

THE MAD WORLD OF WILLIAM M. GAINES PART II

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Somebody else is doing all the work, and you're just glancing at graphs and figures. And pretty soon you're not even doing that. So I run my business in this insane way in which I handle every single thing, down to almost the tiniest detail."

Is there another businessman in the country who constantly duns people about money he owes them?

"Being a compulsive, I must have my bills paid by the tenth of the month. If my suppliers don't send

ures did not agree with those of New American Library's computer. In each instance, Gaines's figures were accepted, his calculations being obviously more reliable than those of a computer.

Gaines distrusts computers, feeling they lead to the destruction of relationships. For months he was dunned for a bill he had paid. What made the matter meaningful is that he was being dunned by a company that makes, among other things, computers.

As a last resort, Gaines sent the firm a Photostat of his canceled check, along with the following:

Let's see how quickly you are going to pay my bill, which is enclosed, for my time, my secretary's time, and the company's expenses to send you this letter. The stamp is free. Please be advised that my attorney will dun you until you pay your G—damn bill.

(Gaines dictates his letters to his Girl Friday, Gloria Orlando. He shrinks from rating the importance of the people on his staff, but considers Gloria indispensable. "She is the only person who can open my safe," he explains.) Attached

was an itemized bill for \$36.49.

Like most compulsives, Gaines is a listmaker. One day he and I made a list of his lists. There were twenty-three. Among them:

A list of the eighteen keys on his key chain and where duplicates can be found in case the keychain is lost.

A list of Major Worries and how they stand. Worries include Sales, Assets That Must Be Protected, Lawsuits, Magazines Competing With MAD, Criticism of MAD. As of

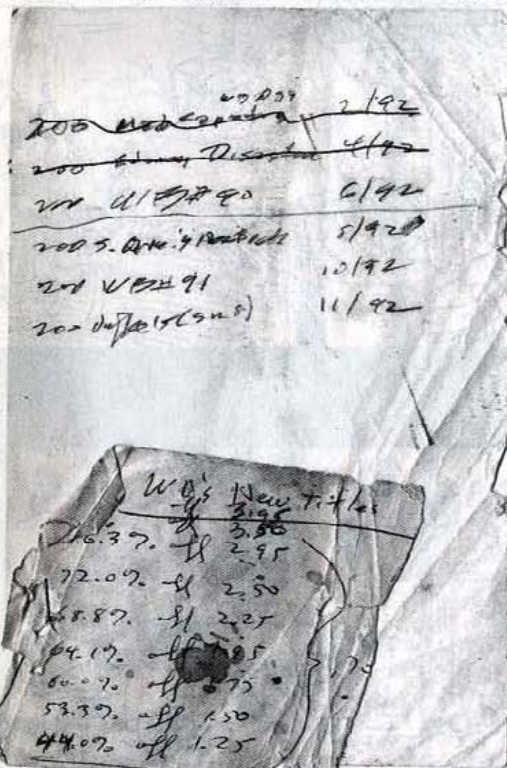
August, 1972, all Major Worries were marked "None. Okay."

A list of MAD trips and who went. A list of everyone who owns a MAD pin. A list of things to do Every Day, Every Week, Twice A Month, Every Month, Every Forty-five Days, Every Three Months, etc. A list of all subscriptions he has to other magazines and when they expire. A list of what clothes fit best at what weight. A list of pennies needed by Nick Meglin's daughter, Diane, to complete her collection.

Gaines is generally an unflappable employer. The one time he lost his perspective was when the old MAD offices on Lafayette Street were being burglarized. Someone — Gaines called him The Phantom — was breaking in and stealing cash and mail, and Gaines vowed to catch him. He hired two teenage boys to camp out in the office over a four-day Thanksgiving weekend. Sure enough, The Phantom showed up and stuck his hand through the mail slot of the front door in an attempt to steal some letters, which had been left as bait. But the boys chickened out and let him get away.

"I was hoping that they would grab his arm and smash it with a crowbar, which they had been equipped with," Gaines recalls.

The Phantom was wily. He hid in the building through the rest of the weekend, then, as a parting gesture, stole MAD's mail out of the postman's bag.



Bill kept many lists, but few could be read by others. We have no idea what this one is about.

me their bills on time, I get very angry and call them up and scream at them because they haven't billed me yet."

Gaines's methods have left their mark. For many years, MAD's paperbacks were published by New American Library. From time to time, Gaines found that his fig-



Gloria Orlando was Bill's trusted secretary for 36 years.



Gaines called in the police, then the F.B.I., then the Pinkerton Agency, all with no results. The ultimate blow came when The Phantom, unable to find cash, pried open a strongbox in Gaines's office, found a batch of papers and burned them in an empty office down the hall.

