

HOW J. P. MORGAN HANDLED
SOUTH AFRICA ISSUE AT YALE

J. P. Morgan & Co. went academic in responding to Yale University's announcement it would sell company stock because of Morgan Guaranty Trust's policy on lending to the gov't of South Africa. It fully explained both sides of the issue, without attacking the integrity of its critic, and stated its own position forthrightly.

Appended to Chmn. Walter Page's 2-page statement was 3-page Yale "Report of Advisory Committee on Investor Responsibility" which states:

It could be said that Morgan Guaranty's analysis of its policy is virtually the same as the analysis underlying Yale's policy. The difference arises at the point of translating analysis into definite policy. Yale holds that a line ought to be drawn at loans to the South African government, even if a particular loan could be said to be of direct benefit to the blacks. Morgan holds that the line ought to be drawn at a particular loan, having regard for its specific purpose in the light of the situation in South Africa, particularly apartheid.

Page left to the judgment of reasonable people which policy is more constructive. To strengthen Morgan's case, he did cite instance of \$11-million loan to finance home purchases by blacks in South Africa -- a loan which involved the gov't even though not made directly to it.

WHO'S WHO IN PUBLIC RELATIONS

HONORS. Nancy Elliott, junior pr major at Cal State Fullerton, wins PRSA's \$1,000 Paul Lund Memorial Scholarship.

ELECTED. Religious Public Relations Council officers for 1979-80, pres, Sue Couch (United Methodist Comms, Nashville); vp, Thomas J. Brannon (S.C. Baptist Convention, Columbia); secy, David Wilson (American Lutheran Church, Minneapolis); treas, Monica McGinley (Medical Mission Sisters, Phila.). National Board of Governors are: Jennifer Bryon (So. Baptist Sunday School Board, Nashville); James Gardiner (Atonement Friars, Garrison, N.Y.); Peter Hewitt (Phila.), Martin J. Neeb (Franciscan Comms Ctr, L.A.); Leonard Perryman (United Methodist Comms, Dayton); and James Lee Young (Rocky Mountain Baptist, Denver).

PEOPLE. Richard O. Mann joins Transway International (NYC) as dpr...SMC (Moorestown, N.J.) promotes John J. Codella, dir-corp comms, to vp Mktg Consulting Div... Singer Company (Schiller Park, Ill.)

promotes Char Cary to mgr, adv & pr... Rod Brooker becomes dir-corp comms, Jos. Schlitz Brewing (Milwaukee)...Bank of America (L.A.) appoints Patricia S. Lindh vp & dir-corp comms...H. L. Roark is named dir, mktg comms, and D. W. Gruening, mgr, news srvs, at newly-formed General Industry Group, Allegheny Ludlum Industries (Pittsburgh)...Judy Vernon joins ADT Company (NYC) as mpr...C. Manly Molpus becomes pres, American Meat Institute (D.C.)...David Crosson becomes mgr, environmental comms, Monsanto (St. Louis) ...Lynn Morton joins American Mgmt Assoc (NYC) as pr sr assoc...Roland H. King appointed dpr & pubns, Bucknell Univ (Lewisburg, Pa.)...Cuisine (NYC) names Margi Smith dpr...Sally Chin McElwreath becomes dir-corp comms/mktg srvs at Trans World Airlines (NYC)...American Hospital Supply (Evanston, Ill.) promotes Pamela G. Needham to dir-gov't rels... Travenol Labs (Deerfield, Ill.) names Judith A. Ressler, mpr...Gulf + Western (NYC) appoints Jerry Sherman dpr.

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VERBATIM

This item appeared on page 2, Los Angeles Herald-Examiner, May 2:

"Allen Klein Found Innocent
By His Press Agent

"Those of you who read the story of record mogul Allen Klein being found guilty on income tax charges will no doubt be as baffled as we were on reading a press release from Solters & Roskin headed 'ABKCO PRESIDENT ALLEN KLEIN FOUND INNOCENT OF TAX CHARGES.'

"It turns out to be a marvel of the 'First the good news' school of publicity. 'A jury in the United States District Court has found Allen Klein, president of Abkco Industries, Inc., innocent of charges of tax evasion for the years 1970, 1971 and 1972. It has also found him not guilty of charges of filing false tax returns for the years 1971 and 1972,' the release begins.

"Now for the bad news -- but still presented in PR fashion: 'Gerald Walpin, Mr. Klein's attorney, believes that it is impossible to understand the jury's verdict of guilty on the charge of false filing of Klein's 1970 income tax return ...'

"Guess the jury didn't read the press release ..."

"TAKE PRIDE" CAMPAIGN APPLIES PUBLIC RELATIONS
TO SCHOOL SYSTEMS BESET BY TAX REVOLT PHILOSOPHY,
DEMONSTRATES WIDENING AREAS OF PRACTICE

Fast growing area of public relations practice is in public schools. Since they are usually biggest user of local or state taxes on businesses & individuals, schools can easily become target of tax revolt mood, also feeling gov't has too much control. Shawnee Mission (Kans.) Public Schools' "Take Pride" campaign deals with these problems head-on.

Market research survey conducted by school system revealed 62% of residents have no children in school. "This means the majority forming the body of public opinion does so through indirect exposure to the school system," David Westbrook, dir comms, told pr reporter. These people pay for the schools but do not use their services.

