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**ECONOMICS, LABOR & BUSINESS**


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*Advocacy, Inc.*

"How Good Are Advocacy Ads?" by Lynn Adkins, in *Dun's Review* (June 1978), 666 Fifth Ave., New York, N.Y. 10019.

During the late 1960s and early 1970s, along with other U.S. institutions, Big Business was subjected to severe press criticism, public skepticism, and increased federal regulation. A few corporation managers turned to advocacy advertising in response—either to upgrade their "image" or to speak out on major business-related issues.

Mobil Corp., with \$4 million budgeted for such advertising in 1978, took the most hard-hitting ideological stance, urging both energy deregulation and curbs on Big Government. The American Forest Institute adopted a softer line in its ads ("Trees, the Renewable Resource") against too-strict curbs on timber-harvesting.

How effective were the Mobil and A.F.I. ads? Adkins, a *Dun's Review* editor, cites a recent Yankelovich, Skelly, and White, Inc. poll of both the public and "leaders" in government, labor, Wall Street, etc. Mobil obtained higher readership (e.g., 90 percent of government leaders polled) but lower agreement (33 percent) than did A.F.I. (56 percent). Mobil's ads, said Yankelovich, were too "antagonistic" and "abrasive" for many of those polled; A.F.I.'s ads were better received.

A Mobil spokesman, Adkins reports, doubted that one could ever measure the effectiveness of the company's ads in quantitative terms.

On public-issue ads generally, the pollsters said, only 6 percent of the public found them "very credible," and as many as 53 percent said they were "not credible." Most companies, says Adkins, have chosen to run less obtrusive "soft-sell" ads to enhance their corporate images (Shell, Weyerhaeuser), and have opted for less expensive ways to influence policy, such as old-fashioned lobbying.

*Help Wanted*

"Second Thoughts About Illegal Immigrants" by Michael L. Wachter, in *Fortune* (May 22, 1978), 541 N. Fairbanks Ct., Chicago, Ill. 60611.

The influx of illegal immigrants from Mexico, Latin America, and Asia has continued despite the crowding of the unskilled labor market by both the 1950s "baby boom" generation and unprecedented numbers of young women.

This is partly explained, says Wachter, a University of Pennsylvania economist, by the fact that while unemployment averaged 6.25 percent between 1970 and 1977, generous welfare payments were reducing the total pool of job-seekers by lowering the cost of not working.

Despite Congress's extensions of minimum-wage coverage, there are

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nearly as many low-wage jobs in the United States today as in 1967. Jobs paying less than the current \$2.65-per-hour minimum wage are readily available in exempt industries, such as food service, and in other categories like domestic service, where enforcement is lax. Spurned by many Americans, these jobs are attractive to the illegal aliens moving in at the bottom of the wage structure.

Nevertheless, Wachter argues, available statistics suggest that about 50 percent of all illegal aliens earn wages at or above the legal minimum. Assuming that illegal aliens constitute 30 percent of the nation's lowest-skilled labor, if all of them were forced to leave the country, wages at the bottom of the job ladder would be driven up. Of the estimated 6 million jobs now held by illegal aliens, Wachter estimates, as many as 3.5 million jobs might simply disappear. Some 2.5 million would be taken by low-skilled U.S. citizens at higher wages, and the U.S. unemployment rate (5.7 percent as of June 1978) would drop by approximately 1.2 percent.

Illegal immigration, however, is likely to continue, Wachter predicts. The United States badly needs the low-wage labor to supplement the shortage of teen-agers entering the labor pool. The only real question is whether the immigrant labor will be legal or illegal. Wachter concludes that Washington must decide soon whether to open or shut U.S. borders, or to introduce a system of temporary "guest" workers like that which exists in Western Europe.

### *Reassessing the Distress Factor*

"Unemployment: It's Not What It Used to Be" by Harrison H. Donnelly, in *Congressional Affairs* (July 15, 1978), 1414 22nd St. N.W., Washington, D.C. 20037.

Unemployment in the United States fell sharply in June—down from 6.1 percent in May to 5.7 percent—but economists disagree on the validity of these figures and how to interpret them. Increases in welfare and unemployment benefits for example, which permit people to remain out of work for longer periods, and the larger numbers of women and young people in the work force have combined to lessen the value of simple unemployment figures as an indicator of America's overall economic distress or well-being.

"The unemployment rate," says Donnelly, a reporter for *Congressional Quarterly*, "conceals vast differences among subgroups of the population." For example, the unemployment rate for blacks and other minorities was 11.9 percent in June 1978, more than double the moderate 4.9 percent level for all whites; the adult female unemployment rate was 6.1 percent, compared with 2.9 percent for men; the unemployment rate for black women was 11.3 percent, versus 7.8 percent for black males; and the unemployment rate for minority teen-agers was 37.1 percent.

But the "discomfort" of being unemployed is far less today than in the past. Almost three-fifths of all American families have more than