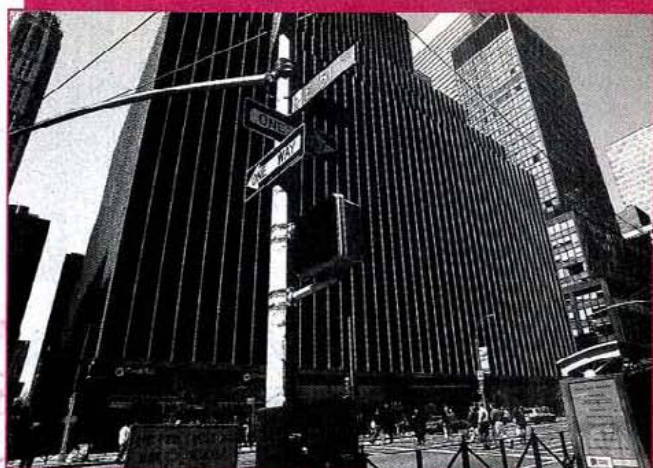
When Gaines beheld the charred remains, he cried for the first time since his father died. The Phantom had destroyed all of MAD's past sales records, dozens of Gaines's beloved lists, and more than 1,500 springboards left over from the horror days. The Phantom was hitting Gaines where it hurt the most. It was as if he knew his customer. Earlier, the Phantom had stolen Gaines's fake diamond ring. Looking back, Gaines feels that burning the papers may have been an act of revenge resulting from The Phantom finding out that the ring was virtually worthless.

Gaines became paranoid. He was convinced it was an inside job and that the culprit was John Putnam. He reached these conclusions because he had phoned everyone on the staff one night when The Phantom struck, and the only person not

very well until the next day, when he suffered a nervous collapse.

Gaines installed an electric protective system and although it kept The Phantom out, Gaines still felt the intruder's presence and in 1960

decided that MAD would have to move. But where? Gaines's first choice, not surprisingly, was the sixty-ninth floor of the Empire State Building, from where he could look out and conjure up World War I fighter planes flying around a giant ape. It was not meant to be. Celia Morelli, a mainstay of MAD's subscription department, has a fear of elevators, and the thought of being whisked up and down sixty-nine stories was unendurable. Gaines didn't wish to lose Celia, so he settled for 850 Third Avenue, then, in 1965, moved again to the present offices on Madison Avenue.



Another scene of the crime: MAD's second headquarters at 850 Third Avenue.

staying on as publisher with full powers. Under his contract with Premier, he could still hire and fire, set salaries and fees, pay bonuses, take his crew on trips, in fact, do just about anything he did before. There was even a rumor that no one from Premier could step inside MAD's offices without an invitation.

Premier owned MAD for a brief spell, then, of all things, sold it to National Periodical Publications, which was the new name for the comic book house run by Jack Liebowitz. This was the very same firm that bought out Gaines's father two decades earlier.

"Everything that the Gaines family starts, National ends up buying," Gaines mused. The new owners weren't especially taken with the remark, but business was business, and MAD was very good business indeed.

In 1969, National (with MAD) was bought by the Kinney Corporation, which then acquired Warner Brothers, becoming a superconglomerate that produces movies, records and TV shows, runs banks and parking lots and publishes and distributes paperbacks, sheet music, specialty magazines and comic books.

MAD was a small organ in the body of a corporate giant,



Gaines's figures were accepted, his calculations being obviously more reliable than those of a computer.

home was Putnam.

Yes, it had to be Putnam. But to be sure, Gaines put the staff through a Pinkerton lie-detector test. Everyone, including Putnam, passed the test and Gaines felt foolish. To make amends, he treated them all to a steak dinner, during which time he confessed to Putnam that he had been the prime suspect and that Gaines hoped all would be forgiven. Putnam took it

In 1961, Gaines sold MAD to a conglomerate called Premier Industries. He won't say how much he got, but *The Wall Street Journal* estimated the capital gains at "several million dollars." Skeptics wondered if MAD had sold out completely.

"We don't contemplate any changes in format or policy," said Premier's president, Arnold A. Saltzman.

As if he could have. Gaines was



and Gaines wondered if things would stay the same. He had received his final payment for the sale of MAD and, having refused a new contract, could quit or be fired at any time. He told his owners that he would stay as long as he was allowed to run EC without any interference.

He was left alone. He attended an occasional high-level meeting or dinner and proved an affable, if somewhat improbable, participant. One time, during a discussion of Kinney stock, he remarked that he didn't own any. "I don't have any faith in this company," he said. "I only buy safe stocks."

The other executives were shocked, not realizing that Gaines was kidding. "I decided they were somewhat square," he recalls.

