Advertising Age

50¢ a Copy; $15 a Year

The National Newspaper of Marketing

February 3, 1975

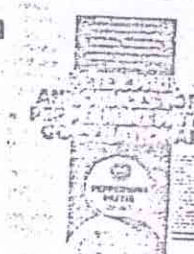
New anti-stain Right Guard gearing up for national bow

New York, Jan. 30—Gillette Co. is introducing Right Guard Double Protection antiperspirant featuring an anti-stain silicone compound which sprays on dry and "keeps your clothes free from underarm stains."

Commercials supporting the national move break Feb. 17 on network and spot tv, coupled with magazine and supplement ads carrying a minimum of 90,000,000 10¢-off coupons, Gillette said. The company continues to consider advertising approaches of five different commercials (two in test).

■ Already on sale in several midtown drug outlets here, Right Guard Double Protection is being sold in 5-oz. and 12-oz. aerosol cans, whose predominately white, black and red colors are reminiscent of Right Guard Extra

(Continued on Page 61)



Peter Paul's Peppermint Pattie, No. 1 mint despite limited eastern distribution, is making its national debut in February with tv backing. Print ads by Dancer-Fitzgerald-Sample will follow.

Oil marketers keep spending, with corporate themes starring

By LOUIS J. HAUGH

New York, Jan. 30—Most oil companies appear ready to hold, or increase slightly, their 1975 advertising outlays from 1974 levels, but their total spending continues far below 1972, when gasoline product advertising hit an alltime high.

In 1972, the six leading oil company advertisers invested $110,000,000 in measured media and $164,000,000 in all advertising and promotion. By comparison, these same companies spent an estimated $31,000,000 last year, including $27,500,000 in magazines, supplements and network tv through the first 10 months.

Market shares among the oil companies appear to have settled, depending more on the availability of product and pricing policies, and lack of advertising seems to have had little effect on market share, oil company sources note. Oil companies have traditionally had a low advertising to sales ratio, from less than 0.35% in 1972 to probably less than 0.3% last year.

■ According to Lundberg Surveys, North Hollywood, Cal., market shares among the leading companies range as follows: Texaco, 8%, Amoco 7.6%, Exxon 7.14%, Shell 7.05%, Mobil 6.45%, Gulf 6.42%, Standard of California 4.82%, Arco and Phillips Petroleum 3.88% each, Sun Oil 3.01% and Union Oil 3.29%.

The lower ad spending comes in the wake of greatly increased revenues for 1974, as reported by most major oil companies, along with increased profits. However, not all oil companies reported increased earnings for the fourth quarter, and there is talk of slipping profit expectations for 1975.

Except for some explanatory advertising on their non-leaded gasolines, there was virtually no product advertising in 1974, and none is expected in 1975. Non-leaded gasoline was mandated by federal law to be made available in most retail outlets last July, and several companies, such as Cities Service Oil Co. and Amoco, used advertising to explain their product mix.

■ However, the corporate campaigns begun by many of the major oil companies seem to be the center of most interest.

In addition, Atlantic Richfield Co., Mobil and Exxon have funneled more advertising money into public broadcasting program-

(Continued on Page 57)

last minute news

Gernert to VW market director; Mugg gets new post

Englewood Cliffs, N.J., Jan. 31—Volkswagen of America has named Michael Gernert, currently based in Japan and earlier VW ad-sales promotion manager, marketing director in a major reorganization at the company. He succeeds Richard Mugg, vp-marketing, who moves to newly created post of vp-regional operations. Six regional general managers will report to Mr. Mugg. John Slaven remains ad director.

FDA watching zirconium entries; no recall expected

Washington, Jan. 31—Procter & Gamble's Sure and Secret antiperspirants and Carter-Wallace's Arrid Double X are being watched for possible reformulation following a Food & Drug Administration advisory panel's refusal to clear zirconium-containing underarm sprays as fully safe and effective. The panel said FDA should permit the products to stay on the market as formulated, but contended risk of respiratory disease from zirconium particles inhaled over long periods (up to 20 years) called for a "vigorous program of safety testing" by the makers and FDA.

Carnation starts national launch of Breakfast Bar

Los Angeles, Jan. 31—Carnation Co. is beginning national rollout of Carnation Breakfast Bar, testing since last year (AA, May 27). Ad

(Continued on Page 55)

At newspaper execs' conference

Admen worry about narrower pages

By JAMES P. FORKAN

Other INAE news on Page 6.

