. 11, 1918, both dates inclusive;"

†These percentages and figures are taken from defendant's brief and, while not verified, are so nearly accurate that any errors therein become immaterial.

‡Hubbard-Ragsdale Co. v. Dean (D.C.) 15 F. (2d) 410; Park Amusement Co. v. McCaughn (D.C.) 14 F. (2d) 553; F. Wallis Armstrong Co. v. McCaughn (D.C.) 21 F. (2d) 636; Thos. F. Basham v. Lucas (D.C.) 21 F. (2d) 550; George B. Ricaby Co. v. Nauts (D.C.) 19 F. (2d) 271; Matteson v. Willcuts (D.C.) 12 F. (2d) 447; De Laski & Thropp v. Iredell (D.C.) 268 Fed. 377; affirmed, (3 C.C.A.) 290 Fed. 955; J. H. Lane Co., Inc. v. United States, Court of Claims, decided December, 1926; Railroad Stevedoring Corp. v. Bowers (D.C.) 7 F. (2d) 781; Gus Sun Rocking Co. v. Deane (D.C.) 10 F. (2d) 378; Appeal of Messengale Advertising Agency, 2 B.T.A. 26; Alexander & Garrett v. United States (D.C.) 21 Fed. (2d) 547; Innes-Behney Optical Co. v. Commissioner, 7 B.T.A. 982; Appeal of Patterson-Andrew Co., Inc., 6 B.T.A. 392; Continental Accounting & Audit Co. v. Commissioner, 7 B.T.A. 330; F. J. Ross, Inc. v. Commissioner, 7 B.T.A. 196; Appeal of S. A. Conover Co., 6 B.T.A. 679; Lee Live Stock Commission Co. v. Commissioner, 7 B.T.A. 532.

What is Your Research Worth?

[CONTINUED FROM PAGE 25]

much whether the number of interviews was ten or ten thousand, I suspect that he would be inclined to set his own judgment above that of people even concerning their very selves. And yet these same advertising men, who would indignantly reject evidence proving that three people out of ten never read and were not influenced by advertising, will unhesitatingly swallow the answers of people as to whether or not they like soup. If it is discovered that 5,542 people out of 10,000 have a burning passion for soup, these facts are gravely accepted and working plans are built on them.

Conventional and dignified investigators among retail stores will not take clerks' words for much. They must go to the manager or the buyer. As soon as they let themselves be known, the buyer begins to inject his own opinions into his facts. And very few buyers can be interrupted in this without becoming more or less antagonized. Possibly the facts gathered are, in the end, correct, but I am always reminded of the young doctor who wants to get

Just Completed, and the Outstanding Success of the City

The Belvedere HOTEL

48th Street

West of Broadway

Times Square's Finest Hotel

WITHIN convenient walking distance to important business centers and theatres. Ideal transit facilities.

450 Rooms 450 Baths

Every Room an Outside Room — with Two Large Windows

Large Single Rooms \$4.00
Size 11' 6" x 20' 4" per day
with bath

For 2, twin beds, \$5.00

Large Double Rooms \$6.00
Twin Beds, Bath per day

Special Weekly Rates

Furnished or Unfurnished Suites with serving pantries \$95 to \$150 per Month

Moderately Priced

RESTAURANT featuring a peerless cuisine

Illustrated booklet free on request

CURTIS A. HALE
Managing Director



The Only "Denne" in Canadian Advertising

We give "on the spot" counsel and Service in your Canadian Advertising based on years of practical experience in this field. Ask our advice on methods and media.

A. J. DENNE & Company Ltd.
Reford Bldg. TORONTO.

SUGGESTIONS

FOR CHRISTMAS GIFTS FOR YOUR FRIENDS AND BUSINESS ASSOCIATES

American Magazine	\$2.50	
American Mercury	5.00	
Bookman	4.00	
Century	5.00	
Collier's	2.00	
Cosmopolitan	3.00	
Country Gentleman (3 yrs.)	1.00	
Country Life	5.00	
Golden Book	3.00	
Harpers	4.00	
Mentor	4.00	
Popular Mechanics	2.50	
Red Book	2.50	
Review of Reviews	4.00	
Saturday Evening Post	2.00	
Time	5.00	
World's Work	4.00	

Agency for all magazines

YOU NEED WRITE ONLY ONE CHECK TO COVER ALL YOUR SUBSCRIPTIONS (NEW OR RENEWAL)

Send for catalog.

PARK SUBSCRIPTION AGENCY
206 Park Place Brooklyn, N. Y.

your respiration, and tells you to breathe normally. And so you breathe regularly, because you think that that is what is meant by normal. Isn't it just possible that the person being interviewed tries to understand the interviewer's mind and bends his facts one way or the other, depending on his mood?

An extremely undignified and unethical way of getting facts is to drop into the desired store and loiter around, allowing everybody to get in ahead of the clerk. To make up for his obvious negligence, the clerk will answer all sorts of impertinent questions which he really ought not to expect from a customer. Half a dozen interviews of this sort, where the suspect is taken off his guard, will give a clearer picture of trade conditions than a thousand of the formal type. And they will have the advantage of being noticeably less expensive.

It is likely that when an advertising agency submits a marketing plan based on twenty calls, the advertiser will feel that he is being cheated. He is accustomed to hearing calls spoken of in terms of thousands. He is familiar with the grandiose evidence of a survey including every house or store or what have you in a given territory. And the sheer bulk of the evidence is enough to sway him. Let the calls be made by high school boys or people appointed by the local postmaster, it makes no difference. The introduction to the report will say that the man in charge of the research trained his own investigators, and the advertiser has that support for his Midas-like cherished millions of facts.

As to the comparative value of the two types of inquiry, opinions will continue to vary. There are excellent, big surveys, and there are abominable, small ones; but that is not because one is big and the other is small. Americans have, as Henning acidly insisted, a tendency to worship size for mere size. Everything must be "the biggest ever made." It is possible that we, as a nation, under-estimate somewhat the value of quality. But if the executive council needs a Napoleonic gesture to induce it to pass the appropriation, perhaps it will be better, in the long run, to stagger it with inconceivable numbers in the good old American way.

After Media and Copy —What Then?

[CONTINUED FROM PAGE 34]

of safety, the publishers' "last call for copy!"

