PR WATCH

Public Interest Reporting on the Public Relations Industry

Volume 1, Number 2 First Quarter 1994

ALSO IN THIS ISSUE

Strange Bedfellows at PR Conference on Activism

by John C. Stauber, PR Watch Editor

Once a year, professional activists and staff members of prominent DC-based consumer and environmental organizations rub shoulders with a few dozen influential corporate PR executives at a two-day conference in Washington, DC.

The *Annual Conference on Activist Groups and Public Policymaking* helps corporate flacks learn how to dissect the strategies, tactics and agendas of these activists, to better defeat or co-opt their activism. Corporate attendance costs $545. The meeting is billed as a strictly off-the-record affair, "a one-of-a-kind opportunity to explore the agendas, strategies and influence of leading public interest groups."

According to a 1993 promotional brochure, the conference helps PR executives find out the answers to questions such as: "What tactics are being employed by activists to achieve their goals? What methods can be used by business in cultivating ties with activist groups and what are the potential benefits . . . and/or drawbacks?"

PR Watch was not allowed to cover the 1993 Conference, but we did obtain its closely-guarded list of registrants, which is reprinted at

Flack Attack

Do you remember the 1933 Claude Rains movie, *The Invisible Man*? He plays an evil scientist who commits crimes such as robbery and murder, using his invisibility to evade detection. It was an early special effects film, using hidden wires and other tricks to make ashtrays, guns, and other objects float in mid-air as though they were manipulated by an invisible hand.

Today's PR industry has a lot in common with the Invisible Man. Instead of ashtrays and guns, the objects it seeks to manipulate are public opinion and government policy. Public relations and lobby firms, hired by large corporations, are major players in today's political struggles. By design, however, the PR industry carefully conceals its own role in shaping these debates.

Welcome to the second issue of *PR Watch*. We like to think of ourselves as the journalistic equivalent of a nice, fluorescent orange can of spray paint. We are spray-painting the Invisible Man in order to make him visible again. We want the public at large to recognize the flacks of industry and government who are affecting public opinion and determining public policies, while remaining (they hope) out of public view.

Our inaugural issue received some rave reviews and quite a bit of notice from many quarters. Journalists, activists, PR practioners and plain old citizens are calling with questions, to share information, to give ideas or encouragement, or to subscribe. Radio talk shows from coast to coast and periodicals ranging from the *Washington Post* to the *Utne Reader* have commented on our mission.

So far, so good. What pleases us most is that when *PR Watch* gets covered, the PR industry gets covered. In a democracy, everyone needs to know who is really in charge, who makes the decisions, and in whose interest. Democracies function best without Invisible Men.

—John C. Stauber, Editor

the right. We also conducted interviews to find out why activists are sharing strategies with corporate foes.

"Frankly, I didn't know who was sponsoring the conference when I agreed to participate, and if I had known I would not have agreed to speak," admitted one consumer activist who spoke at the 1993 conference.

"Look, this is a game of cat and mouse for both sides," another said. "I learn a lot from the corporate flacks about what they are up to, but I try to not give them any helpful information in return."

FEATURED SPEAKERS

Featured speakers at the 1993 conference included Gene Karpinsky, head of the US Public Interest Research Group, and Gustav E. Jackson of the Citizens Clearinghouse for Hazardous Wastes. Stephen Brobeck, executive director of the Consumer Federation of America, also spoke, and spent an hour speculating "on what the dominant consumer issues and trends will be throughout the decade and what it all portends for corporate America."

The conference featured a presentation by Ronald A. Duchin, a specialist in defeating activists (See *PR Watch* #1). Duchin talked about ways that business could build alliances with carefully chosen activists for mutual benefit "in the regulatory and legislative arenas and in the shaping of public opinion."

"Frankly, I didn't know who was sponsoring the conference when I agreed to participate, and if I had known I would not have agreed to speak," admitted one consumer activist at the 1993 conference.

Conference attendees heard from right-wing speakers including Patrick Noonan, the President of the Conservation Fund who sits on the Board of Ashland Oil; Ralph Reed, Executive Director of the Christian Coalition; and Fred Smith of the Competitive Enterprise Institute.

The Foundation for Public Affairs, which sponsors the conference, is the tax-exempt arm of the Public Affairs Council (PAC), the forty-year-old trade association for corporate public relations/public affairs executives.

Funding comes from a who's who list of America's corporate establishment including Ameritech, Ashland Oil, Boeing, Dow Chemical, Exxon, Health Insurance Association of America, Philip Morris, Mobil, Pharmaceutical Manufacturers Association, RJR Nabisco, Shell Oil and hundreds more. Many PR/lobby firms also are members, including Bonner & Associates; CMF&Z; Burson-Marsteller; The Pires Group; E. Bruce Harrison; The Jefferson Group; and Mongoven, Biscoe & Duchin.

