

NEWS SERVICE

Mobil Secretariat

NEWSWIRE:

- ASSOC PRESS
- DOW JONES
- REUTERS
- UNITED PRESS

NEWSPAPER:

- CHRISTIAN SCI MO
- DAILY NEWS (NY)
- FIN TIMES (LONDON)
- INTL HERALD TRIB
- J COMMERCE
- L A TIMES
- NEW YORK POST
- NEW YORK TIMES
- WALL ST JOURNAL
- WASHINGTON POST
- WASHINGTON STAR

MOBIL ID# MA2

SOURCE ID
PG/ITEM MAG. 4

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Front Page People

By Rudy Maxa

*Mobil-
Executives-
Schmertz*

Herb Schmertz

Slick Advertising Is His Style As Mobil Oil Tailors an Image



By Rudy Maxa

MEDIA FAST TRACK

True love as well as television's usual uncertainty about whether talent or a new show will survive longer than 13 weeks will keep Pat Mitchell in Washington this summer. She'll commute to Manhattan when she begins cohosting CBS's "People." All the better to be near investment lawyer Anthony Chase . . . The folks behind the Washington-based movement that urges restraint in buying "books from crooks" say success will keep them in business at least until late summer. Bill Boleyn, who in real life runs a restaurant, says the \$39,000 raised to begin the

nationwide T-shirt, bumper sticker and advertising campaign urging a boycott of Watergaters' books has been earned back, and another \$20,000 worth of orders received.

Yes, there's a local connection to the byline above the New York Times stories on the West Virginia power plant construction site disaster. The reporter named Peterson who writes from the Detroit bureau is the White House's Esther Peterson's son, Ivan . . . Detroit News Washington bureau reporter Seth Kantor becomes full-time investigative reporter here for the Atlanta

Constitution . . . Watch for a decline in frequency of handsome corporate "image" ads addressing Congress and the public. An IRS decision says issue-oriented ads by corporations are no longer tax deductible as a business expense. Court tests will take time. Footnote: some firms, such as Mobil (whose campaign is profiled in the adjoining column) never did deduct the cost of that category of ads.

RECOMPOSED-
ABOVE TEXT WAS
SINGLE COLUMN ON
FAR LEFT OF P. 4.
FOLLOWING PAGE WAS
UNDER SCHMERTZ
PICTURE

FRONT PAGE PEOPLE

"It's very simple," a wife explains to her husband in a New Yorker cartoon. "You want to be loved. I want to be loved. Mobil Oil wants to be loved."

That cartoon is framed on the wall near Herb Schmertz's desk, testament to a unique public relations campaign he's masterminded as Mobil's vice president for public affairs since 1969. Like no other oil company, Mobil has managed to insinuate itself into the national fabric through a shrewd and expensive combination of support for high quality entertainment (Masterpiece Theatre, for example) and slick advertising that patiently explains the oil industry is not run by profit-crazed bands of thieves.

"What we did in our advertising," says Schmertz, a cool customer with a dry wit and a law degree from Columbia, "is we made a real commitment to try to show our intellectual process . . . Over 90 percent of ads are conclusory, and we decided to reject that."

At Mobil, they're called "op-ed" ads, because the company likes to place them on the page opposite

newspapers' editorial sections. And they are written in a first-person, oh-so-reasonable tone that resembles the advice Dad used to offer. For example, try part of this ad—written to appear after last month's Sun Day—on for comfort:

"Sure, we're hopeful that solar energy will do more than [just heat water or supplement conventional heating systems] someday . . . But what worries us is that all this attention to solar energy will delude our country into believing that the sun right now can do all the things that oil, gas, coal and nuclear power can do. It can't."

Not all of Mobil's op-ed ads argue for greater government incentives for expensive drilling or for "an even-handed approach to nuclear power." Some pause to praise Thanksgiving, the American standard of living, regular inoculation against diseases, and legal aid for the indigent. And five or six in a series headlined "Musings of an Oil Person" are off-the-cuff, thinking-aloud reflections of an oil exec pondering the complex problems of energy.

Schmertz, 48, pioneered the concept of the ads and

edits each one. Often his ideas (which are then executed by an in-house staff of writers) come from reading an editorial or opinion column that includes what he considers a half-baked idea about national energy policy. Or, in the case of an ad about Sun Day, Schmertz was "amazed at the amount of coverage Robert Redford was getting. I argued it was diverting, leading the public to believe solar energy is just around the corner."

Schmertz says his firm wanted "to inject some realism" into a situation in which he thought the media had been manipulated.

The man behind Sun Day, Dennis Hayes, gripes that Mobil ignored the validity of other options advocated during Sun Day such as increased use of hydroelectric and wind power. Redford wrote he was fascinated by Mobil's ads and noted, "If Mobil feels the need to spend such an excessive amount of money to print such a defensive message, then the awesome control they have had over our lives in past years is obviously being threatened."

Other consumer groups feel outgunned by Schmertz's \$1.5 million annual ad

budget.