In truth, he was upset that he had not received Kinney stock options for himself and his salaried staff, which he had been promised by National several months earlier. Marc Iglesias, National's new president, said he would look into it. Gaines waited three months, then wrote Iglesias:

I HAVE JUST ABOUT REACHED THE END OF MY ROPE AS FAR AS THOSE ALLEGED STOCK OPTIONS ARE CONCERNED. IF THOSE STOCK OPTIONS ARE NOT IN MY HANDS BY FRIDAY, MAY 1ST, 1970, I STAY HOME.

May First arrived and Gaines had not received the stock options. He wrote Iglesias:

It's May First. 'Bye now!

Gaines went on strike. One may wonder, knowing his compulsion to clean up his calendar each day, how it was possible. It wasn't, at least on the first day. He spent May First at the office of his attorney, Jack Albert, where he worked as usual. The next day, exercising the greatest willpower, he forced himself to stay home. Late in the afternoon, he got a phone call from a corporate officer, who asked what the problem was.

"I want those options," Gaines said.

The officer promised that the options would arrive within three weeks. They didn't. Gaines phoned the officer. He was out of town. Gaines phoned Iglesias, who, in Gaines's words, "screamed at someone through his intercom, and, by God, I had the options the next morning."

But there was trouble in the wind, or at least Gaines had a gut feeling there was. He had picked up hints that Kinney was beginning to take a dim view of this maverick in their

midst, that MAD was the target of an economy drive, that there was talk of barring the MAD trips, of making Gaines get rid of his attorney, Jack Albert, and his accountant, Sidney Gwirtzman. MAD, it seemed, was the only member of the conglomerate that enjoyed self-rule.

It was a problem requiring special action, and Gaines took what he thought was the most sensible approach — he invited Iglesias to dinner and to hear a speech. Iglesias, who didn't know quite what to expect when he accepted Gaines's invitation, listened as his host dissected the unique creature that is MAD. The speech is a remarkable document, if for no other reason that it reveals a William M. Gaines far removed from the shaky, unskilled sub-adolescent who took over his father's business a quarter of a century earlier. Some excerpts:

"My office runs at peak efficiency always. Each employee is a top-notch, no-bulls—t worker. There is no fat, no waste, no crap, plus a great staff, and great freelances.

"If Kinney desires to kill and eat the goose that lays the golden egg just because it has a momentary cash shortage, that is its right as owner. But I refuse to be the cook.

"I believe it would be most foolish to force this oddly shaped MAD peg into the Kinney square hole. If you try, you'll crush it.

"I will not compromise with my insistence to run MAD my way completely. I feel I know best and your simple solution of the problem, if you disagree, is to fire me."

Gaines wanted Iglesias to see that MAD was more than a money-making component of a corporate giant, that it was a kind of wacky,

God forbid that anybody should ever expect me to be reasonable.



home-rule patriarchy, with its ruler the eccentric sum of its irreverent parts. To drive the point home, Gaines played a tape of one of the revues that was performed in his apartment for the MADmen and their wives. Iglesias listened to the songs and sketches, which touched on everyone at MAD, including Gaines's attorney and accountant. Afterwards, Iglesias turned to Gaines.

"You know, it's like you're some kind of crazy family."

"Exactly," Gaines agreed.

An armistice was reached. Gaines might never be entirely comfortable



within the corporate structure, nor the structure entirely comfortable with him. But there was peace.

Because he runs a tight little organization, Gaines is amused by the constant meetings, memos, and miscellaneous activities of his corporate parent. Soon it will be time for Gaines to take his Annual Corporate Health Examination. He intends to send The Beard in his place, Brenner being fond of physical examinations of any kind.

Two years ago, Gaines was asked to fill out a questionnaire for Kinney's Annual Report. After noting that most of the questions didn't

apply to MAD, he attached his own statement:

The MAD companies are wholly owned by Kinney, and are slowly acquiring Kinney stock. Our primary aim is to acquire all the Kinney stock, so that while Kinney owns the MAD companies, the MAD companies will also own Kinney. This will eliminate the need for officers and boards of directors. It will also save untold thousands of dollars now extended for coffee and donuts at the annual stockholders meetings, as there will no longer be any stockholders. Best of all, there will no longer be a need for annual reports.

Only once has Gaines felt completely boxed in by his owners. Back in 1959, Walgreen Drug Stores refused to sell MAD after an outraged parent wrote the chain that Alfred E. Neuman and his pals were serving the Communist cause. Gaines wrote a five-page letter, dispelling the accusations and asking Walgreen to reconsider its decision. Walgreen refused and MAD was blackballed.

Twelve years later, Walgreen wanted MAD back in its stores. Gaines wanted to tell the chain to go to hell, but he couldn't because he no longer owned the magazine.

"The revenge would have been exquisitely sweet," he says, "but they came around six years too late."