Hollywood, Fla., Jan. 29—Daily newspaper execs left the International Newspaper Advertising Executives sales conference here today armed with more knowledge about the growing trend to narrower page widths, but also forewarned that not all advertisers welcome the trend.

Many publishers and advertisers hoped the moves to 55-in. and 56-in. newsprint rolls (AA, Jan. 27) would lead to greater standardization of page widths among dailies. Some advertisers, however, worried about losing impact with smaller ad units and about what they viewed as a rate increase in some cases.

Vance Stickell, vp-sales, and Don Maldonado, ad director, both of the *Los Angeles Times*, and Hal Jurgensmyer, operations vp, Knight-Ridder Newspapers, participated in a panel on the subject, added to the program at the last minute and moderated by Richard Carpenter, vp-marketing, *Philadelphia Bulletin*, and the 1974 INAE president. Mr. Jurgensmyer focused on the advantages of going to a six-column news and ad format, while the *Times* officials discussed the merits of the six-column news format and eight-column ad approach.

Mr. Stickell, who said his daily would have saved $3,500,000 with a 56-in. roll, but $4,200,000 with a 55-in. web, added that management did not even consider a six-column ad format because that would have meant a one-third increase in linage rates on top of two other rate hikes in the past year. There has been no client resistance to the changeover, although "a couple" of national and retail accounts were inconvenienced somewhat at first. United Air-lines, for one, had been using a seven-column, full-page ad nationally, a size no longer accepted at the *Los Angeles Times*, he added.

■ Mr. Maldonado said the transition went smoothly, thanks to a prototype shown to clients nearly

(Continued on Page 57)

Undercover admen: JWT linked to CIA front

BY RAMONA BECHTOS
International Editor

New York, Jan. 31—The Central Intelligence Agency, whose domestic and overseas actions have made it the center of national attention, appears to have involved J. Walter Thompson Co., the nation's largest ad agency, through a pr front for the intelligence unit.

While JWT is undoubtedly not the only international U.S. company whose aid has been sought by the U.S. government in intelligence-gathering activities, it is the one whose name came up continually and in many different contexts in an investigation conducted by Advertising Age. Specifics of such activities, other than being involved in the broad area of "intelligence gathering," have not been determined.

When AA contacted Don Johnston, JWT president and chief executive officer, for comment on some of the alleged activities, he refused, saying "I'm going to react after the fact. I'd be prepared to comment when I saw the story." Mr. Johnston declined to review a draft of this story.

Mr. Johnston went on to say, "My only interest right now is in the J. Walter Thompson Co., and I don't think this serves any purpose. What does it have to do with advertising?"

■ The beginning chronologically goes back to World War II when JWT supplied a number of its key executives to the Office of Strategic Services (predecessor agency to the CIA) and opened overseas offices, including one in Uruguay, at least partly as a cover for activities of the Federal Bureau of Investigation.

More recently, JWT appears to have been involved in several joint advertising-pr service activities with Robert R. Mullen & Co., a Washington-based pr firm whose principals have admitted to Senate investigators that they provided cover for the CIA. Mullen has since quietly ceased operations.

Robert Bennett, who became president and owner of Mullen in 1971, was contacted by AA in his Washington office last August. At that time, he said nothing about the Mullen company being dissolved, but last week, reached in Los Angeles, Mr. Bennett said that the Mullen company went out of business last June and three months later he moved to California to become director of pr for the Summa Corp., wholly owned by Howard Hughes, to handle his corporate activities. Mr. Bennett, son of Sen. Wallace F. Bennett (R., Utah), had handled the Hughes account in Washington. Mr. Bennett also employed, as a pr writer at Mullen, E. Howard Hunt (convicted Watergate burglar), while Mr. Hunt was working for the CIA.

The only instance Mr. Bennett could recall when Mullen used JWT was during August, 1971, when it hired the pr arm of JWT-London to handle a Mormon conference in Manchester, England. "We needed some people on the ground, before we got there, to advise on publications, invite the press, get releases out, things like that," he explained. Mr. Mullen has written a book on Mormon history.

■ Mr. Bennett said that when the CIA occasionally asked the Mullen company to allow an agent to use one of its overseas offices as a cover, "we said yes. I don't apologize for this. There are many people abroad, including journalists, who serve as agents."