This year's conference has already been scheduled for November 3-4, 1994, in the nation's capitol. The Foundation for Public Affairs also organizes some three dozen other conferences for corporate PR officers, with titles including the following:

- Clinic on Lobbying State and Local Government
- National Conference on Political Action Committees
- Forging Working Relationships With Interest Groups
- The Joint Conference on Corporate Grantmaking

ANNUAL CONFERENCE ON ACTIVIST GROUPS & PUBLIC POLICYMAKING

October 20-21, 1993
ANA Hotel, Washington, DC

SPEAKERS

Steven Brobeck, Consumer Federation of American; Ron Duchin, Mongoven, Biscoe & Duchin; Ronald E. Harrison, Pepsico; John Holcomb, College of Business, U of Denver; Gustav E. Jackson, Citizens Clearinghouse on Hazardous Waste; Gene Karpinski, U.S. Public Interest Research Group; Patrick Noonan, Conservation Fund, Board of Directors Ashland Oil; Ralph Reed, Christian Coalition; Helen Romero Shaw, Southern CA Gas; Samuel A. Simon, Issue Dynamics Inc.; Craig Smith, Corporate Philanthropy Report; Fred Smith, Competitive Enterprise Institute.

REGISTRANTS

Marshall Antonio, Allstate Insurance; Michelle Boisse, American Council of Life Insurance; Michael Brophy, Miller Brewing Company/Philip Morris; Stephanie Childs, Seagram & Sons Inc.; Stephen J. Ciccone, Eastman Kodak Co.; K.C. Eynatten, State Farm Insurance; Doug Frerichs, Salt River Project; Mel Gallagher, Exxon Chemical Co.; Sheldyn Himle, Pillsbury; Christopher Jacobs, American Council of Life Insurance; Steve Keefe, Honeywell Inc.; Marjorie Kline, ICI Americas Inc.; Gail Levinson, Hoffman-La Roche; Ben Marsh, 3M; Anna Matz, Koch Industries; Clare C. Miller, Baltimore Gas & Electric; Jerry Mills, Texaco; Mary Mullins, E. Bruce Harrison Co.; Mary Quinn, Texaco Inc.; D. Michael Rappoport, Salt River Project; Nancy Sauer, Pennzoil; Andrea Scibelli, Mongoven, Biscoe & Duchin, Inc.; Fran Shepardson, Ashland Oil Inc.; Rachel Speltz, Texaco; Scott Stewart, Procter & Gamble; Kate Tate, Weyerhaeuser; Mike Toohey, Ashland Oil, Inc.; Barbara Tracy, Glaxo Inc.; Rhonda Woodard, Allstate Insurance.

GATHERING "INTELLIGENCE" ON ACTIVISTS

Tracking activists is a major mission of the Foundation for Public Affairs. It monitors more than 75 specialized activist publications, and gathers information on "more than 1,300 activist organizations, research institutions, and other groups."

The Foundation publishes an impressive directory of who's who in the world of DC-based activism, titled *Public Interest Profiles*, which it updates bi-annually and sells for $169.

According to the Foundation, *Public Interest Profiles* "provides intelligence on 250 of the nation's key public interest groups — information not available in any other single volume. *Profiles* details each organization's current concerns, budget, funding sources, board of directors, publications, conferences, and methods of operation."

The 1992-93 version of this phonebook-sized tract features a foreword by Ralph Nader on public interest movements. Groups are profiled in chapters headed "Community/Grassroots," "Corporate Accountability/ Responsibility," "Environmental," "Think Tanks," etc.

Profiles is a valuable tool for analyzing the burgeoning number of DC-based non-profit advocacy groups, from left to right. For instance, a brief cruise of the index reveals that Sheila Raviv, Burson-Marsteller's Vice President, has been on the board of directors of the Women's Legal Defense Fund and the Wildlife Habitat Enhancement Council.

A reader can quickly discover that Carol Tucker Foreman, formerly of the Consumer Federation of America and now flacking for Monsanto's unpopular Bovine Growth Hormone, has been on the boards of Public Voice (with Ag Undersecretary Ellen Hass and Commerce Secretary Ron Brown), Center for National Policy (with Hill & Knowlton's Anne Wexler), and the Food Research and Action Center (with Ag Secretary Mike Espy and David I. Greenberg of Philip Morris). Such information can help reveal some of the monetary influences and political bedfellows behind non-profit advocacy groups.

