

Gov't is not entirely on side of environmentalists. For example, a regional division of the Corps of Engineers reported challenge of "trying to assess development of hydro electric projects in face of adverse reaction from environmentalists who don't want us even to make assessments." Another gov't respondent gives this summary of the conflict in land use:

"There is a definite difference of opinion between what large groups of environmentalists, etc. of the nation want to be done with public lands -- preserve, protect, enhance -- compared with what the local people (ranchers, miners, recreationists) have done and want done: use, develop, etc. Who gets his way? 'Taxpayers' of the nation or 'next door' users?"

OTHER ECONOMIC WOES: "Foreign product dumping" is seen by some industrials as a major competitive problem. Says Pa. steel company, "the foreign import impact on plate business required support from members of Congress as well as community and employees for corporate actions, including the filing of dumping charges." Other forms of worrisome competition are "inter-industry competition" faced by gas & electric utilities and "battling monopolies" by independents in the telephone industry.

Caught between "gov't funding cutbacks" and "trying to maintain quality programs," hospitals and educational institutions are most concerned about funding problems. Both groups overexpanded through ambitious new building and equipment programs and are caught in the squeeze of having to pay up in the face of declining financial support. Hospitals are trying to show they're "cost conscious" while at the same time beefing up promotion and marketing of their services.

Schools and colleges report declining enrollment which translates into shrinking money base. As a result, biggest challenge faced by an Ivy League university is:

"to make university community (including most particularly faculty and students), alumni and other important publics understand the realities of the institution's finances and that for even a relatively well-off university...the maintenance of high standards of teaching and research is extremely difficult (requiring sacrifices of various kinds) in the poor economic environment which currently obtains nationally and internationally."

PRODUCT EFFICACY ADDED TO SAFETY AS SPECIAL CONCERNS OF CONSUMER PRODUCT COMPANIES For the food industry particularly, the basic questions of product value and marketing of those values have become critical issues. A cereal mfr. reports: "Biggest challenge involves coping with misunderstandings and emotionalism in relation to the nutritional value of the products in our industry." A major consumer products co. talks about attacks against "infant formula marketing practices in Third World." And a meat producer worries about "threatened ban by USDA & FDA of nitrite as an additive in cured meats."

Among the many gov't regulation problems of concern to consumer products industry are FTC hearings on children's advertising. A leading company said it "sought to disassociate itself from other companies & assns....that are opposed to new regulations in tv industry. Company is in favor of voluntary changes." In current competition among giant beer sellers, one of them raises the issue of "ethical marketing practices."

Product safety & liability problems are endemic to consumer product cos. Sometimes Action-Line reporters are blamed for stirring up public complaints. Companies see rumor control and education as remedies.

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FIFTEENTH ANNUAL SURVEY OF THE PROFESSION, PART I GOVERNMENT REGULATION STILL MAJOR CONCERN

Government regulation heads list for second year as most important public issue facing pr practitioners, organizations. Communication with publics -- a catchall phrase encompassing efforts to overcome employee, consumer and other constituency misunderstandings -- is close second. Weakening U.S. economy, including inflation complaints and recession fears, ranks third. And rising from last year's miscellaneous category, the availability and cost of energy is this year's fourth most important issue.

1979's MOST IMPORTANT PUBLIC ISSUE FACING BUSINESS, NONPROFITS & GOVERNMENT

	No. of Comments	%	Top Two Industry Groups Mentioning Problem (% of Mentions of Problem)
1. Gov't regulation	155	22.4	Banks (46.6); Trade & Prof'l Assns (42.4)
2. Communication with publics	131	18.9	State/Prov. Gov't (45.4); Nonprofits (45.3)
3. U.S. economy	108	15.6	PR Firms (32.3); Other Consulting Firms (27.7)
4. Energy	57	8.2	Transportation (22.2); Industrials (19.6)
5. Environment	32	4.6	Federal Gov't (15.2); Industrials & Utilities (16.6 each)
6. Org'l & industry credibility/image	30	4.3	PR Firms (17.6); Advertising (16.6)
7. Competition -- domestic & foreign	25	3.6	Industrials (9); Utilities (7.5)
8. Funding/capital formation	21	3.1	Hospitals (18.6); Educational (10.4)
9. Safety	20	2.9	Transportation (33.3); Consumer Products (11.8)
10. Cost containment	17	2.5	Hospitals (22)
11. Other*	96	13.9	
	692	100.0	

*Examples: labor relations, privacy, nat'l health insurance, declining school enrollment, productivity, social & technological change, urban renewal.



GOV'T REGS WORRY ALL INDUSTRIES,
PARTICULARLY BANKS & ASSNS --
HOSPITALS AFFECTED TOO

An annoyance at best and a money and time waster at worst, gov't regs & legislation cut across entire business sector. Banks & assns. particularly find gov't regs onerous. "Regulations of

the trust business," "taxation of estates, foundations," and regulations affecting pensions & profit sharing hinder bank operations.