Both Messrs. Bennett and Mullen testified before the investigative committee headed by Sen. Howard H. Baker Jr. (R.,

(Continued on Page 56)

Undercover admen: JWT linked to CIA front

(Continued from Page 1)

Tenn.) that the Mullen company had provided cover for the CIA.

Throughout the history of the Mullen company, it had a number of offices overseas. The last ones to be closed were in Singapore about October, 1972, and in Amsterdam about June, 1973, Mr. Bennett said. It is believed that Mullen's last office in the Far East was closed by the CIA in fear that that office and other cover operations had been compromised by an ex-CIA operative, Philip Agee, during three visits to Cuba in 1971. Mr. Agee's book, "Inside the Company—CIA Diary," was recently released by Penguin Books in the United Kingdom.

JWT's tie with Mullen goes back many years. Robert C. R. Mullen being an acknowledged close friend of a number of top JWT executives, including Samuel W. Meek, who often has been credited with building JWT's overseas operations even though he was never given a specific title in international. Mr. Mullen, himself a retired rear admiral, had a lot in common with Mr. Meek, a much-decorated World War I officer who always maintained close contacts to the Navy and Marine Corps. (JWT has long had the Marine Corps assignment).

▪ Reached by phone at his Key Biscayne, Fla., retirement home, Mr. Mullen denied that the Mullen company and JWT ever had joint offices.

Mr. Mullen did concur with Peter Dunham, a former JWT vp-international, who said that when he (Mr. Dunham) was manager of JWT's office in Mexico City, Mullen got the pr assignment for the Mexican government tourist account and was invited to use JWT's Mexico City office. Mr. Mullen said, "They handled the advertising and we had the pr."

Mr. Dunham, incidentally, was "on leave of absence" from JWT some eight months last year, and told AA, "I went off the payroll as of the end of the year." Mr. Dunham, a nephew of Christian Herter, Secretary of State in the Eisenhower administration, began his career with a Central American airline, according to Shirley F. Woodell, a vp and top international hand at JWT until he left the agency in 1959 to accept a teaching post at the University of North Carolina.

Mr. Dunham first joined JWT in New York, was transferred to Mexico City, then to Toronto when JWT got the Ford-Canada account, back to New York, on to Europe and back to New York once again. Asked if he had ever worked with the CIA, Mr. Dunham said, "If I were ever approached by the CIA, say in Mexico, even if I had said yes, it would have been as a private citizen and not as a member of Thompson." He added: "I was never asked. I don't know of anyone who did work for the CIA at the same time" as when employed by JWT.

▪ When asked if any JWT people had ever moved to his company, Mr. Mullen answered, "No." Later in the conversation, when the name Gene d'Olive was brought up, Mr. Mullen recalled that Gene d'Olive had worked for JWT, and then "he worked for us for a couple of years in the 1950s." He said that Mr. d'Olive had also worked for the Organization for Economic Development in Paris.

One ex-JWT man described Mr. d'Olive's advertising expertise in unflattering terms. He felt the same way about a novel written by Mr. d'Olive called "Chiara," a bit of froth on Italian romance, published in 1957 by Alfred A. Knopf of New York.

And Mr. Woodell said he was "miscast" in his role as an adman.

The jacket of Mr. d'Olive's book notes that he was a former newspaper man and journalist who worked for the U.S. government information agencies from 1950 to 1954. He went from Foote, Cone & Belding's San Francisco office to the JWT office in that city and then to JWT-New York. While with JWT's New York office, he lived with his Italian wife on Sam Meek's Connecticut estate. Late in 1959, Mr. d'Olive was sent by JWT "on a special assignment" to Paris, with "plans to remain in Europe permanently" (AA, Oct. 5, '59). Shortly thereafter, he left JWT, and no one seems to know his present whereabouts.

During World War II, JWT had a man in Uruguay who was strictly a cover for the FBI, according to Mr. Woodell. The man's name was Harry Wilson, who later worked for Standard Brands in Colombia, a job from which he was fired.

Gene d'Olive as he appeared in 1957 at J. Walter Thompson Co. In the 1950s, he divided his time between advertising, writing a novel and working for U.S. information agencies overseas.

