HOWTO SWING AN ELECTION

By Helen Woodward

This is the story of how the great advertising agency, Lord and Thomas, caused the people of the state of California to repeal a chain-store tax. It is an object lesson to all political-minded people, and ought to be read carefully, with pencil and paper for notes, by naive radicals.

Right now there is a pest of little bills running through the legislatures of the country taxing the chain stores. Whether the chain store is a good thing or a bad thing, and whether the small retailer has a chance to fight it or not, these bills are mostly foolish and badly drawn. They are just a venture on the part of the small retailer. He is frightened. He doesn't realize that the sweep of the chain stores upon him is part of a historical movement, and if he did realize it he wouldn't care. He is fighting for his life. You can hardly expect him to say: "The world is through with me and I'd better just fold up and get out."

In the fight with the chain stores he is by no means alone. On his side he has some of the big distributors and manufacturers, and he usually has the state legislatures because he is a voter. The chains, often owned outside the state, are not voters. Hence the epidemic in various states of special taxes and license fees on retailers, so arranged that they will press more heavily on the chain stores.

The state of California passed a bill providing for such a tax. The bill was known as "22." The tax was insignificant for a single store under one ownership, but it rose as high as \$500 a store for chain-store systems. Behind this bill were 80,000 independent dealers, highly organized. A thousand anti-chain people marched on Sacramento to encourage the Governor to sign it. He dared not veto the bill, but he remarked that it could be repealed by referendum if the people of the state wished.

It was at this moment that the Lord and Thomas Advertising Agency stepped in. This is one of the biggest advertising agencies in the United States, and is presided over by Mr. Albert Lasker, who played a large and patriotic part during the World War as chairman of the Shipping Board. The campaign conducted by Lord and Thomas to repeal the California chain-store tax was an astute piece of work.

First, Lord and Thomas raced around and got the signatures of 135,000 California voters calling for a referendum. Then they put this carefully aside while they did a little good ground work. For seven months if you had been in California you wouldn't have known that anything was happening. As Lord and Thomas explained to their clients, "It is not enough to be right; it is also necessary to seem right." During those seven months Lord and Thomas were carefully arranging matters so that their clients should "seem right,"

All the information I give you here I got from a report sent out by Lord and Thomas to prospective advertisers. This report was a sort of boast. In it Lord and Thomas pointed out that the chain stores had as their natural allies three groups of people:

- 1. Their employees. There are 40,000 of these in California. But many of them were opposed to the chain stores because their pay was small, their hours long, and their treatment bad.
- 2. The producers and processors (processors are middlemen) of goods handled by the chain stores. Many of these were opposed to the chains because they too felt that they hadn't been fairly treated. They claimed that they had suffered from many an abuse which had forced down their profits and sometimes driven them into bankruptcy.
- 3. Their customers. These appreciated the low prices, but many of them knew and sympathized with the troubles of the employees and the producers.

Lord and Thomas went systematically to work on all three groups. Gravely they tell what they did about the employee group. First they said to the chain stores: "You've got to stop using numbers for your employees. You've got to call them by name." The clerks were numbers until the owners wanted their votes.

After that, clerks "doffed their anonymity and put on neat badges giving names and titles." They were then entered on card catalogues with all kinds of personal data. Here and there a salary was raised, and here and there hours were cut. There was a sudden outburst of parties, picnics, glee clubs, orchestras, athletic games, and dances, "with the blessing and cooperation of the management." When a worker had a baby or a wedding anniversary, he got a pleasant letter from the boss. For an accident or illness or death in the family there was a letter of regret and sometimes even a little "practical help." Lord and Thomas say that the workers responded by a new interest in their employers' problems, including the tax. Among the festive preparations was a movie called "The Spirit of '36." You can imagine what that was like.

Endowed with a name instead of a number, the happy recipient of a form letter of sympathy, and member of a glee club, the employee soon came around to the boss's side. He then was trained to tell his friends and relatives the whole story so that they would line up for the referendum, or, as the report says, "the employee had facts and technique for presenting the problem to outsiders."

At the same time Lord and Thomas were working with the second of the natural groups of friends who were so unnatural as not to be friendly. In 1934 the grocery chains bought \$229,000,000 worth of goods in California, the agency discovered. Each chain made a list of the sellers of these goods. Many were farmers, and some of these had also sold their products to the same chains outside the state. To these farmers Lord and Thomas sent men to make speeches, but that was a pretty obvious attempt to influence them. Not so obvious were the special chain-store drives, like that on canned peaches. As you probably know, California grows nearly all the peaches canned in the country. These drives were intended to show the farmer that the chains were stabilizing his market. The chain stores also had special sales of dried fruits and other farm products.

For the first time Lord and Thomas brought together the heads of the chains and the heads of marketing organizations and other groups to which most of the farmers belong. As a result of these conferences the chain stores gave up a number of injurious practices, such as unreasonable quantity discounts, loss leaders on agricultural products, and unearned advertising allowances. For instance, when a chain bought a certain amount of a product, it demanded a special discount which was to be used in advertising. Sometimes it was so used and sometimes it was not. The practice was seriously abused. The same thing occurred with unreasonable quantity discounts. (The Tydings-Miller bill stopped some of this abuse but not all of it.) These matters and one or two others were arranged in the conferences. On the whole the farmers were pleased with what they gained in these get-togethers.