Now, to make an incision in the heart and arteries of the system, as the surgeon would express it. January reveals that an advertisement was prepared for *Architectural Forum* and went down in the space allotted for identification as number four. Next, this piece of copy was routed to the development and research departments for approval. This procedure is an important cog in the machinery. Mailing departments are not infallible; neither do sales promotional executives and research engineers always arrive at the bottom of their work organizers in any predetermined period. And copy, like sales correspondence, must not be allowed to stagnate. So it is kept

New England's Second Largest Market

Rhode Island's Food Supply

Rhode Island—noted for its density of population and the diversity of its industries—with its population 97% urban and 3% rural—depends upon outside sources for nearly all of its total food supply. Many carloads of foodstuffs are shipped into this state daily to supply the demand. This market offers great opportunities to manufacturers and producers of food products. The population is served through 1,800 grocery and delicatessen stores. These stores are served through 21 wholesale grocers and 27 produce dealers with Providence as the distributing center.

The Providence Journal AND The Evening Bulletin

with a combined net paid circulation of 114,020 reach the great majority of English speaking families in Rhode Island which enable the advertiser to reach this market at a minimum cost.

PROVIDENCE JOURNAL COMPANY PROVIDENCE, R. I.

Representatives

CHAS. H. EDDY COMPANY
Boston New York Chicago

R. J. BIDWELL COMPANY
Los Angeles San Francisco Seattle

A NATION-WIDE RESEARCH ORGANIZATION

*Serving the Country's Best Known
Advertisers, Agencies and Publications*

—C—

CROSSLEY, INC., is engaged *solely* in the business of obtaining information about markets, from Portland to Portland and from Duluth to Dallas.

Its personnel, under the supervision of Government trained branch managers, is composed of men and women of widely different types, adaptable to the requirements of a variety of products.

—C—

Who are your customers? Why, and how, do they buy yours or competitive goods? They alone can tell you. Such facts are quietly determining the degree of success of all products. Only when they are known, can they be controlled.

—C—

"The Proof of the Pudding Is in the Repeating" is a booklet describing how CROSSLEY, INC., obtains information, to what use such information has been put, its measure of value, and wherein this organization differs from all others.

CROSSLEY, INC.

Twenty-five West Forty-third Street
NEW YORK CITY

HAS SERVED AND IS SERVING

*The Shredded Wheat Company
The American Gas Association
The Hoover Company
Nation's Business
Davis Baking Powder Company
Frank Seaman Inc.
Taylor Instrument Companies*

*The Literary Digest
The Frank Presbrey Company
McCall's Magazine
Cowan, Dempsey & Dengler
Remington Typewriter Co.
Socony Burner Corporation
Pathe Motion Picture Cameras*

*The New Yorker, Time, Hinze Ambrosia, Reimers & Osborn, Breed,
Abbott and Morgan and others of similar standing*

IN NINETY-NINE CITIES AND TOWNS

Member: MARKET RESEARCH COUNCIL and
AMERICAN STATISTICAL ASSOCIATION

humming along by methodical follow-ups to our sales and research workers.

Ordinarily, within three days to a week, copy is returned "approved" or "rejected" by the departments just mentioned. Then the copy is re-typed, a finished layout made, and these, together with the necessary engravings are sent on their way to the publisher. In the case of advertisement number four, for *Architectural Forum*, the mailing—copy, layout, and engravings—took place on Dec. 11, 1926.

The next move was up to the publication. It responded with rough proofs of number four on Dec. 21. This in turn was notated in the space keyed as "Proofs Received." Followed proof-reading with the "OK'd" or "OK'd with" proof returned to the publisher on the date recorded, Dec. 22.

Dates of issues appear in the last column under each month's listings. To conserve space and operating time, and to make for ready reference, these dates are contained within the symbols which denote sizes of advertisements. The corresponding key is seen in the upper right corner of the reproduced chart. Page space is indicated by a ruled square, half-page space by a triangle, two-page spreads by two joined squares, and cover space by a circle.

Thus, with the chart as a fingerpost, the schedule went off without hitch or oversight. For neglect or dismissal of any of the essential details was virtually impossible.

It is true that this chart could have been expanded to include all routine operations in the production of business paper advertisements. It could have been loaded to the gunnels with engraving due dates, checking data and other information. But fortunately, or unfortunately, as the case may be, these details were consigned to archives specially designated for them. In this manner was our chart relieved of onerous particulars, which while necessary could readily be relegated elsewhere.

In gist, then, the advantages of charting schedules are: convenience, accessibility, ready visualization of the business paper situation, and last but not at all least, a constant reminder to the copy section that time and closing dates wait for no advertiser.

Advertising Intoxication

[CONTINUED FROM PAGE 40]

Some organizations suffer from research intoxication. Research is valuable—it is often essential to the success of a campaign, but it cannot be carried to extremes beyond reason. There comes a time for action and an end to research—but this time never seems to approach in the operation of certain organizations. They hope to perfect every point in advance to such an extent that each microscopic objection will have been anticipated.

In theory their operations are sound. But valuable weeks and months, and sometimes years, speed by while their research continues, and by the time their findings are complete, competitors have attained an almost impregnable position. Moderation is essential in all things, and advertising is no exception.

The Taxi Weekly Covers the Whole Cab Industry

NEW YORK EDITION goes to 10,000 taxicab individual, fleet and company operators. Issued Mondays.

NATIONAL EDITION, ready January 1, 1928, goes to 4,000 fleet and company operators throughout the U. S. Issued Wednesdays.

Published in Its Own Printing Plant at
54 West 74th Street—New York City

THE BIG BOOK ON GOOD PRINTING

The Art and Practice of Typography

By Edmund G. Gress

Sent on receipt of \$10—45¢ extra for postage.

THE AMERICAN PRINTER
9 East 38th St., New York

Are you in need of a competent advertising manager, copywriter, promotion manager, etc.?

A few well chosen lines in THE MARKET PLACE will bring you applications from several who have the qualifications you require.