GRASSROOTS GUIDES TO PR FRONT GROUPS

PR firms have established a bewildering array of corporate-sponsored "citizens groups" which in fact are front groups for their special interests. How can you keep track of which groups are for real, and which are just "democracy for hire"? Two directories can help.

Masks of Deception: Corporate Front Groups in America, published in 1991 and available through Public Citizen, profiles 36 groups. To order call 202-387-8034.

The Greenpeace Guide to ANTI-Environmental Organizations, published in 1993, profiles 53 groups and can be bought for $5 by calling 800-REAL STORY.

The directories overlap. As good as they are, they only provide a glimpse-in-time at a rapidly growing problem.

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Lobby-PR Giant Makes Hay From Client 'Cross-Pollination'

Porter/Novelli Plays All Sides

by Sheila Kaplan

When produce growers and distributors got word last spring that the Public Broadcasting Service was about to broadcast a "Frontline" documentary on the cancer risk that pesticides pose to children, the industry alerted its public-relations firm, New York-based Porter/Novelli.

The firm's image-control specialists quickly crafted a rebuttal to help the industry's Center for Produce Quality quell public fears about the chemicals.

Next, Porter/Novelli, a lobby and public-relations shop, called another client, the American Cancer Society. The PR experts, whose Washington office is led by Steve Rabin, rushed their rebuttal over to the headquarters of the cancer society, for which they have done *pro bono* work for almost 20 years.

In response, the cancer society sent guidelines to its branch offices for answering public inquiries about the issue—guidelines that included points Porter/Novelli had drafted for the industry group and that downplayed the risk of cancer from pesticides.

"The program makes unfounded suggestions . . . that pesticide residues in food may be at hazardous levels," said the cancer society in its internal memo, which was later cited by critics of the PBS report as evidence that it had overstated the dangers to children from pesticides.

Following guidelines drafted by Porter/Novelli, the American Cancer Society downplayed the risk of cancer from pesticides.

That outcome was a PR victory for the produce industry as well as for Porter/Novelli clients that manufacture pesticides, which have included the Rhone/Poulene Ag Co., DuPont, and Hoescht-Roussel.

But Porter/Novelli also handles promotion work for the Department of Agriculture, which does research on pesticides as does the National Cancer Institute (NCI). So Porter/Novelli's PR work on the pesticide issue troubles those who monitor the government's dealings with private companies.

"I have a longstanding concern that contractors work both sides of the street and that government agencies are unaware of these conflicting relationships," says Sen. David Pryor (D-Ark.), the chairman of the subcommittee that oversees federal contracts. "This remains a glaring deficiency."

This kind of interplay, though, seems to be business as usual for Porter/Novelli, which since its founding in 1972 has spun a few government clients into a vast web of corporate, non-profit, and government accounts. The PBS matter was simply a juxtaposition of client interests—or "cross-pollination," in the words of founder William Novelli.

BOTH SIDES NOW

Like many of Washington's PR firms, Porter/Novelli is bolstering its lobby shop by expanding the services it provides to existing clients and adding new ones. The firm offers a case study of how these hybrid operations prosper by plugging into players on all sides of an issue.

But moving from marketing or public-relations work into lobbying can push a firm deeper into its clients' substantive issues, even into giving advice about policy-making. As a result, concerns about conflicts of interest begin to loom larger.

Consider some of Porter/Novelli's principal accounts: the USDA and seven trade groups from food industries it regulates; plastic surgeons who want to keep silicone-gel breast implants on the market and the NCI, which weighed in on the issue; the National Institutes of Health's blood-pressure awareness program and the Bristol-Myers Squibb Co., which manufactures a chief drug used to treat high blood pressure; the Agency for International Development's international nutrition-education program and several business giants that market food products abroad.

Unlike lawyers, who have a formal code of ethics that requires them to inform clients of potential conflicts of interest or face sanctions, PR professionals have only a voluntary ethics code.

Porter/Novelli's own credo is that its clients on any issue must share common goals, a determination the firm may make more loosely than, say, a company without a financial interest in their clients' businesses.

"It's unconscionable," says scientist Charles Benbrook, referring to Porter/Novelli's role as conduit between the cancer society and the produce-industry group. Benbrook is a former director of the National Academy of Sciences Board of Agriculture who worked on the NAS pesticide report previewed in the PBS broadcast. "What they did was clearly and unequivocally over the line and constitutes a major conflict of interest," he says.

Adds Michael Jacobson, executive director of the Center for Science in the Public Interest: "If you're a gov-

ernment agency wanting to mount a vigorous campaign to improve nutrition and reduce health problems in this country, you'd want to find some [consultants] who weren't compromised by potential conflicts of interest."