The chain stores are often charged with indifference in local community-welfare work; so Lord and Thomas proceeded to teach the local managers "the importance of civic affairs and community movements," and "more frequently than ever," says the report, chain-store managers went to meetings of chambers of commerce, clubs, and other groups. Managers were allowed to give donations of money and merchandise on their own authority. And, perhaps even more significant, in dealing with landlords, bankers, real-estate and insurance agents, the chains became more polite.

A large staff of speakers was busy day and night with the farm groups, business men's clubs, and women's clubs. Any gathering could have a speaker for nothing. Sometimes by seven o'clock in the morning a speaker had already addressed three meetings. One of them began with a colored janitors' meeting at 4 a. m.

This ran on for seven months. Then suddenly newspaper advertising and a radio program burst upon the state. Each Monday evening on the radio came the California Hour. Politics was not mentioned; there was music and in each program a salute to some locality in California; also each program included a professional or amateur performer from that locality. In sixty minutes there were only three or four commercial announcements, and those brief. Prizes were given for essays on the chain-store situation. All of this was deftly done; the benefits of the chains were pointed out but not much was said about the tax.

Meanwhile, of course, the pro-tax people were keeping busy. But they were bewildered and at a loss. According to Lord and Thomas, the head of the pro-tax association said: "I wish the chains would come out in the open and fight. I'm afraid of this velvet touch."

The primaries were held in August. Between the primaries and the elections two months elapsed, and during those two months the chains "took off their gloves." The newspapers were deluged with material. Important people in chains had personal talks with newspaper publishers. The speakers' bureau began to talk about the tax itself.

Some of the advertising was slick. There's a chain in California which sells "See's Home-Made Candies." These are supposedly made or owned or devised or something by Grandma See. Is there a Grandma See? People whom I asked in California laughed at the question. But these antitax advertisements showed a picture of a lovely Grandma See, kind-faced, white-haired, and eighty-two years old, looking friendly and saying, "Do you want to put me out of business?"

Through all this advertising ran a magnificent slogan: "22 is a tax on you. Vote no." For the chains were not relying purely on pity and sympathy for Grandma See, old and sweet though she might be, but were building on the surer basis of saving money for the customer. The organization as a whole didn't appear in most of these ads. They were signed by the separate chains.

Then Lord and Thomas got an accidental break. The supporters of the bill, the little stores, collected some money, and it turned out that the man at the head of the money-raising outfit took 40 per cent of all he collected. Lord and Thomas took good care to expose him.

During the last few weeks everything was speeded up. Extra radio talks came over the air. Double cards appeared in street cars and buses; outdoor posters, theater slides, lapel buttons, windshield stickers, bumper strips were dealt out. Other organizations turned out to help. Indignant protests against the bill came from the Commonwealth Club of California, the state Chamber of Commerce, the United States Chamber of Commerce, the California Consumers' Conference, and so on.

Mass-meetings two hours long were held in auditoriums. These were really shows. Most of the time was taken up with entertainment by professional talent. Handsome prizes, such as radios and waffle-irons, were given away at the door. The show was entirely free. Tickets were given out

by the clerks of the local chain store. Fifty of these meetings were held in the Los Angeles area alone before election, and an average of more than 1,500 persons attended each one.

Lord and Thomas seem especially proud of the last meeting of the campaign. This was on November 2, the night before election, in the Central Avenue section (colored) of Los Angeles. It was called "East Side Mardi Gras," and had an all-colored program; master of ceremonies, speakers, projection operators, audience -- all were colored. Some 1,800 persons came. In the same district, on the same night, two rival candidates for the office of district attorney of Los Angeles County spoke. Each attracted about 150 people, although this was a bitter fight.

Then came Election Day, but Lord and Thomas didn't sit back and wait. The chain-store employees made lists of their relatives and friends, and set to work on them. Many of the relatives and friends acted as volunteers. There was an intensive registration drive. Big-scale maps full of pins showed where the employees lived. They were organized on a military basis: one worker to each district (precinct, it is called in the report); one lieutenant for each twenty precincts; a captain for each ten lieutenants; a major for each five captains.

On Election Day the employees were told to see every voter opposed to the tax and make sure he voted, take him to the polls if necessary. In Los Angeles County over 5,000 employees gave part of their day to this, and 60 per cent of all chain-store employees did some actual work on it.

Polls had been taken in the course of the campaign. In August only 39 per cent were opposed to the bill; in September, 54 per cent. On Election Day the bill was voted down by 64 per cent of the voters.

After it was over, Lord and Thomas interviewed the voters and got some interesting notes on why they voted as they did. The most effective argument with those who voted for the repeal of the bill had been that it raised the cost of living. On the other side the best argument had been that the chains were monopolies. More women than men had been moved by the argument about the rise in the cost of living, and more rural voters than urban voters. More men than women objected to monopoly in business, and more urban than rural voters. That is how Lord and Thomas went to the people of California; only the people of California didn't know anything about Lord and Thomas, and don't now.

Article OneFrom The Nation, December 11, 1937