

relations for legal practice. Both are called "confidential relationships" by counselors working with them.

"Hiring of a firm can be misinterpreted to look like they're trying to beat the big drums, rather than obtain counsel. So they don't like to publicize the fact," explains H&K chmn Bill Durbin. National Law Journal article reports Jerry Tobin of Donovan Leisure feels having counsel is "no big deal." They want someone to bounce ideas off plus assistance in preparation of news releases, article adds. "We're primarily providing counsel to them, rather than trying to drum up business," emphasizes Durbin.

Use of publicity or other tactics is dramatic breakthrough for staid legal profession. Only last year was permission to promote business granted when American Bar Assn -- under pressure from FTC -- condoned ads, brochures, publicity. Previously such activities could result in being drummed out of the bar. (For description of promotional materials used by lawyers, including copy sample, see pr 8/28/78.)

Doctors' use of counsel was recently reported by AP (pr 3/19). Durbin says all Big 8 accounting firms have pr counsel. But it, too, is sensitive. H&K represents two, providing advice and helping "within the canons of their own profession." Part of their interest is drumming up new clients but reputation is what's really important -- as with law firms, says Durbin.

Coopers & Lybrand has used Anthony Franco (Det.), Newsome & Co. (Bos.), Deaver & Hannaford (L.A.), Lewis & Gilman (Phila.), and P/R Associates (Det.). Touche Ross has a dpr: Marvin Frankel, ex-head of Ruder & Finn Int'l.

JOB GROWTH AREAS AND NEW QUALIFICATIONS DESCRIBED BY JEAN CARDWELL

Three big growth areas in pr are govt'l relations, employee communications, and investor relations, says Jean Cardwell

(Chi.) who recruits pr execs for middle and upper level positions. Companies are in the mood to take on tough issues. Not only writing, therefore, but analytical ability is a qualification sought by employers. They also look for managerial skills and attitudes -- for persons willing to live with the bottom line and who are interested in the socio-political environment.

Recruiting has become tougher. Compared with 5 years ago, more practitioners are now reluctant to move to another location. Main reasons: new homes would have to be financed at higher interest rates and spouses also have jobs. To lure a person away, Cardwell sometimes has to find a job for both wife and husband.

Bad news for women: there's "resistance" toward them because they don't understand business and middle management. The "proving ground" for managers is at this level -- and much of it is "jungle fighting."

MALLEY CONTENTS PR DOESN'T GET SHORT END IN MARRIAGE WITH ADVERTISING

Ad agencies with pr arms do not tend to give preference to advertising over public relations projects, Frank Malley told pr.

Phil Lesly suggested (pr 3/19) that higher income from ad placements is determining factor. Malley (chmn, PRSA's Counselors Section) heads pr div of Doremus & Co. (NYC).

Even by that measure, Malley finds pr expenditures attractive to firms offering both adv & pr, especially for medium size accounts. He gives example of \$1-million budget. Spent wholly on ads, agency's 15% commission brings in \$150,000. But if \$200,000 is allotted to pr program, and remaining \$800,000 used for ads, agency grosses \$320,000 -- the pr fees plus 15% commission on \$800,000, which is \$120,000.

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STRENGTH AND GROWTH POTENTIAL OF PUBLIC RELATIONS AND PUERTO RICAN ECONOMY DEMONSTRATED AT PR SEMINAR IN SAN JUAN

Puerto Rico, a U.S. commonwealth, has about 500 pr practitioners, Joe Pons, pres. of 125 member Public Relations Association of Puerto Rico, told pr reporter. Half work for gov't, altho only about 25 are full professionals. The other half work in the private sector, which is heavily represented by U.S. multinational subsidiaries -- banks, pharmaceuticals and other manufacturing.

Over 50 attended an Advanced Public Relations Seminar on March 29 held in new, Hilton-run Convention Center in San Juan. Roberto Guastella, pres. of Guastella Films Producers described use of film commercials and public relations messages in movie houses. Diego Suarez, pres. of V. Suarez & Co., applied the concept of social marketing to the liquor industry. The company deals with the social problem of alcoholism by advocating moderation. Increasing use of controlled media -- employee & stockholder communications and advocacy advertising -- by business was one theme of keynote speaker Otto Lerbinger (Boston Univ.). Its aim is to balance biased reporting by mass media and increase communications effectiveness.

Lack of recognition by management, says Fernando Valverde, pres. of Public Relations Group, is practitioner's major problem. Rupert Amy, vp of same counseling firm, observes: "Senior management still views public relations as a function of the personnel department. Organizing employee activities, designing information brochures, assisting in Christmas, Halloween and yearly family picnics is the order of the day for the public relations officer." Worse, "management sees free publicity as a means of promoting the corporate name and the firm's management."

Pharmaceuticals & Electronics Are Key P.R. Industries

Economic development in Puerto Rico has gone through three economic stages, says Harry L. Fridman, well-known business editor of The San Juan Star, the

city's major English language newspaper. Stage 1 was highly-publicized Operation Bootstrap campaign which attracted labor intensive industries, e.g., needle trades and assembly work. Stage 2 attracted major pharmaceuticals from all over the world. Tax exemption and excellent air transportation made the island attractive for these drug products which are high in value but small in size. Stage 3, still in progress, has attracted the electronics and computer industry, which is both labor and capital intensive.

Economic Background Available in Special Business Supplement

"Business 1978-79," a 120-page special section of San Juan Star, Feb. 6, 1979, edited by Fridman, provides useful business and economic information.