What the Modern Banker Thinks of Advertising

[CONTINUED FROM PAGE 20]

all is that intangible known as "consumer good will." A factory which lacks it for its product is a far poorer customer for the banker than the factory which has it in abundance. How is it possible for the banker who sees the importance of the good will intangible not to be interested in the principal force which builds it up—advertising? He sees that the good will of a single housewife toward a given product, manufactured by a customer of his, is the principal influence that turns her into a good customer of his customer. Being quick at mental arithmetic he calculates that if that housewife be multiplied into a million housewives, or into five million housewives, his customer has an invaluable intangible in the form of consumer good will.

THERE was a day when bankers were said to look down upon advertising. Every man who has ever contributed anything great in the field of medicine (the exceptions are so few you must hunt for them) has for a time been looked down upon by his contemporaries. But that is the age-old lot of those who create the new. If the new thing cannot prove itself to be a sound thing, it remains in a position of disparagement. But if the new thing be sound, it gradually wins a change of attitude. Advertising theoretically is as sound as any dollar that was ever minted. But advertising unfortunately is so readily susceptible to abuse that bankers were not alone in looking down upon it because of its abuses. They mistook the abuses for the real thing. We advertising men know of abuses in banking—a good many in fact—but shall we disparage all banking? Advertising men or bankers, past or present, who abuse their calling settle into history properly labeled. Many bankers have detected the true theory of advertising—a theory which denotes it as a legitimate factor for making sales rapidly and building good will over areas too large to be developed by personal sales contact this side of the grave.

To admit the truth, let us say that industry and advertising, as they stand today, owe a great deal to the wisdom and knowledge of bankers. Does the house of Morgan know nothing but money? Does the First National Bank of New York think only of "per cent"? Examine the influence of such institutions as these in the field of industry and commerce. You will find in the records most remarkable examples of the reconstruction of enterprises which had gone to seed or were on the way there. Concerns have been resuscitated from the state of prostration; increasing annual deficits have been turned into increasing annual profits; shakiness and a black outlook have given way to financial soundness and brilliant promise; stock and bond holders have been protected. In many such situations bankers have been the saviors.

In certain commercial enterprises in which banking groups are deeply interested advertising is an indispensable factor. The bankers know it and the executive personnel of the institutions know it.

Bankers are interested in advertising, and this article furnishes the opportunity to say that bankers could well afford to try to understand it still better. There is nothing about advertising which a banker cannot understand. There is nothing about it which any high-grade mind cannot understand. It is better for advertising that it be stripped of any mystery which may still surround it. The more clearly advertising is seen for what it really is, the more will it be respected by those who employ it, whether bankers or manufacturers—whether directly or indirectly. It is worth the while of any board of directors which has an advertising problem to devote a board meeting to it—to include in that meeting the active sales manager, if they do not include him regularly—to include the advertising minds of the organization and the agency that are carrying the major advertising burden. Some members of that board will learn much that is new and absorbingly interesting. The men on whom that board depends to market its merchandise, advertise it, and build up its great intangible of good will will do better work because of this recognition. As a matter of fact there is many a company with a rather imposing board of directors which does actually much less for the welfare of the company and has less understanding of its problems than its production, marketing, and advertising departments do. But this recognition does not need special pleading. It is coming about gradually as advertising and its function becomes better understood.

THE advertising man serves in a confidential capacity many different kinds of business. As he practises his profession, he discovers very soon that no knowledge he has ever acquired is wasted. He discovers that he must acquire a great deal of additional knowledge in order to fit with aptness into the varied situations represented by the affairs of his various clients. A banker is in the same position. His customers represent different lines of activity, and he cannot know too much about the many kinds of business upon which banking prosperity depends. Nothing is so ridiculous as the advertising man who pretends to talk wisely to the manufacturer of whose problems he knows nothing. Nothing is so ridiculous as the banker attempting to give advice to a business man of whose business he knows nothing.

One of the greatest merchants and executives in America today—with whom the writer talked recently about bankers and advertising—was less lenient toward the modern banker than

Customer Loyalty

OF fifty buyers of printing and engraving picked at random from our 1927 ledger, thirty-seven have been continuous customers for not less than eight years—twenty-five for not less than fifteen years—fourteen for not less than twenty-two years—five for not less than twenty-eight years.

The
Cargill Company
Grand Rapids

Three Ads draw 9526 inquiries

H. D. Justi & Son, tooth manufacturers of Philadelphia, were obliged to take on four extra clerks to handle the correspondence when this flood of inquiries began to pour in from their three ads, consisting of three color inserts with an offer of a shade guide, which appeared exclusively in ORAL HYGIENE.

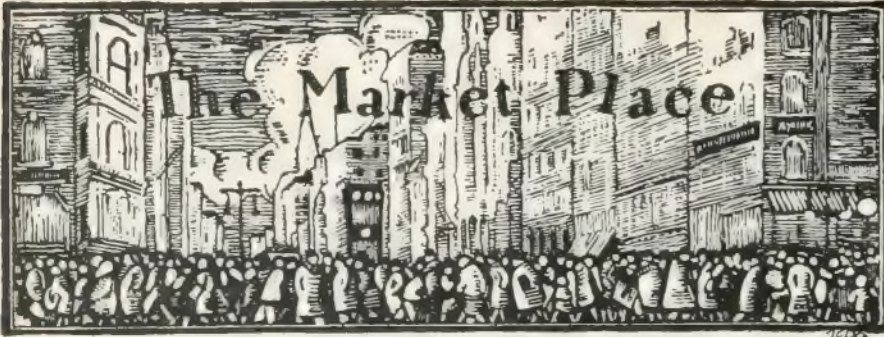
Even though direct returns are produced with sufficient frequency to prove that ORAL HYGIENE's advertising section is read attentively, our staff never coax advertisers into the magazine with promises of phenomenal direct returns.

ORAL HYGIENE

Every Dentist Every Month

1116 Wolfendale Street, N. S.
PITTSBURGH, PA.

CHICAGO: W. B. Conant, Peoples Gas Bldg., Harrison 8448.
NEW YORK: Stuart M. Stanley, 62 West 45th St., Vanderbilt 3758.
ST. LOUIS: A. D. McKinney, Syndicate Trust Bldg., Olive 43.
SAN FRANCISCO: Racer A. Johnstone, 155 Montgomery St., Kearny 8086.