Last August, JWT's pr arm, Dialog, was retained by the military government in Chile to help polish its international image, but the assignment lasted only one month. It was reported that after news broke of the CIA's involvement in the downfall of the Allende government, JWT received threats of violence against some of its overseas offices, so JWT quietly terminated the agreement. A JWT spokesman, said, however, that the assignment "involved an ideological matter," which was an area it had not traditionally been involved in.

▪ JWT's short-lived agreement with the Chilean government had been signed by Jack Raymond, president of Dialog. Mr. Raymond earlier had been with the Thomas J. Deegan Co., a pr firm, when it was retained by the Greek junta government in December, 1967. He was a reporter for the *New York Times* here and abroad for 25 years, having covered the Pentagon and written a book, "Power at the Pentagon."

In a 1972 book called "OSS—The Secret History of America's First Central Intelligence Agency," author R. Harris Smith, a former research analyst for the CIA, said that "corporations were more than generous in loaning their executives and resources for OSS service." He notes that JWT supplied the chief of the OSS planning staff, the head of the morale operations branch in London, the executive officer of OSS in Cairo and a "black propaganda" specialist in Casablanca.

▪ JWT observers have been trying to fill in the OSS titles in Mr. Smith's book with names of individuals. The chief of the planning staff was Kenneth Hinks and the OSS man in Cairo was Edward C. Wilson, the men involved admitted to AA Acc. But guesses on London and Casablanca connections are probably a little too uncertain to repeat.

Mr. Hinks, who worked in JWT's international operations as a senior vp, first joined the agency in 1921, took a leave of absence to work with the OSS during the war and returned to JWT in 1945. He was active in bringing in other JWT people into the OSS, including Mr. Wilson and the late George Diebert, who was a senior vp when he retired in 1964, and Walter O'Meara, who built a great career as creative man and author.

Mr. Hinks retired from JWT in 1962, after which time he served as a consultant to the government on foreign marketing. Reached at his Charlottesville, Va., home, Mr. Hinks said that JWT "neither encouraged nor discouraged" any employes from working for the OSS.

Mr. Wilson was with Gen. William "Wild Bill" Donovan's OSS operations from 1936 to 1938, having been with JWT both before and after. Mr. Wilson, who retired from JWT as a director and exec vp, told AA that there were JWT people with the OSS, but not concurrently.

▪ Mr. Meek, since his retirement from Thompson as vice-chairman, has kept busy running a bank in Connecticut and a publishing house in New York, Walker & Co. He said he never had any connection with OSS, but at one point he had the CIA as a silent partner in the *Rome Daily American*. In the mid-'50s, after the owner of the paper died, the CIA became fearful that the paper might fall into anti-American hands. At that time, a banker, Landon K. Thorne Jr., was persuaded to buy about a 50% interest, while Mr. Meek and Alfred Weld, who operated a small New York office for the paper, each owned about 5%. The identity of the fourth partner was said to be unknown to the other three and only later was revealed to them as the CIA. The CIA later extricated itself from the *Daily American* and Mr. Meek became the sole owner.

Mr. Meek acquired the interests of Mr. Thorne, who in 1961 took a leave of absence from his job as a vp and director of international operations at Bankers Trust Co. of New York to serve as chairman of the overseas finance committee of the Republican National Committee. ▪

Wry comment on its competition is inferred in this "baloney" ad from East New York Savings Bank offering a free "bologna bulletin," containing Family Circle-created recipes. Ad summarizes 1974 communitywide promotions. John L. Hansen Inc., New York, handles.

Faberge merges units, names Dow manager

Faberge Inc., New York, has merged its Caryl Richards hair care division into the Rayette-consumer products division. The combined Faberge consumer products division will market Brut 33, Rayette and Caryl Richards hair sprays and shampoos, Faberge Organic Wheat Germ Oil & Honey shampoo and conditioner, plus a new women's toiletries line to be introduced in early 1975.

Henry Dow, most recently vp-Rayette consumer products division, and Dennis Field, formerly vp-sales, Caryl Richards division, were named vp-general manager, and vp-sales, respectively, of the new division. Nadler & Larimer is the Faberge agency.

Connecticut bill would limit cigaret advertising

A Connecticut state legislator has introduced a bill that would limit advertising of cigarets, cigars and small cigars to two column inches in Connecticut newspapers. The measure, introduced by State Rep. Vito Mazza (D., West Haven), also would bar use of photographs and illustrations as well as persuasive exhortations to consumers to try the product. Mr. Mazza said the bill's primary aim is "to assist young people in resisting the smoking habit by limiting the size of advertising materials published in newspapers."