Program objective is to involve "non-parents" while reinforcing community pride. Major activity is direct mailing of brochure to every home. Simple 4-pager offers basic data to show why schools deserve pride. Inexpensive but well-designed, with clear headlines & large body type for easy reading. Cover is self-test of knowledge about local schools. Invites citizens to attend school board & regional advisory board meetings, lists times & places.

Readers are invited to become "Key Communicators." This means serving on opinion panel for questionnaires, receiving publications periodically. Five 60-sec. radio psa's reinforce invitation to become Key Communicators. Educators are interviewed, but in upbeat, easy-listening fashion. Board of Realtors contributed \$2500 to fund campaign, since good schools contribute to high property values.

Their support is credited on four informational folders, done as annual reports on reading, testing, finance, special education. Brochure and folders carry order form for more info. Mail address is "Communications Office." Credit line reads, "Prepared by Communications Dep't."

Results: "This combination worked," Westbrook says. Over 1,000 have returned order form to become Key Communicators, hundreds have phoned for informational folders in response to radio spots. (For copies of materials, write Westbrook at 7235 Antioch, Shawnee Mission, Kans. 66204.)

TO PROMOTE SHOES, SELL WALKING -- TIE IN WITH FITNESS, TOURISM

Kinney Shoe program illustrates that "doing what you do best" usually works best. Shoe firm developed 60 walking tours nationwide, covering major cities and well-known smaller towns like Newport, R.I. & Princeton, N.J. Targeted around key market areas and points of national interest, project was conceived & executed by Ruder & Finn.

"Massive undertaking" took two years, according to Louise Feinsot, R&F vp. In each area, firm screened 4-5 professional writers before selecting one to plan, walk & write by-lined folder on tour. Professional mapmaker outlined route. Every walk was checked with two local groups like chamber of commerce, convention bureau. President's Council on Physical Fitness, contacted early, agreed to be listed as co-sponsor once program was finished.

Writer & city officials walked route to launch tours. Mass walking tours were staged, with representatives of institutions along route coming to meet crowd & explain history. TV crews were close behind. Strong interest in interviewing writers because "they focused on their cities," Feinsot told pr reporter.

"Everyone was tickled with the program -- and they credited Kinney. So often you have to fight for the credit." Requests for 3-fold brochures have come from thousands, including gov't agencies like U.S. Travel Service & Dep't of Commerce. MacMillan & Co. has bought rights to book. As follow-up, R&F is putting together exhibit on walking for shopping malls. Covers famous walks, funny walks, etc., will feature speaker. Many malls will hold walk-related programs.

ANNUAL REPORTS: THREE IDEAS YOU CAN BORROW FROM CURRENT CROP

Essay on Economic Situation is lifted from its report by Koppers, distributed widely "to invite dialogue far beyond our shareholder audience."

Written in breezy, often humorous style by mythical "estimable academic: a dean of

no small reputation for foresight." Illustrated with cartoons in color. Readers of annual report are invited to write for reprints. (Copies from Chairman, 1900 Koppers Bldg., Pittsburgh, Pa. 15219)

Koppers' report itself is classic of straightforward informational approach. Copy on fold-out cover starts it right off, including graphs. Easy-to-read, double-truck charts detail "operating results by business segment," "sales by major end markets." "Description of Koppers business" is highlighted in 14 pgs. Financial data begins with "chief financial officer's letter." Informative effect is emphasized by 83-entry alphabetical index. Result is effective foil for essay.

Four-part "Multi-media" Report to give "investors more insight into the company's philosophy as well as its operations" is used by The Liberty Corp. Format selected in response to surveys showing people only skim, don't read annual reports. Four parts consist of 1) traditional magazine containing detailed financial results; 2) full-size 6-pg newspaper; 3) a letter-&-survey and 4) free-fall newspaper advertisement distributed to over million families in Carolinas.

Newspaper carries 30 articles & ads on company's life insurance, broadcasting, savings & loan subsidiaries. Free-fall features Nutrition Scoreboard -- meal planning guide meant to be taped up in kitchen. Company reports 50,000 additional copies requested by schools, doctors & individuals. (Copies and info from Gordon Epley, P. O. Box 789, Greenville, S.C. 29602)

Different Annual Report to Employees covers only items and issues of worker interest. Doesn't mention usual "how we did" data. General Telephone Co. of Michigan uses simple, two-color presentation with four-color cover -- but no glossy, hard-sell graphics. Photos are of employees in obvious real life situations. Brief -- eight pages plus cover. Retirement, education & training, customer service, wage climate, activities of employees' association are featured. (Copies from Frank Buck, Internal Comms Mgr, GTE, 455 East E. Ellis Road, Muskegon, Mich. 49443)

HISTORICAL PERSPECTIVE

The "corporation story" which (Henry) Luce (founder of Time, Inc.) invented -- and of which he himself wrote the first three or four -- was the origin of "investigative reporting" and meant to be adversary.

In those days, to be picked as the subject of a Fortune story was considered by most managements to be a noisome affliction, on a par with an attack of the shingles. I once asked Paul Garrett what his primary assignment was when Alfred Sloan had hired him as the first public relations man in General Motors, shortly after Fortune had been launched. "To keep Fortune away from GM," was his reply.

-- from Adventures of a Bystander, Peter Drucker's new book