Rate for advertisements inserted in this department is \$3.00 per inch. Minimum charge \$1.50. Forms close Saturday noon before date of issue.

Positions Wanted

I am looking for a big man for a boss. Someone who is recognized as successful, honest and considerate. I am not particular what kind of business he is in or where he is located so long as he isn't a bootlegger.

As I am 34 now and have had an unusually good all-around business and advertising training for seven years, my next ten or fifteen years should prove very valuable to the right man. By the end of that time I wish to have earned enough to be able to educate my two sons without selling the family cook stove, and to permit their mother some relaxation from household cares.

I take life seriously and am quite a plugger if I am sure I am right, that is why I wish to follow the lead of a big man. I make friends easily and enjoy the respect of my townspeople, as have my family before me.

Some Christian gentleman is going to be willing to pay liberally for the services I shall render him. Who is it going to be? Address Box 492, Advertising and Selling, 9 East 38th Street, New York City.

Experienced publicity man, now handling all municipal advertising for a large seaport and tourist resort city, will end four year contract in December. Qualifications:

Nationally known illustrator.

Copywriter of repute.

Specialist in industrial development and research.

In executive positions since 1913.

Formerly located in Washington, D. C., where handled many National accounts.

Extensive travel, as member of port authority, in present position has created many valuable industrial and political contacts.

Only first-class proposition where a skilled and aggressive man can find advancement will be considered.

Address Box 490, Advertising and Selling, 9 East 38th Street, New York City.

Help Wanted

Salesmen wanted for a nationally known jewelry house that enjoys national recognition and acceptance. Must be able to sell both product and advertising. Knowledge of jewelry merchandising and advertising desirable, but not essential. Southern and Pacific Northwestern territories now open. Address Box 495, Advertising and Selling, 9 East 38th Street, New York City.

An Ohio Manufacturer of plumbing supplies wants a man to take charge of its Advertising and New Business Department. Applicants should have had actual sales experience and should be familiar with all phases of advertising including a knowledge of printing, engraving, purchase of art work, space buying, copy writing, layouts, and development of mailing lists.

This is an excellent opportunity for one desirous of permanent identification with a successful and growing organization. In applying state age, education and experience in detail. Address Box 494, Advertising and Selling, 9 East 38th Street, New York City.

Multigraphing

Quality and Quantity Multigraphing. Addressing, Filing In, Folding, Etc.

DEHAAN CIRCULAR LETTER CO., INC.

120 W. 42nd St., New York City

Telephone Wis. 5483

Stationery and Printing

STATIONERY AND PRINTING

Save money on Stationery, Printing and Office Supplies. Tell us your requirements and we will be pleased to quote lowest prices. Champion Stationery and Printing Co., 125 Church Street, New York City. Phone Barclay 1295.

Business Opportunities

Less than \$50,000 purchases building, stock, good will of long established house on Pacific Coast, selling profitable merchandise direct to consumer. Net profits as high as \$21,000. Plenty room for expansion. Owner retiring; organization can be retained. Information to responsible people only. Address Box 493, Advertising and Selling, 9 East 38th Street, New York City.

Miscellaneous

BOUND VOLUMES

A bound volume of Advertising and Selling makes a handsome and valuable addition to your library. They are bound in black cloth and die-stamped in gold lettering. Each volume is complete with index, cross-filed under title of article and name of author making it valuable for reference purposes. The cost (which includes postage) is \$5.00 per volume. Send your check to Advertising and Selling, 9 East 38th St., New York City.

BINDERS

Use a binder to preserve your file of Advertising and Selling copies for reference. Stiff cloth covered covers, and die-stamped in gold lettering, each holding approximately 9 issues, \$1.85 including postage. Send your Check to Advertising and Selling, 9 E. 38th St., New York City.

this article has been. He felt that the average banker was still too many removes from his customers and that we would see in the next few years some great changes for the better in the relationship of banks with their clientele. He liked the simile that banking is simply one thread in the commercial fabric, but asserted it knew too little about the other threads. He said, "The modern big bank should have foremost among its vice-presidents, (a) one who could advise with the bank's customers on sales and advertising; that is, advise with the authority of the man who knows those subjects, not only theoretically but actually, because he has lived with them and done them; (b) another who could advise with the bank's customers on production—again, not merely a theorist on the subject but a practitioner as well. (He mentioned such a man as Kettering); (c) another who could advise with customers on cost systems and accounts—again, a man who was himself an expert accountant and cost man of high ability, practically demonstrated." And so he went on to describe the kind of vice-presidents whom, he said, the banks of today really need most because their customers need them most. He still feels that the average banker when approached by a customer for advice is, except on matters of mere money and security, often bluffing his way through the interview, indulging in platitudes and otherwise covering up his ignorance. His view was that the metropolitan bank in New York, or in Chicago, or in other great cities, which would organize its executive staff so as to prove truly helpful to its customers in their varied hours of need would run away with the lion's share of the business. He feels that the typical bank which sets up today a long line of vice-presidents is largely making a gesture—that these young men, educated and agreeable though they are, have neither the experience, the knowledge, the wisdom, nor the "gumption" to be of any particular value to the customer with a problem. He insists that it is a function of the bank to be much more of a help in the business problems of its customers than it has ever been before. Needless to say, when the question of advertising was suggested, he said that advertising was grossly misunderstood and under-rated by the average banker, simply because he was ignorant of what advertising is all about.

These remarks even from an ordinary man would be worth thinking over. But they came from a man whose name is probably well known to every reader of this article, certainly to every banker of importance in the United States, and who counts among his personal friends many of the peers of the banking world.

Guild of Free Lance Artists Holds Election

At a meeting of the Guild of Free Lance Artists, held at their headquarters in the Graybar Building on Nov. 14, the following officers were elected for the ensuing year: John La Gatta, president; McClelland Barclay, vice-president; John Alonzo Williams, secretary, and R. F. Schabelitz, treasurer.

Something Sound?

[CONTINUED FROM PAGE 21]

goodness knows how many others actually smoked! Think of it! Women smoking!

Some of them even intimated that if you ever expected to amount to much as a singer, you might as well take a good long drag on one of these same cigarettes.

After some of these advertisements had been appearing for a few weeks the New York papers told of an application to organize a "Tobacco Society for Voice Culture."