Printing industry is healthy but must risk change: Mill

CLEVELAND, Jan. 28—The printing industry "has ahead of it long life and good health," says Charles S. Mill, president, American Business Press. He cautioned, however, that the industry must be prepared for the "ordeal" of change.

"You must be prepared to accept the new technologies and methods that are waiting in the wings," Mr. Mill told the Printing Industries Assn. of Northern Ohio at their annual awards luncheon here. "Indeed," he advised the printing execs, "you must push forward, must gamble, by adapting these new ideas."

▪ The ABP president brushed off disclaimers that new industry developments "await only time and money." Time and money "must be found now," Mr. Mill said, "if new techniques and equipment will solve today's problems." With mechanical costs continuing to edge upward, Mr. Mill predicted that "this is the era of the production manager." He noted that 80% of the 2,400 major business publications use offset, versus 50% five years ago.

▪ Among industry innovations that lie ahead, Mr. Mill included "electronic typesetters that can transmit over thousands of miles, and the laser beam etching plates on the press, all controlled automatically by computer." Other mechanical advances cited by Mr. Mill include the trend toward narrow-width offset press, wider use of Dycleprint plate for letterpress, introduction of photopolymer plates, plastic relief plates and developments in gravure. He also listed facsimile transmission between printer and customer, sequential printing, electrostatic printing and jet printing.

Mr. Mill pointed out that fewer than 100 magazine titles were sold, merged or discontinued in the last five years, while more than 425 new magazines have arrived on the scene. ▪

advertising stock prices

CHICAGO, Jan. 31—Closing prices of a group of agency, media and research company stocks:

NEW YORK STOCK EXCHANGE

	Jan. 31	Jan. 24
ABC	18⅞	16½
John Blair & Co.	5	4⅛
Capital Cit. Bdcstg.	29¼	23¼
CBS	36¾	34
Combined Comm.	9	7½
Cowles Comm.	6	5
Cox Broadcasting	15⅝	13½
†Curtis Publishing	⅝	⅝
Esquire	4⅜	4⅛
FCAB	6⅝	6½
Gannett Co.	29	25¼
Harcourt Brace Jovanovich	17⅜	16¼
Harte-Hanks Newsp.	8	8
Interpublic	10⅝	10¼
Knight-Ridder	18¼	17¼
McGraw-Hill	7⅞	8⅛
Meredith Corp.	9¼	9⅛
Metromedia	7¼	7⅞
Playboy Enterprises	3	2¾
Storer Broadcasting	15	13¼
Taft Broadcasting	16¾	14⅛
JWT	5¾	5¼
Time Inc.	30	29¼
Times-Mirror	14⅛	12⅞
Wometco Enterprises	8¼	8¼

AMERICAN STOCK EXCHANGE

	Jan. 31	Jan. 24
Bartell Media	1½	1¼
Gross Telecasting	8¼	8¼
Media General	22¾	22½
New York Times	10	9⅞
Reeves Telecom Corp.	1⅛	1⅛
Sonderling Bdcstg.	5¾	5⅛
Washington Post	20⅛	18⅜

OVER-THE-COUNTER (Bid)

	Jan. 31	Jan. 24
BBDO	13½	12⅜
Comm. Channels	1	1
Doremus & Co.	4⅜	4½
Dow Jones & Co.	20½	18½
Downe Comm.	2½	2⅞
DDB	6¼	6⅜
Gaynor & Co.	1/16	1/50
Grant Adv. Int'l.	⅛	⅛
Grey Advertising	6⅜	5⅝
Hayden Publishing	2¼	2¼
Lampert Agency	⅛	⅛
Market Facts	7	5½
Multimedia Inc.	11¼	10
Natl. Student Mktg.	⅛	3/16
NH&S	4⅝	4½
New York Magazine	2	2¼
The New Yorker	44	42
A.C. Nielsen Co.	14⅞	11⅜
Ogilvy & Mather	13¼	11⅜
Pac. & So. Bdcstg.	3⅛	4⅛
Scholastic Magazines	4½	4¼
D. Storch & Staff	⅛	⅛
Synergistic Comm.	⅜	⅛
Technical Publishing	6	5⅛
Tracy-Locke	4⅛	4⅛
21st Century Comm.	3⅛	2⅛
Universal Publishing	1/20	1/50
Wells, Rich, Greene	7⅛	7⅛

†Curtis listing taken from Midwest Stock Exchange. Quotations supplied by E. F. Hutton & Co.