Today the conglomerate is called Warner Communications. Warner also owns Independent News, which is MAD's distributor; Warner Books, which published MAD's paperbacks; and the various companies overseas that publish MAD's foreign editions. If any of you readers happens to be an anti-trust investigator for the Justice Department, don't get excited. Gaines revels in the writing of strong contracts, and no firms get tougher

treatment than his fellow conglomeratees. Consider this phrase that he has rammed into any contract that requires he approve something.

The proprietor's (Gaines's) right to withhold consent shall be absolute and shall not be subject to any criterion of reasonableness.

"Most contracts," Gaines explains, "say that a person has the right not to approve something, but must be reasonable. God forbid that anybody should ever expect me to be reasonable."

Gaines demanded this clause in a book contract with another publisher. He got a call from the firm's lawyer.

"We've never had things like this in any of our contracts," the lawyer said.

"You never did a contract with me before," Gaines said.

"Well, I don't know if we're going to do one," the lawyer said.

"I don't give a damn if you do or don't," Gaines said.

The contract went through.

Contracts are the yardsticks by which Gaines measures men, companies, deeds, even life itself. He and George Dougherty periodically negotiate new printing contracts. Several years ago, Gaines was due to have his gallbladder taken out, but hadn't reached an agreement with Dougherty.

Dougherty got a call from Nancy. "Bill is on the way to the hospital and it's important that you meet him there."

Fearing that Gaines was dying, Dougherty rushed to the hospital. "What's happened?" he asked Gaines, who was lying in bed.

"George, I'm so glad you're here," Gaines said with the utmost gravity. "I don't want to have my gallbladder taken out unless you and I can agree on a contract."





This "life-size" Alfred E. Neuman poster was a bonus in 1965's 8th annual *More Trash From MAD*.

Thereupon the two men shook hands on a new pact based on their last discussion, and Gaines went under the knife contentedly.

"He's one of the two or three people I've met in my life who is thoroughly honest," Dougherty says. "He puts everything up on the table where you can see it, and you either accept it or you don't. If you don't, you have to be prepared for him to walk away. There are no curves. Everything is direct."

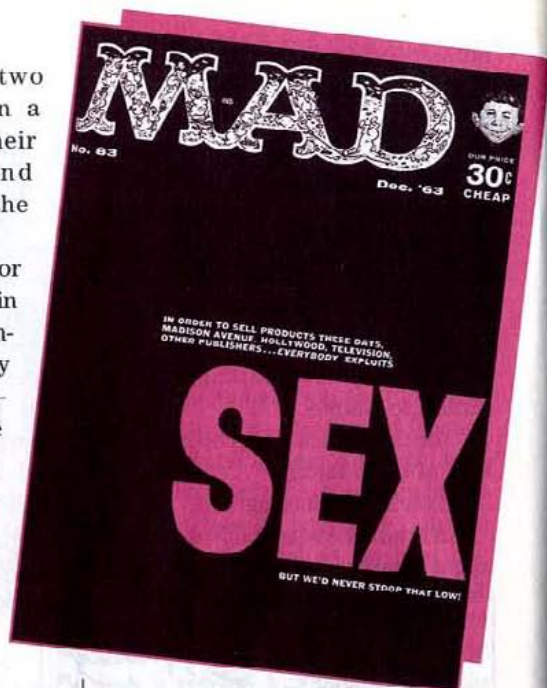
MAD has given Dougherty the greatest challenges of his career. The magazine was the first to run a cover in fluorescent ink, the first to bind in a life-size poster (Alfred E. Neuman, in two 32-by-64-inch sections).

"MAD," he says, "has forced the printing industry to pioneer."

Occupied as he is with the complexities of the business end, Gaines has little time for editorial problems. He helps choose MAD's front cover and what bonus gimmicks are going into the MAD Specials. Other than that, the editorial staff is on its own.

"Bill rarely asks that something be changed in the magazine," Al Feldstein says. "There have been maybe half a dozen changes in fifteen years. I have total freedom. He gave me MAD and stepped back."

Gaines doesn't see an issue until



MAD was the first magazine to use fluorescent ink on its cover.

it's ready to go to the printer. Someone, usually John Putnam or The Beard, plops the forty-eight pages of text and art on his desk. Gaines prowls through each page, reading every line, devouring every picture, and pretty soon the air is shattered by a succession of roars, shrieks, guffaws, snorts, and gasps.

MAD is being read by its Number One fan.

COMING UP NEXT!

We commemorate some of MAD's most celebrated articles, including "43-Man Squamish" and "East Side Story," and sit in on an editorial conference. We cover the genesis and chronicle the fame of cover boy, Alfred E. Neuman. MAD's legal battles are detailed, most notably Gaines' \$1.5 million lawsuit in Oklahoma City (MAD had been labeled pro-Communist), and the landmark court decision brought about by MAD's song parodies.