"The apparent purpose of the application," said the New York *World*, "was to ridicule cigarette advertising which uses testimonials from singers."

The application was turned down "as frivolous."

All of which causes one to wonder: Why can't cigarette advertising be approached like any other advertising situation? Why can't cigarettes be advertised to women where women smoke?

And why can't it be advertised in a way that it believable?

A MAGAZINE publisher may decide that his readers in inland cities and in the country do not share New York's frank attitude toward women's smoking. Therefore he excludes cigarette advertising. Why not? He knows or should know what his readers like and want.

It's certainly his prerogative to fix the policies of his own property.

But if he decides to admit cigarette advertising to his pages, he may find, as some publishers are reported to have found, that a surprisingly small number of readers are annoyed by it. One man who expected an avalanche received in the month after publication exactly seven letters from a circulation that is numbered by the millions.

Later a few more letters drifted in, but not many. The surprising part of it was the restraint of these protests. The writers were not shocked. They frankly faced the fact that women smoke. What they minded was the implication that smoking is good for the throat. They pointed out that there may be doctors who say that it doesn't hurt the voice, but they wondered whether any doctor could be found who would say that it actually ever did anybody's voice any good.

Most of us are not concerned with deciding whether to admit cigarette advertising into the columns of a magazine. Most of us are not concerned with the most effective way to walk the slack wire of cigarette copy without falling off. But all of us in the advertising business are concerned with trends that injure the credibility of all advertising.

Just now there are a number of copy fads that strain the credulence of any sensible person. Some of them are lazy-minded—using an old formula in a new way, *Portia in Modern Dress*. Some of them are ingenious. Most of them are just a little too shrewd to be good for advertising or, when it comes to that, good as advertising.

The last word has not been said when the reply is made, with a shrug, that these things boost sales.

A shot of strychnine is very stimulating, too.

Advertisers' Index



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The NEWS DIGEST

A complete digest of the news of advertising and selling is here compiled for quick and convenient reference. The Editor will be glad to receive items of news for inclusion in this department. Address ADVERTISING AND SELLING, Number Nine East Thirty-eighth Street, New York City

CHANGES IN PERSONNEL—(Advertisers, etc.)

Name	Former Company and Position	Now Associated With	Position
W. E. Mackee	The Fourth Estate, New York, Adv. Staff	Joseph W. Young, Hollywood, Fla.	Adv. and Publicity Dir.
W. E. Jackson	Westinghouse Electric & Mfg. Co., East Pittsburgh, Pa., Adv. Dept., International Section	National Metal Moulding Co., Pittsburgh, Pa.	Adv. Mgr.
L. G. Sherman	Hartford Fire Insurance Co., Hartford, Conn., Copy	Aetna Fire Insurance Co., Hartford, Conn.	Copy
H. S. Lord	J. I. Case Threshing Machine Co., Racine, Wis.	Nichols & Shepard Co., Battle Creek, Mich.	Gen. Sales Mgr.
Wm. R. Peer	Macfadden Publications, Inc., New York, Adv. Dept.	International Silver Co., Bridgeport, Conn.	Adv. Ass't
Edward L. Leeds	Niles-Bement-Pond Co., New York, Vice-Pres. and Gen. Sales Mgr.		Resigned
Carl G. Kendall	George E. Keith Co., Brockton, Mass., in Charge of Sales Promotion	Same Company	Ass't Sales Mgr.
Harold W. Copeland	George E. Keith Co., Brockton, Mass., Ass't Sales Mgr.	Same Company	Sales Mgr.
W. O. Nettleton	General Motors Corp., Detroit, Mich., Adv. Dept.	Durant Motors, Inc., New York	Ass't Gen. Mgr. of Adv. and Sales Promotion
H. C. Tiffany	General Motors Corp., Detroit, Mich., Asst. Mgr. of Export Adv.	Durant Motors, Inc., New York	Gen. Mgr. of Adv. and Sales Promotion
H. S. Connel	John Wanamaker, Philadelphia, Pa., Adv. Mgr.		Resigned
D. D. Knight	Graphic Art Studios, New York, Contact	Monarch Metal Products Co., St. Louis, Mo.	Sales Mgr.
Wm. G. Shortal	The Pierce-Arrow Motor Car Co., Buffalo, N. Y.	F. B. Stearns Co., Cleveland, Ohio	Ass't Sales Mgr.
T. A. Morrow	Gold Dust Corp., New York, Vice-Pres. and Mgr. of 2 in 1, Shinola and Bixby Corp.	Same Company	Vice-Pres. and Dir.

CHANGES IN PERSONNEL—(Agencies, etc.)

Name	Former Company and Position	Now Associated With	Position
Walter J. Garvey	World Wide Advertising Corp., New York	Winsten & Sullivan, Inc., New York	Acc't Executive
John E. Wiley	John S. King Co., Inc., Cleveland, Ohio, Sec'y.	Same Company	Vice-Pres.
Hal. A. Kennedy	At one time, Dorland Agency, Inc., New York	Winsten & Sullivan, Inc., New York	Prod. Mgr.
Edward A. Oldham	U. S. Junior Naval Reserve, New York, Executive Dir.	The Oldham Adv. Service, New York	Mgr.
Richard Stanton	Charles W. Hoyt Co., New York, Service Mgr.	N. W. Ayer & Son, Philadelphia, Pa.	Copy Dept.
Galen Snow	Greenfield Tap & Die Corp., Greenfield, Mass., Adv. and Sales Promotion Mgr.	W. B. Remington, Inc., Springfield, Mass.	Treas.
Mildred Sayles	Marion Advertising, Boston, Mass., Contact	Julien Elfenbein, Inc., New York	Member of Staff
Joseph B. Wells	Barton Mfg. Co., Waco, Texas, Adv. Mgr.	Kling-Gibson Co., Chicago, Ill.	Member of Staff
Amedee Cole	Gamble, Kuhl & Bent Co., Chicago, Ill.	Wm. H. Rankin Co., Inc., Chicago, Ill.	Copy
J. R. Ladue	Wales Advertising Co., New York, Prod. Mgr.	Z. L. Potter Co., Syracuse, N. Y.	Prod. Staff



26,000 CIRCULATION

Complete, Unduplicated, Low-cost, Coverage

THERE are two distributing markets for building supplies.