'Times' chief ties lowered profit to labor over-manning

New York, Feb. 6—While the New York Times Co. as a whole did well in 1974, Arthur Ochs Sulzberger, chairman and president, is citing "low productivity" for the newspaper's reduced profit margin, and stating his determination to improve productivity "substantially" in upcoming labor negotiations.

Consolidated revenues for 1974 reached a record $389,600,000, up $33,037,000 from 1973's total of $356,567,000, and consolidated net income was $20,315,000, up from $17,810,000 a year earlier.

Mr. Sulzberger said that profit before taxes for the *Times* dropped to 4% of revenues, down from 9% in '73. After taxes, he said, "a true margin of about 2% is just too thin for safety." He said "the shifting New York City market," rising supply and production costs and the recession are the problems.

■ The "heart of the cost problem on the newspaper," he said, "is low productivity, meaning poor output per man-hour . . . too many people doing unnecessary work. The people we compete with—tv, radio and suburban newspapers—are not burdened with over-manning."

Mr. Sulzberger said this year's labor negotiations must lead to solutions of "over-manning and wasteful work."

Mr. Sulzberger reported that the company's 12 newspapers other than the *Times* had combined revenues of $18,046,000 and pretax income of $4,711,000, up from $14,201,000 and $3,881,000, respectively, in 1973. The magazine group (*Family Circle, Golf Digest, Golf World, Tennis*) had 1974 revenues of $73,268,000 and pretax income of $6,651,000, compared with $62,545,000 and $5,633,000 in '73. ■

A&P ads hit by FTC judge

(Continued from Page 1)

This survey involved 640 stores operated by all leading chains in 40 metropolitan areas. Judge Hanscom found that 1,402 items out of 10,738 stocked by 80 A&P stores in 20 cities were either unavailable or overpriced. While other big chains all had varying performance records, he said A&P was among the worst.

Some occasional unavailability and overpricing of advertised items are probably inevitable due to human errors and factors beyond control, Judge Hanscom wrote. But "the substantial and widespread unavailability disclosed by the commission's 1973 survey . . . was not due to human error beyond the control of A&P."

The existence of a "rain check" or "substitution" policy did not fully offset A&P's failures, he said, because the public has been put to serious inconvenience, and business has been diverted from competitors. Under his cease and desist order, which is subject to review by the commission, A&P must stock all advertised items in every store unless the ad specifies stores where they are not available. It must also post copies of the ad near the entrance, along with a list of items not available in that store, and a statement that rain checks are available from the manager. ■

(Continued from Page 1)

Kenyon & Eckhardt, New York. "We're still talking," said Stanley Tannenbaum, K&E chairman, who withheld further comment. Mr. Frankfurt, who resigned from Y&R to head Frankfurt Communications, had carved out a reputation as a guiding light of the 1960s' "creative revolution" by the time he became Y&R president at age 36.

Allied tests Solo dog food; other late news

• Allied Mills, Chicago, marketer of Wayne canned dog foods, is testing a dry entry called Solo in Pittsburgh and other undisclosed markets. Tv spots say Solo contains meat, bone meal and grain, "the only thing you need to feed your dog." Another new entry, Allen's Alamo brand testing in Kansas City (AA, Jan. 27), is using the same pitch, "all that meal and bone meal in a bag," in tv spots. Isidore Lefkowitz Elgort, New York, is handling Solo, having picked up Allied's grocery products account from Campbell-Mithun, Chicago, last year.

• Hanns Fuchs has resigned as senior vp-executive creative director, Needham, Harper & Steers, to return to Young & Rubicam as senior vp-management supervisor. He was at Y&R from 1959 to 1968, when he left to become president of Richard K. Manoff Inc. At Needham, Lois Korey has been placed in complete charge of the creative department as senior vp-executive creative director, the first woman creative director in NH&S' 50-year history.