(Copies still available.) Manufacturing is described as P.R.'s most important sector, contributing more than 43% of 1978 net income. The apparel industry remains important, employing one out of four manufacturing workers.

P.R. Offers Incentive Package

The Office of Industrial Tax Exemption receives, processes and evaluates petitions for industrial tax exemption. It then submits recommendations to the Governor. All petitions are now scrutinized for benefits a company will provide to Puerto Rico. Promotional efforts are geared toward companies that do not depend on low wages or full tax exemption.

Future Financial Center

"Puerto Rico is a logical dropping off point for South American financial transactions," believes Alvin Shoemaker, pres. of Blyth Eastman Dillon and Co. His reasons: P.R. possesses the advantages of political stability, common currency, bi- or multilingual capacity -- particularly Spanish for the South and Central American and Iberian markets -- and it flies the American flag.

P.R. as a Bilingual Resource Center

Because Puerto Ricans are well-educated and speak a universal Spanish, a Puerto Rican pr firm can help mainland clients with Spanish language communications to Puerto Ricans, Cubans and Chicanos, believes Joe Pons. (He is also vp of Welbeck Public Relations, recently acquired by Carl Byoir.) Gary Landis, pres. of Badillo-Compton Inc., an ad agency, sees similar language advantages. Recently appointed regional director for Latin America and the Caribbean, he says: "Puerto Rico was the natural choice as regional headquarters because of its bicultural and bilingual characteristics.... Today, English is the business language for most of our multinational clients, but you cannot operate in Latin America without a good knowledge of Spanish and of the Latin market. In Puerto Rico, we have both."

SUBJECTS THAT TURN ON AUDIENCES FOR FILMS (OR OTHER MEDIA) IDENTIFIED BY SURVEYS

Jan. 1 t&t reported on practitioners' tendency to rely on print in era when the public is tuned in on visual images. One reason cited is uncertainty about public's interests. New research by Modern Talking Picture Service identifies built-in audiences and lists subject areas most likely to spark interest for sponsored films. Data can be applied to other media as well.

General adult audiences (pta's, neighborhood action groups, professional organizations, country clubs, etc.) rank 1) travel, 2) health, 3) environment & conservation, and 4) consumer info tops. Survey of business audiences (unions, foremen's & industrial clubs, employee and management groups) shows somewhat different breakdown. However, both agree investment & finance and corporate profiles are low on list.

<u>% of Mention General Audience</u>		<u>% of Mention Business Audience</u>	
Travel	42%	Travel	37%
Health	38%	Sports	32%
Environment & Conservation	33%	Business & Economics	26%
Consumer Info	31%	Science	26%
Sports	28%	Environment & Conservation	26%
Energy	27%	Energy	26%
Science	26%	Consumer Info	22%
		Business Org & Mgmt	19%

Documentary is favorite film style of both groups. Animation, one of most expensive techniques, is least liked. Both groups demonstrate strong preference for having

recognized experts shown on screen. Shocker: only 4% of business audience wants to see corporate leaders vs. 3% of general audience. Other guidelines:

- *Provide collateral materials: discussion guides for program chairs, audience handouts, posters, etc.
- *Make films informative, up-to-date.
- *Keep films short, ideally 21-30 mins.
- *Use 16mm, not cassette.

For copy of surveys, write Modern Talking Picture Service, 2323 New Hyde Park Rd., New Hyde Park, N.Y. 11042.

FEDERAL LOBBY REFORM BILL MAY GET MARK-UP ANY DAY

Lobby reform legislation passed House last April but bogged down in Senate governmental affairs committee. Legislation died when 95th Congress ended. New legislation has been introduced in House. Hearings are underway in House Subcommittee on Administration and Governmental Relations of Judiciary Committee.

Primary proposals are H.R. 81, sponsored by Reps. George Danielson, Dem-Calif. and Peter Rodino, Dem-N.J.; and H.R. 1917 introduced by Reps. Robert Kastenmeier, Dem-Wis. and Tom Railsback, Rep-Ill. H.R. 1917 is same measure which passed House last year.

Major difference between bills is that H.R. 1917 would require disclosure of membership and dues of lobbying organizations, as well as reporting of grassroots lobbying efforts. It also covers people who do not do any direct lobbying but help draft testimony, letters, etc.

Now is time for organizations involved in public affairs to become familiar with this legislation and let their views be known. It is possible Danielson's subcommittee will begin "marking-up" bills early in April.

-- report by Jim Morrissey, dir. comms, American Textile Mfrs Assn (Wash., D.C.)

BIG LAW FIRMS START RETAINING PUBLIC RELATIONS COUNSEL, FOLLOWING LEAD OF ACCOUNTING FIRMS, MEDICAL DOCTORS; BUT THEY DON'T LIKE TO LET IT BE KNOWN

Donovan Leisure Newton & Irvine and Lord Bissell & Brooke are not yet well known public relations

accounts. But both have retained counsel. They are important law firms in NYC & Chicago, respectively. One is represented by Hill & Knowlton, the other has used Doremus & Co. for "a special situation." When asked about the Doremus connection, a spokesperson for Lord Bissell was unwilling to acknowledge it. "Our firm policy on this type of inquiry is that we just can't comment on it either way."

In addition, a major Detroit firm reportedly has retained counsel. And a Georgia lawyer who has done well in business is reportedly investigating uses of public