"In choosing their words very carefully they can cloud the real substance of an issue and the reader isn't getting the benefit of both sides," says John McCormick of the Environmental Policy Center. McCormick suggested to Mobil that it allow public interest groups to answer some ads at Mobil's expense, so far to no avail. A colleague, Hope Robertson, adds: "They're extremely slick . . . I get mad because we obviously don't have the same funding. It's very disappointing when you know darn well there's a lot of information they're ignoring."

Whether it's due partly to the op-ed ad campaign that gets Mobil discussed and included in sophisticated cartoons, Schmertz says he thinks public perception of oil companies has softened.

"There's a lot more recognition as to where the problems started," he says. "The conspiratorial perception has largely abated. In April of 1977, when Carter launched a Henry Jackson kind of attack on oil, the press demolished him; we didn't have to do anything."

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Mobil Advertising
MOBIL ID# MA1
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PG/ITEM F6
DATE 7/9/78

Making Mobil a Highly Visible Patron of the Arts And an Aggressive Oil Industry Proponent

By Paul Shinoff

Special to The Washington Post

NEW YORK—In many ways, he's like the other editors on 42d Street. He works at a round, white table, where writers sit to discuss their projects and on which artists spread work for his comments and approval.

However, Herbert Schmertz' background is not art or letters but law and politics. The major product of his company is not media but oil, Mobil Oil.

Herb Schmertz, 47, is Mobil's vice president for public affairs. And from his spacious office, he directs a campaign that has made Mobil both a highly visible patron of the arts, and an aggressive proponent of the petroleum industry.

Mobil does have a traditional marketing department with the task of selling its products and those of its subsidiaries, Montgomery Ward and the Container Corp. But that is a task which Schmertz says holds little interest for him.

Herb Schmertz' job is to sell Mobil. Or as Schmertz puts it, "selling ideas." And he does it with a budget of \$20 million, with projects that range from Masterpiece Theater to independently produced documentaries to Sunday magazine columns to hard-hitting opposite-editorial-page ads to traditional support for museums and cultural events.

(Schmertz is inexact regarding how much Mobil spends on its various projects. Contributions come both from the corporation and a tax-exempt Mobil Foundation. The corporation's expenses for commercial television are shared both by the public affairs and marketing departments.)

Other oil companies have contributed to the arts. Texaco for example, has given heavily to the Metropolitan Opera since 1940. Since the oil shortage and price hikes of 1973, the industry has developed a variety of image-building campaigns. But no other company has done it with the same distinct, aggressive style as Mobil Oil.

That partly reflects the unique qualities of Herb Schmertz, an outsider at Mobil, and partly those of Mobil, an outsider in the oil industry.

Mobil has always been a "crude-short" company, forced to purchase much of its domestic and foreign oil. While the management of its sister companies runs heavy with engineers and scientists, the New York-based Mobil traditionally has been run by financiers and lawyers. What Mobil lacked in the manure-kicking spirit of its Southwestern compatriots, it made up for in its knowledge of marketing and politics.

And Herb Schmertz? For the bulk of his professional life, his connection with the oil industry began and ended at the local gas pump. A freshly painted oil drum turned office wastepaper basket that he has set beside leather couches and wicker chairs seems to serve more as a visual joke than a reminder of who pays the freight.

Schmertz can afford to laugh. With an annual salary of \$150,000 plus \$80,000 in bonuses, he is not only personally successful but has created an enormously influential public relations campaign with a high degree of style—and nerve.

A 1955 graduate of Columbia Law School, Schmertz began his career as a

labor lawyer, arbitrator and Democratic Party activist. An idealist follower of John Kennedy, he served in Washington as general counsel of the Federal Mediation and Conciliation Service.

"I grew up rooting for Democrats and the New York Giants, though both have lost their way on occasion," he quips.

Schmertz began his career in the private sector in 1966 when he became manager of labor relations for Mobil. He moved into the public affairs post three years later.

Schmertz quickly began shaping Mobil's unique appeal to the public consciousness. Mobil contributed more than \$1 million to underwrite Masterpiece Theater, a British import on public television, which blossomed several years later with the celebrated serial "Upstairs, Downstairs."

Charges that oil money has polluted the placid intellectual waters of public television leaves Schmertz nonplussed. "We never try to exercise the kind of control that the Ford Foundation does, or the National Endowment for the Humanities. We were never involved in content."

Although Mobil contributed approximately \$6 million last year to public television, it appears a sidelight to Schmertz, a cultural outing. He claims that he never sees many of the shows which bear his company's logo.

Schmertz is far more passionate about politics and defending the oil industry in print. The 1973 oil embargo

Mobil

ad subsequent price hikes "put us on the defensive," Schmertz says.

In the words of the advertising world, "the term 'oil company' had become a negative buzz word," he acknowledges.

Mobil has found itself attacked both politically in Washington and physically in New York City. The company's headquarters has had several floors blown out in two separate bombing incidents. One person was killed, another maimed. Security in the building is now tighter than any airport outside Tel Aviv.