• Prime time access developments concerning the latest FCC revamp of rules to exempt public affairs, children's, late and documentaries from three-hour network limit: NBC will program 7 p.m. to 11 p.m. (EST) Sundays with "World of Disney" leading off. National Assn. of Independent TV Producers, which won stay of revision last year giving back some time to networks, on Feb. 11 will ask the court to stay the latest rule, which has been weakened by exemptions. Others appealing: CBS and Westinghouse.

• New Ingenue, for the last two years published by 21st Century Communications, New York, will fold after the April issue. Inflation, paper and postal costs, plus what 21st Century says was an "overly explicit" sex article, hurt the teen age girls' monthly, the company claimed. The article in question, appearing in the last issue produced by former owners Dell Publishing (April, '73), is the subject of a $3,000,000 suit by *New Ingenue* against Dell initiated in June, '73. The case is expected to be tried within the next two months. *New Ingenue* ad pages increased 8% last year, and 17% in 1973.

• Nicholas L. Turkevich, vp-managing director, Intermarco APU, Amsterdam, has been named exec vp. The Dutch holding company is part of the Intermarco-Farner international network of ad agencies and related companies in 13 European countries.

• Meredith Corp., Des Moines, which several months ago tried to sell WOW-TV, Omaha, now is negotiating with San Francisco Chronicle Corp. for sale of the station. Meredith, with good financial reports from its print and electronic properties lately, won't say why it wants to sell the station. Others figure the group hopes to move into bigger markets.

• Cunningham & Walsh has resigned the W. T. Grant Co. account with estimated billings of $750,000 in radio and tv. Grant, which just received a six-month extension from banks on a $75,000,000 payment that was due Jan. 31, has been handling the bulk of its $25,000,000 newspaper and circular advertising in-house.

• Playboy Enterprises said it lost $356,000 in the second fiscal quarter ended Dec. 31, the first loss since it went public in 1971. It recorded a profit of $1,763,093 in the second quarter of fiscal 1974, and one of $5,470,000 in this year's first quarter.

JWT denies CIA link

New York, Feb. 6—J. Walter Thompson Co. "does not have now, will not have, nor do I have any knowledge of the company ever having had any relationship officially or unofficially, with the CIA," agency president Don Johnston said today.

Responding to an article in Advertising Age (Feb. 3) on links between JWT and Robert R. Mullen & Co. pr firm, whose principals have admitted to Senate investigators that they provided cover for the Central Intelligence Agency, Mr. Johnston issued the following "Statement to the Readers of Advertising Age."

"The good reputation of an advertising agency, as that of many professional service businesses, is a sensitive and fragile thing. It demands absolute integrity.

"One of the great strengths of the J. Walter Thompson Co. has been our unquestioned integrity as well as our dedication to the highest professional standards.

"In the U.S. and in every country throughout the world where we are established, it is our firm policy to be good citizens and to be involved with the local community. Our policy of developing and promoting outstanding professionals in every country to positions of responsibility has led to national management of most of our companies.

"To become involved in any covert activity on behalf of any government would not only be totally contradictory to our company philosophy, but would seriously jeopardize the solid reputation which we have worked over 100 years to build.

"As I have stated to our own people, particularly those JWT men and women in other countries, I am appalled at the embarrassment to them and the damage to our business which must result from the story printed about us in Advertising Age.

"I have assured our people that the J. Walter Thompson Co. does not have now, will not have, nor do I have any knowledge of the company ever having had any relationships officially or unofficially, with the CIA.

"There should be no misunderstanding on this subject. We are citizens of a world made up of the countries in which we live and work. We [illegible] do nothing counter to that philosophy." ■

GAO wants food labels to tell all; raps FDA rule

Washington, Feb. 5—The General Accounting Office, Congress' eyes and ears on what happens after legislation has passed, wants food and beverage marketers to tell all on their labels.

GAO said in a report on labeling that exemptions permitted by the Food & Drug Administration under the Fair Packaging & Labeling Act and the Food, Drug & Cosmetic Act are keeping important label information from some 34,000,000 people with heart conditions, diabetes or allergies.

The report said FDA exempts 284 "standardized" food items from listing all their ingredients. It stated that provisions of the Food, Drug & Cosmetic Act add to the problem by permitting food manufacturers to list spices, flavorings and colorings in general terms rather than by specific name. The report added that FDA lets foodmakers list vegetable oils in general terms.

