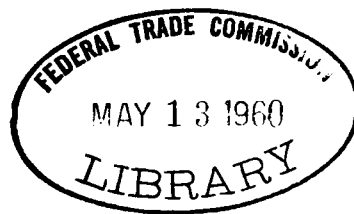


For p.m. release,
May 12, 1960



ETHICS AND MORALS IN ADVERTISING

Statement by Earl W. Kintner, Chairman
Federal Trade Commission
At the Advertising and Publishing Dinner
of the United Jewish Appeal
New York, New York
May 12, 1960

I.

A cynic can be a delightful company during an interlude of relaxation. Mordant wit often can illuminate the follies of mankind with penetrating accuracy. However, when the time for observation is over and the time for action comes, I find the company of cynics to be less than pleasant. In the realm of action cynicism often becomes an excuse for inaction, a mask for defeatism, a cloak for paralysis of the will.

Now that the scandals unearthed within the communications industry have been exposed to public view for some time the cynics are in full cry. No lasting improvements or reforms will be made in the world of advertising, they say. Some of these cynics are the very men who must act if advertising is to operate in an improved moral climate. I disagree with them.

Advertising is as susceptible to principled performance as any other form of economic activity. The rewards for

2500
584
10.75

ethical conduct are great and the dangers of unethical conduct are very apparent. The first such danger is the smoldering anger of the American public over shoddy advertising. Although this public indignation is not headline news every day, from my vantage point I can assure you that it continues to be strong and deep. A surprising number of people have commented to me about the negative attitude that deceptive or tasteless advertising generates in them. Confronted with an advertisement designed to evoke a favorable attitude toward a product, these people often form a quiet resolve not to buy the product because of the offensive nature of the sales message. The American consumer is growing more educated and more sophisticated day by day. Those advertisers who choose to trick him or to insult his intelligence do so at their peril.

The other danger to the dishonest advertiser is the possibility of an early visit by an Attorney-Examiner of the Federal Trade Commission. The Commission is exploiting every resource to check deceptive advertising. Speedy action against payola, expansion of our advertising monitoring unit, stepped-up enforcement, expansion of our Guides program, and increased efforts to educate business and the public of the role the Federal Trade Commission in trade regulation demonstrate our determination to work a lasting change in the climate of advertising.

However, neither an aware public nor an effective governmental program for the cessation of false and misleading advertising is a substitute for the assumption of individual responsibility by advertisers for the truthfulness and taste of their messages. The proper role of governmental regulation is to reinforce the self-regulation of individuals. Government can help to eliminate excuses for unprincipled performance. Effective enforcement of the Federal Trade Commission Act can still the argument that "We have to do it because Brand X does it." But there are real limits to the proper role of government. For instance, the Federal Trade Commission can proscribe false and misleading claims in advertising, but it has no power to insure that an advertisement is in good taste. The Commission does not want this power. Nor does the Commission wish to assume the role of an advance censor of all advertising. Instead, we want to see a day when the vast majority of advertisers recognize the need for voluntary compliance with the law, for individual adherence to ethical precepts, and for an individual standard of taste.

I think that day is coming. A combination of intelligent self-interest and a basic desire for self-respect among those who exercise managerial responsibility for advertising has produced what appears to me to be

significant improvements in the tone of advertising. Advertising trade associations have responded to the recent crisis in public confidence with an improved program for vigorous self-regulation. Therefore, a cynical attitude about the moral climate of advertising is premature. My fervent wish is that the combination of an intelligent and aroused public, effective governmental proscription of the tiny minority of willfully dishonest advertisers, and, above all, intelligent self-regulation by the vast majority of honest advertisers, can banish the cynic from this realm forever.

###