One constitutes the cities building needs which are supplied by the larger and more progressive building supply and lumber dealers.

The other constitutes the smaller cities, towns and rural communities served by lumber and fuel dealers.

Building Supply News with its more than 9,000 paid circulation covers the metropolitan area market of building supply dealers each week. Lumber and Building Supply Dealer with its 17,000 controlled circulation covers the other market of general stores and small town lumber dealers each month.

Thru these two publications with their more than 26,000 unduplicated circulation, you can completely cover every retail outlet for building supplies, and at low cost.

Every producer—every manufacturer of material-handling equipment—every advertising agency having such accounts—should write for copies of these companion publications, rates, territorial distribution and other details.

BUILDING SUPPLY NEWS

A.B.C.

A.B.P.

"Edited for the Merchant of the Building Industry"

NEW YORK

407 South Dearborn Street. CHICAGO

CLEVELAND

Advertising
& Selling

The NEWS DIGEST

Issue of
Nov. 30, 1927

CHANGES IN PERSONNEL—(Agencies, etc., continued)

Name	Former Company and Position	Now Associated With	Position
Robert Winthrop	Critchfield & Co., Inc., Chicago, Ill.	Lyddon & Hanford Co., Inc., Rochester, N. Y.	Dir. of Plans and Copy
Raymon Naylor	W. R. Jackman Studios, Chicago, Ill.	Hannah-Crawford, Inc., Milwaukee, Wis.	Art Dir.
Donald Burnham	E. Burnham, Inc., Chicago, Ill.	M. P. Gould Co., New York	Acc't Executive
O. R. Hardwell	Grace & Holliday, Detroit, Mich., Mgr. of New York Office	LaPorte & Austin, Inc., New York	Acc't Executive
S. G. McNary	Bolland-McNary, Inc., New York, Vice-Pres. and Treas.	McNary-Glassey, Inc., New York	Pres.
W. R. Glassey	J. E. Linde Paper Co., New York, in Charge of Production	McNary-Glassey, Inc., New York	Sec'y and Treas.
John V. Hughes	The Joseph Richards Co., New York, Ass't in Space Buying Dept.	Same Company	Space Buyer
S. H. Giellerup	George Batten Co., Inc., New York, Copy	Frank Seaman, Inc., New York	Acc't Executive
Robert J. Bowes	Seymour-Hill, Inc., New York, Art Dir.	Hazard Adv. Corp., New York	Production and Promotional
Ira W. Baker	The Roger Williams Co., Cleveland, Ohio, Pres.	Wm. H. Rankin Co., Inc., New York	Vice-Pres.

CHANGES IN PERSONNEL—(Media, etc.)

Name	Former Company and Position	Now Associated With	Position
Robert Johnson	Time, New York, Adv. Mgr.	Time, Inc., New York	Vice-Pres.
William E. Randall	Joseph Richards Co., Inc., New York, Media Dept.	American, New York	Nat'l Adv. Dept.
Roger M. Andrews	Bank of Italy, San Diego, Cal., Vice-Pres.	Times, Detroit, Mich.	Publisher
Lawrence W. Rotan	Sun, Baltimore, Md., Adv. Dept.	Times-Star, Bridgeport, Conn.	Adv. Staff
Glenn B. Hiller	Cadillac Printing Co., Detroit, Mich.	The Mulford Co., Detroit, Mich.	Creative Staff
Douglas G. Montell	Tribune, Oakland, Cal., Ass't Mgr. of Adv. Dept.	Same Company	Mgr. of San Francisco Office
Warren O. Woodward	The Warren O. Woodward Co., Inc., New York, Pres.	W. F. Powers Co., New York	Merchandising Mgr.
Edwin C. Newman	The Warren O. Woodward Co., Inc., New York, Merchandising Mgr.	Same Company	Gen. Mgr.
Addison F. Smith	Rolls-Royce of America, Inc., Springfield, Mass.	Electric Traction, Chicago, Ill.	Cleveland Rep.
James W. Egan, Jr.	Hearst Morning Newspapers, Chicago, Ill., Rep.	The Chicagoan, Chicago, Ill.	Adv. Mgr.
H. W. Hildebrant	The Christian Science Monitor, Boston, Mass., Adv. Rep. in Middle West	Nation's Traffic, St. Louis, Mo.	Adv. Mgr.
Arthur J. McElhone	Nichols-Evans Co., Cleveland, Ohio, Vice-Pres.	Rudolf Mosse, New York	Ass't Mgr.
H. S. Woodman	Kelly-Smith Co., New York, Rep.	Paul Block, Inc., New York	Rep.
Arthur I. Boyer	George Batten Co., Inc., New York	Paul Block, Inc., New York	Rep.
Victor H. Polachek	Hearst Newspapers, New York, Member of Hearst Executive Council	Same Company	Gen. Mgr.
Willard T. Chevalier	McGraw-Hill Publishing Co., Engineering News Record, New York, Bus. Mgr.	Same Company	Gen. Mgr. of Civil Engineering & Construction Publications
Robert D. Newton	National Broadcasting Co., New York, Sales Staff	Columbia Broadcasting System, New York	Member of Staff

¶ On January 1, 1928
Robert R. Updegraff will
become associated with
me in editing

THE MAGAZINE
OF BUSINESS



¶ Mr. Updegraff will
make his headquarters
at the publication's New
York Editorial Rooms at
No. 1 Park Avenue.