■ As a result, said GAO, consumers on special diets or those who might wish to avoid certain ingredients are not getting enough information on labels of such basic items as milk, bread, cheese, most canned fruit and vegetables, soft drinks, and frozen desserts, ice cream included.

The report called for amendments requiring "full disclosure of all ingredients on packaged food products," and said FDA should be authorized to require full identification of spices, flavors and colorings, and should be ordered to have food companies specify vegetable oil ingredients.

GAO also wants the Health-Education-Welfare Department to direct FDA to identify foods that might appropriately be required to list the percentage of their "characterizing ingredients" on their labels, such as the amount of beef in beef stew and apples in apple pie. Labels "frequently lack" this information, said the report. "As a result, manufacturers can and do vary the percentage of characterizing ingredients, and thus vary the value or acceptability of their product without consumers' knowledge."

GAO said it reviewed recipes for 57 products in 21 meat and other food categories and found that, for example, beef in beef stew varied as much as 22% among brands, and fruit in fruit pies as much as 18% among brands. ■

Carter to 'Good House'

(Continued from Page 2)

Both Mr. Carter and Mr. Erhardt declared *American Home* is on solid footing. According to Mr. Erhardt, Mr. Carter "feels he's achieved his goals in buying the magazine. He's got it where he wants it." He added that newsstand circulation is gaining, all subscriptions are now at full rate, and *AH* is delivering a 100,000 bonus on its 2,500,000 rate base.

■ Apparently that bonus is the remains from *AH*'s subscription liability, which Mr. Carter immediately began cutting last year. Reportedly, *AH* has just this quarter begun to make money from circulation, allowing April's issue to be profitable.

Asked about the future of *American Home*, Mr. Carter told Advertising Age, "I don't know." He explained that his contract with Hearst calls for his exclusive services to *Good Housekeeping*, precluding management of any other magazine. In addition, Mr. Carter said his new contract automatically terminates a nominal $500-per-month consulting agreement and 25,000 share stock option outstanding at Downe Communications, where he was chairman until he took *AH* from Downe a year ago.

Mr. Carter will retain about 20,000 shares of Downe's publicly traded stock, he said. To some extent, that links his personal wealth to the success of Downe's *Ladies' Home Journal*, but that doesn't seem to bother Hearst. Said Richard Deems, Hearst Magazine's president, "It doesn't matter if he holds Downe or HM" stock.

■ Nor does it matter to Hearst if Mr. Carter continues to own all or a piece of *American Home*, Mr. Deems said, insisting that *AH* does not compete with *Good Housekeeping*. Yet, Hearst's *House Beautiful* is in *American Home's* general arena.

Industry speculation suggests Mr. Carter might also sell *American Home* to Hearst. Mr. Deems denied, however, that Hearst executives have any interest in *American Home*.

Nor does it appear that Downe Communications, despite its avowed interest in acquisitions (AA, Feb. 3), would either buy *American Home* or unilaterally take it over. Even though Downe maintains substantial control of many *American Home* operations, according to the year-old "sale" of the magazine, Downe president A. Edward Miller said his company cannot take *American Home* back now. All *American Home* assets secure the $1,600,000 no-interest note American Home Publishing gave Downe, but payments on the debt are deferred until 1979. Downe has discounted that note and carries it on its books at about $400,000.

■ Information from various company sources and official reports suggest owners of *American Home* hold little in hard assets, the main attraction being the potential of future cash returns. In August, 1973, a time when Mr. Carter had apparently decided he wanted to leave Downe Communications, Downe's board coincidentally decided to either kill *American Home* or sell it. The magazine produced nearly $3,000,000 in losses in that year and carried more than $5,000,000 in subscription liability. Chicago financier Jay Pritzker, meanwhile, was negotiating to buy *McCall's* from Norton Simon Inc. and, until that deal jelled late in 1973, had sought Mr. Carter as *McCall's* new president. After the *McCall's* deal, Mr. Pritzker decided to retain *McCall's* management.

At the time, Mr. Carter still had two years remaining on his contract with Downe, a contract Downe's board reportedly was reluctant to terminate if it meant Mr. Carter's moving to a major competitor. It's a bit unclear whether Downe asked Mr. Carter to take *American Home* in return for breaking his contract, or whether Mr. Carter first suggested he take *American Home*. In either case, it's widely understood that Mr. Carter had fully committed himself to an *American Home* turnaround. ■