But it was the political attacks that were taking the real toll. "Critics of our industry had no difficulty in getting the media to print their view. We concluded that press releases, letters to the editor, all that was not satisfactory," says Schmertz. "The best way that we could fill the gap was to do it on a weekly basis with paid messages, getting it exactly the way we wanted it."

Mobil has concentrated on these distinctive, two-column paid commentaries in seven major newspapers: The Washington Post, Washington Star, New York Times, Chicago Tribune, Los Angeles Times and Wall Street Journal. (Schmertz, complaining of poor placement in The Los Angeles Times, says he probably will move the ads to the afternoon Herald-Examiner.)

Schmertz says that Mobil's concentration on both major Washington newspapers reflects the company's belief that the future prosperity of the industry depends on the legislative and regulatory decisions made in the nation's capital. (Indeed, Mobil is making a major investment in the Washington area, moving its domestic headquarters to Fairfax County and buying real estate properties, including a large hunk of the new town of Reston.)

The theme that Washington is important often is reflected in the weekly ads, which focus on allowing the industry to develop supplies and capital free of what it considers inhibiting governmental controls.

Sometimes the advertisements are broadly philosophical in tone, other times topical.

One ad, "Memo to Betty Furness: We're just not that successful," took the television consumer reporter to task for an otherwise unrelated story on the price of drug prescriptions.

Furness had said "profits in the drug industry run high, second only to the oil industry."

Schmertz was incensed with what he considered "press manipulation" by the organizers of Sun Day. He followed a carefully prepared op-ed ad ("Why

Not An Oil, Gas, Coal and Nuclear Power Day?") with a first-person, off-the-cuff response which directly reproduced typewritten copy.

Mobil ran a series of op-ed ads in AFL-CIO newspapers which were more direct in tone than the often highbrow music which appears in the major dailies. But the federation ordered them halted last April on the grounds that they were in opposition to its own energy policy.

Not all of Mobil's messages are directed to the general public. By the elevator banks in the corporation's 42d Street headquarters are displays titled "It's your business," which contain tear-off mini position papers on a variety of current energy issues.

"The tone of Mobil ads is that we are setting the record straight," says Schmertz.

In fact, is Herb Schmertz competing with the press? "Absolutely," he replies. "Or accurately, we are filling the void that the press has created."

Schmertz maintains that newspapers often find it more sensational to attack industry than analyze economic policy. "Newspapers haven't concentrated on these issues to the extent of providing useful information," he says.

Are reporters prejudiced? No, he says. "They can be incompetent, lazy, and misleading, but I don't think journalists are biased."

Apparently tired of making its points only through paid editorials, Mobil is considering buying its own newspaper, similar to the purchase of the weekly London Observer by Arco.

Last year Mobil looked at and then rejected the Long Island Press. But Schmertz contends the idea is still alive and Mobil is continuing the search for a "quality" paper on the East Coast.

"The real question is whether the public would accept an oil company running a newspaper," he said. "Nobody would know until you tried it."

Though Schmertz buys space in the nation's most prestigious newspapers, Mobil's message is printed in hundreds of others for free. His office regularly mails out packets of pro-oil cartoons to an estimated 500 small-town dailies, many of which run them without Mobil's credit line. The cartoons, by well-known artists such as Charles Addams and Len Doty, are taken from "Observations," a lightweight Sunday supplement column.

Schmertz acknowledged that many resource-poor, small-town editors find the sophisticated pro-Mobil cartoons irresistible, no matter what the message. "They're just like press releases," he says.

If Schmertz has found that all it takes is money to buy space in newspapers, he he has been continually stymied in getting Mobil's message across on television.

All three major networks have re-

fused to run the visual equivalent of Mobil's op-ed ads, fearing the company's stands on environmental and political issues would result in a deluge of demands for equal time.

Schmertz has challenged the networks by saying that if they will run his ads uncensored, Mobil will buy equal time for opposing viewpoints. He even has offered to limit Mobil's commercial time to "just answering the inaccuracies of your news shows."

Curt Block of the Standards and Practices office of NBC says they do not accept advertising for controversial subjects no matter who may be the sponsor because "it would simply allow access to those who could afford to buy time, without allowing fairness."

Schmertz has developed a series of programs which occasionally reflect Mobil's philosophy without the necessity of hard sell. Mobil's current 13-week series on public television, "In Search of the Real America," with con-



HERB SCHMERTZ

... Mobil's an outsider, too—servative-minded author Ben Wattenberg, leads off with a three-part section titled "The Enemies of Growth."

Even an innocuous documentary look at infamous natural disasters, "When Havoc Struck," was promoted as lessons "which reinforce our confidence in man's continuing ability to bend the environment to his needs in a way that's both creative and productive."

When does Herb Schmertz believe that Mobil might go back to simply selling gasoline? "When we decide there is no more need to educate the public," he replies.

And the possibility that the public—and politicians—would agree on the issues as defined by him and Mobil Oil? "The possibility of that scenario," says Herb Schmertz with a smile, "is almost zilch."