A. W. Shaw.

Advertising
& Selling

The NEWS DIGEST

Issue of
Nov. 30, 1927

CHANGES IN AGENCIES AND NEW ADVERTISING ACCOUNTS

Name	Address	Product	Now Advertising Through
Magazine Repeating Razor Co.	New York	Schick Razor	Reincke-Ellis Co., Chicago, Ill.
George LaMonte & Son	New York	Nat'l Safety Paper	Calkins & Holden, Inc., New York
Allen-Hough Mfg. Co.	Milwaukee, Wis.	Portable Phonographs	Dearborn Adv. Agcy., Chicago, Ill.
The Mendel-Drucker Co.	Cincinnati, Ohio	Wardrobe Trunks	The Seymour Schiele Adv. Co., St. Louis, Mo.
Protex Glass Co.	New York	Safety Glass	John Curtis Co., Inc., New York
Cameron Mfg. Co.	Buffalo, N. Y.	Cameron Antenna	J. Jay Fuller Adv. Agcy., Inc., Buffalo, N. Y.
Hartford Frocks, Inc.	Hartford, Conn.	Frocks	The Marx-Flarsheim Co., Cincinnati, Ohio
Citizens Radio Service Bureau	Chicago, Ill.	Citizens Radio Call Book	Hurja-Chase & Hooker, Inc., Chicago, Ill.
Armand May, Inc.	Chicago, Ill.	Laundry Machinery	Hurja, Chase & Hooker, Inc., Chicago, Ill.
The Silverstrobe Co.	New York	Suits	Alfred J. Silberstein, Inc., New York
Erie Railroad Co.	New York	Railroad	The Caples Co., New York
Arco Vacuum Corp.	New York	Vacuum Cleaners	Husband & Thomas Co., Inc., New York
The Caloroil Burner Corp.	New York	Oil Burner	Griffin, Johnson & Mann, Inc., New York
Leigh Chemists, Inc.	New York	Perfumes & Cosmetics	C. P. McDonald Co., Inc., New York
Southern Railway of England	London, England	Railway	The Caples Co., New York
Vulcanite Portland Cement Co.	New York	Cement	Wilson & Bristol, New York
American Cyanamid Co.	New York	Chemicals	C. P. McDonald Co., Inc., New York
Management Service Co., Inc.	New York	Real Estate	C. P. McDonald Co., Inc., New York
Hi-Gene Co.	Newark, N. J.	Foot Remedies	C. P. McDonald Co., Inc., New York
Shepard Laboratories	Council Bluffs, Iowa	Sprays	The Stanley H. Jack Co., Inc., Omaha, Neb.
MonaMotor Oil Co.	Council Bluffs, Iowa	Oils and Greases	The Stanley H. Jack Co., Inc., Omaha, Neb.
The Chicagoan	Chicago, Ill.	Magazine	McJunkin Adv. Co., Chicago, Ill.
Nation's Business	Washington, D. C.	Magazine	Glen Buck Co., Chicago, Ill.
National Bank of Kentucky	Louisville, Ky.	Bank	Carroll Dean Murphy, Inc., Chicago, Ill.
Standard Biscuit Co.	San Francisco, Cal.	Biscuits and Crackers	D'Evelyn & Wadsworth, San Francisco, Cal.
Society for the Development of Internal Combustion Power	Cleveland, Ohio	Internal Combustion Engines	Harry Botsford Adv. Agcy., Titusville, Pa.
Parfumerie St. Dennis	New York	Bath and Toilet Accessories	Lyon Adv. Agcy., Inc., New York
Karter Realty Sales Corp.	New York	Real Estate	Pratt & Florea, Inc., New York
Savings Investment & Trust Co.	East Orange, N. J.	Finance	Edwin Bird Wilson, Inc., New York
Williams Gold Refining Co.	Buffalo, N. Y.	Dental Gold and Specialties	J. Jay Fuller Adv. Agcy., Inc., Buffalo, N. Y.
Winchester Repeating Arms Co.	New Haven, Conn.	Tools & Ammunition	Doyle, Kitchen & McCormick, Inc., New York
Minneapolis-Honeywell Regulator Co.	Minneapolis, Minn.	Heat Regulators	Olson & Enzinger, Inc., Milwaukee, Wis.
O. M. Franklin Blackleg Serum Co.	Denver, Colo.	Drug Products	R. H. Byrum Adv. Agcy., Denver, Colo.
Germicide Co.	Denver, Colo.	Drug Products	R. H. Byrum Adv. Agcy., Denver, Colo.
Algonquin Electric Co., Inc.	New York	Super-Hilodyne Radio Receiver	Frank Kiernan & Co., New York
Houbigant, Inc.	New York	Perfumes	H. W. Kastor & Sons, New York
American Express Co.	New York	Travelers Cheques	The Caples Co., New York
Davis, Skaggs & Hutchinson Corp.	San Francisco, Cal.	Municipal & Corp. Bonds	D'Evelyn & Wadsworth, San Francisco, Cal.
Standard Biscuit Co.	San Francisco, Cal.	Paradise Salad Wafers	D'Evelyn & Wadsworth, San Francisco, Cal.

First in Detroit

according to the publishers' statements for the six months' period ending September 30, 1927.

CITY CIRCULATION

DETROIT TIMES	-	-	262,986*
2nd EVENING PAPER	-	-	247,154

TOTAL CIRCULATION

DETROIT TIMES	-	-	326,786*
2nd EVENING PAPER	-	-	324,394

*WEEKDAYS EXCEPT SATURDAY

*"Nothing Succeeds
like Circulation"*

Advertising
& Selling

The NEWS DIGEST

Issue of
Nov. 30, 1927

PUBLICATION CHANGES AND APPOINTMENTS

- Iowa Farmer, Des Moines, Iowa..... Has consolidated with the Corn Belt Farmer, Des Moines, Iowa. The two monthly publications will appear twice a month as one publication under the title Iowa Farmer and Corn Belt Farmer, Des Moines, Iowa.
- The Open Road for Boys, Boston, Mass... Has appointed Educational Adv. Co., Inc., New York, as its eastern advertising representative.

MISCELLANEOUS

- The Building Material Merchant, Chicago, Ill. Has consolidated with Building Materials, Chicago, Ill. The new publication will be called The Building Material Merchant & Building Materials, Chicago, Ill.
- Procter & Gamble Co., Cincinnati, Ohio .. Has purchased the William Waltke & Co., St. Louis, Mo.
- Paul Block, Inc., New York Will open an office at San Francisco, Cal., on January 1st. The office will be under the management of Donald Sias.
- Underwood Typewriter Co., New York.... Will merge with the Elliot-Fisher Co., New York. The new company will be called the Underwood Elliot-Fisher Co., New York.
- The Odorona Co., Cincinnati, Ohio Has opened a new office at 551 Fifth Ave., New York. The office will be in charge of Edna Albert, Pres.
- Dudlo Manufacturing Corp., Fort Wayne, Ind. Has become a division of the General Cable Corporation. The operation of the plants and business of the company will be carried on as a division of the General Cable Corp.
- Adams, Hildreth & Davis, North Tonawanda, N. Y. Has consolidated with Harvey Advertising Service, Buffalo, N. Y. The new agency will be known as Adams, Hildreth & Davis, Inc., Buffalo, N. Y.
- MacManus, Inc., Detroit, Mich. Has opened a new office in Toronto, Canada. The office will be under the management of Ray C. Blackwell.