Deregulation, not just over-regulation, concerns trade & prof'l assns. For example, Florida Assn. of Dispensing Opticians lists as a major issue "the challenge by the Florida legislature to deregulate the optical industry." To offset lobbying by Common Cause and calls for deregulation by newspapers and other media, the assn. launched an aggressive pr program called OPERATION SUNRISE and persuaded the legislature to pass a new law keeping the opticians licensed.

Others assns., such as pharmaceuticals, fear more restrictive legislation and federal/state intrusions into the marketing system. And a regional telephone company worries about "forcing competition on a regulated monopoly."

If cost containment were added to gov't regulation, hospitals would top even banks and assns. in their concern about gov't intervention. Said a state assn.: "Major challenge was the defeat in Congress of Hospital Cost Containment legislation. However, as expected, the legislation was reintroduced this year. Industry is combating this effort with its own program, the Voluntary Effort, to restrain rise of hospital costs without further gov't controls."

Nonprofit organizations show least concern about gov't regs. But some are alert to worrisome trends; e.g., a religious social service agency foresees "diminishing role of private social agencies due to changing legislation and philosophies."

PROBLEMS REQUIRING PUBLIC
SUPPORT AND UNDERSTANDING
TREATED AS PUBLIC ISSUE

Although not an issue in itself, respondents use "communication with publics" as an umbrella term for a variety of issues requiring public understanding. Illustrative of the problems mentioned are:

- A state dep't of transportation says: "Transportation has reached a critical stage of not enough funds to support proper maintenance of highway systems, let alone new construction. Federal gov't red tape and environmental concerns have brought highway construction to a halt, making a two year process into ten."
- School districts in California and Idaho are smarting from effects of Proposition 13 or the 1% initiative (limiting local taxes to 1% of market value). One says, "The problem of school financing will continue to plague districts unless long-term financing is proposed by state legislation." The other says, "We lobbied for state replacement of local funds -- with no loss of local control."
- A state community affairs dep't writes: "A change of administration at the state level brought a new approach to our programs, and the challenge to keep the people and organizations that the dep't serves informed."
- A hospital assn. refers to "allegations by Consumer Protection Bd. that hospitals were 'ripping off' the public on blood fees."
- An R&D organization says biggest challenge was "trying to keep the record straight on matters of fact relating to investigation of feasibility of storing

nuclear waste in bedded salt deposits, 2,000 feet below ground in isolated area in New Mexico. Hysterical and unethical attacks by anti-nukes and fringe groups reported in media as legitimate news & counter arguments, instead of being identified as half truths and allegations."

PR FIRMS HURT BY
ECONOMY AND CREDIBILITY GAP

As U.S. economy sags into a recession compounded by inflation, pr, advertising and other consulting firms expect to suffer in one way or another. Some pr firms fear a drop in accounts as profitability of client businesses declines. Adds a 3-person, western pr firm, "Inflation affects the future growth of client firms." And an employee relations consulting firm sees the problem of "getting clients to realize the importance of maintaining or increasing spending levels for employee benefits in face of rising costs of doing business."

"Having to pay outlandish salaries to get qualified staff" -- a result of inflation -- is chief complaint of pr firms. A midwestern firm enlarges on this problem: "People want big salaries but aren't willing to make major contributions (e.g., new business development) toward company's growth..." Experiencing no loss in accounts, a Calif. firm reports, "We find it very difficult to keep pace with the demand for our services, yet we can't find qualified help at the salary levels we feel we can afford."

Nonprofits are hurt by inflation in a different way. Seeing an "eroding value of the dollar," they note that voluntary contributions to their organizations have fallen. They also see "voluntarism" in general on the decline.

Credibility and image problems still plague pr firms and their clients. Says Texas firm, "Our own credibility and that of our corporate clients is about the only issue facing pr which can be said to be a 'public issue.'" Practitioners complain that the media "don't understand what pr is and what the pr professional stands for. They communicate this mistrust to the public."

ENERGY COST AND AVAILABILITY
DISTURB RR'S, AIRLINES & UTILITIES;
ENVIRONMENTAL BATTLES FOCUS ON LAND USE

Fuel shortages and price increases have not only heated up inflation but made it difficult for transportation industry to maintain service levels. Industrials are also worried. For some, oil is major "feedstock without which they can't produce." Oil companies, as is well known, have found themselves "targets of hostility because the public doesn't believe crude oil is lacking...it's only a ploy for increased profits."

Utilities face most difficult emerging problem. Beyond having to justify rate increases, they are concerned about being dragged into the welfare business. As explained by midwestern gas utility: "As energy costs rise, low income families share a larger percentage of their per capita budget for energy costs." Assistance to this segment should come from gov't, not utilities. As a result, lobbying activities for fuel assistance programs have been stepped up.

On the environmental issue, respondents see federal gov't pitted against industrials and utilities who want to find new energy sources through land development. Business interests resent public lands "containing gas and oil reserves and timber" being reclassified as untouchable wilderness. As in past, gov't is also seen as "the bad guy" in setting stringent air and water anti-pollution standards that industrials and utilities "spend time and money trying to meet."