NEW ADVERTISING AGENCIES AND SERVICES, ETC.

- Oldam Adv. Service 116 W. 39th St., New York Advertising Edward A. Oldam
- Media Records, Inc. 245 W. 55th St., New York..... Lineage Audit Bureau Charles E. Rock, Pres.
- Ellis & Keilly, Inc. 535 Fifth Ave., New York Advertising G. William Ellis, Pres.; John E. Keilly, Vice-Pres.
- Mottram, Inc. Milwaukee, Wis. Advertising H. M. Mottram, A. M. Lahey, and A. M. Davidson
- McNary-Glassey Corp. ... 570 Seventh Ave., New York Advertising S. G. McNary, Pres.; W. R. Glassey, Sec'y and Treas.
- R. H. Byrum Adv. Agcy... 1829 Champa St., Denver, Colo..... Advertising R. H. Byrum

NEW PUBLICATIONS

Name	Published by	Address	First Issue	Issuance	Page	Type	Size
Traction Shop & Roadway	Kenfield-Davis Publishing Co.	431 South Dearborn St., Chicago, Ill.	Jan., 1928	Monthly	9		12
Highway Maintenance	Highway Maintenance Publishing Co.	Taft, Cal.	July, 1927	Quarterly	7¼		10
The General Merchant of Canada	The MacLean Publishing Co., Ltd.	143 University Ave., Toronto, Canada	Jan., 1928	Monthly	10¼		14¼

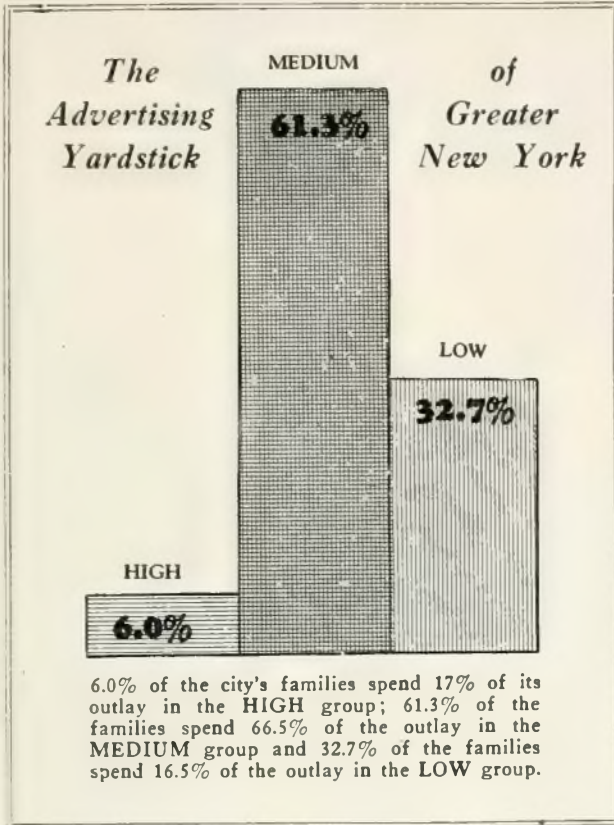
CHANGES IN ADDRESSES

Advertising Agencies and Services, Publications, etc.

Name	Business	From	To
E. G. Stellings Co., Inc.	Advertising	316 Southern Bldg., Wilmington, N. C.	Murchison Nat'l Bank Bldg., Wilmington, N. C.

The Most Searching Survey

Ever Made of a Major Market

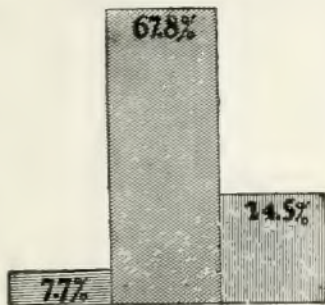


THE CHARTS reproduced on this page present in brief form the results of a survey made by New York University to determine the newspaper reading habits of the city's population. As a basis for this survey the city was divided into three expenditure groups as follows:

HIGH	MEDIUM	LOW
6.0% or 79,321 families	61.3% or 807,266 families	32.7% or 431,207 families
Annual Expenditures: Range... \$7,500 and up	Annual Expenditures: Range... \$3,000 to \$7,500	Annual Expenditures: Range... \$3,000 and less

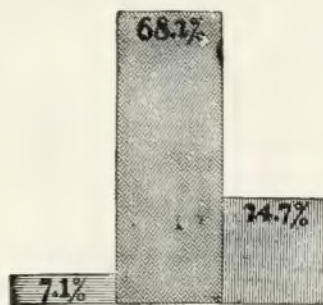
This survey, with its accompanying Marketing Map, are the most helpful and authoritative documents ever issued for the purpose of bringing about a better understanding of America's greatest retail market.

How THE MORNING WORLD is Distributed



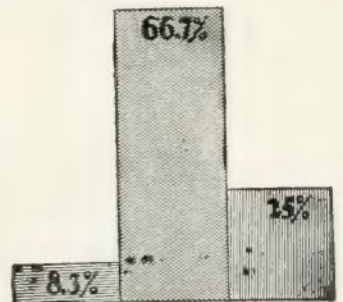
7.7% of THE MORNING WORLD'S circulation falls in the HIGH group; 67.8% in the MEDIUM group, and 24.5% in the LOW group.

How THE SUNDAY WORLD is Distributed



7.1% of THE SUNDAY WORLD'S circulation falls in the HIGH group; 68.2% in the MEDIUM group, and 24.7% in the LOW group.

How THE EVENING WORLD is Distributed



Showing how 8.3% of THE EVENING WORLD'S circulation falls in the HIGH group, 66.7% in the MEDIUM group and 25% in the LOW group.

Write for "A Study of the New York Market" on Your Business Stationery

The



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