Other D.C. public relations/lobbying firms also do business with the federal government and have private clients. Ogilvy Adams & Rinehart, for example, works for the Centers for Disease Control and Prevention, as well as for the American Hospital Association and the Group Health Association of America. And Robinson, Lake/Sawyer Miller has a lucrative contract to work in Russia for AID and, at the same time, represents the office of the president of Ukraine and private companies eyeing the region.

"It's unconscionable," says scientist Charles Benbrook. "What they did was clearly and unequivocally over the line and constitutes a major conflict of interest."

But no firm seems to have carved a niche quite like that of Porter/Novelli, which, besides its government clients, specializes in *pro bono* work for health-related charities whose endorsements can help its corporate clients.

As its brochure notes: "One of our specialties is aligning our clients with diet, health, and consumer groups to create dynamic partnerships for public education, cause-related marketing . . . and corporate-image enhancement."

This mix troubles consumer advocates and lawmakers, who worry about the influence Porter/Novelli may wield with its government and non-profit clients on behalf of corporate accounts.

"It's a conflict," says Dr. Sidney Wolfe, director of Public Citizen's Health Research Group, referring to Porter/Novelli's simultaneous work for NCI and the pesticide industry. "The NCI needs to do much more than it has on cancer prevention, and for them to be in bed with the bad guys—the causers of cancer—doesn't help that goal," he says.

And one top NIH official who asks not to be identified says he is not pleased about the firm's dual roles for the produce and pesticide industry and for his agency.

"It's hard to believe that their activities in one area won't influence their view of other areas," he says.

While Rabin claims that his clients have common goals, the produce and pesticide industries have in fact spent millions of dollars to lobby against tougher government regulation and to refute government studies that question pesticide safety.

The industry-backed Center for Produce Quality thinks Porter/Novelli's way of doing business is just fine.

"There's no conflict," says John McClung, vice president for government relations and public affairs for the United Fresh Fruit and Vegetable Association, which, along with the Produce Marketers Association, makes up the Center for Produce Quality. Mixing work for the government and the industry "is a logical and constructive kind of clientele for them to have. It serves the public interest," says McClung, a former USDA official.

And American Cancer Society spokeswoman Joann Schellenbach says that she was pleased by Porter/Novelli's alert on the pesticide broadcast. "We were glad to have that jump on the story," she says.

Porter/Novelli has professed a public-interest goal since its founding in Washington by Jack Porter and William Novelli, who came out of the marketing field and established the firm to work on social and health issues. Their plan was to adopt marketing techniques to persuade people to change social behavior and improve their health.

In a short time, the firm's approach won contracts to run the NIH's campaign to educate people about cholesterol. This led to work for other parts of the NIH, including the NCI and the National Institute of Mental Health. The firm quickly parlayed its government contracts into a long list of corporate clients.

"We began to see that there were synergies and opportunities to bring these two together," recalls Novelli, now chief operating officer of CARE, which is based in Atlanta.

One such opportunity Novelli recalls involved his effort to bring together two paying clients, the NIH's National High Blood Pressure Education Program and the Bristol-Myers Squibb Co., which manufactures blood-pressure medication.

"It *was* natural to sort of bring them together," he says. "One side wants to sell medication. One side wants to control the disease. These are common objectives—both sides can benefit."

Porter/Novelli has also benefited because, as Novelli puts it, the government work "gives you credibility" when representing a corporate or trade-group client before a client agency. Diane Striar, a spokeswoman for the National Heart, Lung, and Blood Institute, says that Porter/Novelli provided a list of its Washington clients only, but adds, "We knew before that their New York office did represent some pharmaceutical clients. We didn't perceive that as a conflict of interest."

Porter and Novelli sold the firm to Needham Harper Worldwide Inc. in 1981. Five years later, when Needham Harper merged with advertising giants BBDQ International Inc. and the Doyld Dane Bernbach Group Inc. to form The Omnicom Group Inc., a public-relations-oriented holding company, Porter/Novelli was swept along. Although it functions as an independent unit, the firm does share some clients and coordinate some work with BBDO's advertising team.

A SHIFT IN EMPHASIS

Porter/Novelli now has outposts in New York, Boston, and California. Although it still works with public-health groups, in the past few years Porter/Novelli has shifted its emphasis from public to private clients and has expanded its lobbying work so that now such work constitutes one-third of the firm's practice.

This year, the firm hired well-connected lobbyists Steve Sims and David Nelsons, both of whom were brought on in January after working as aides to Rep. John Dingell (D-Mich.), chairman of the House Energy and Commerce Committee. D.C. manager Rabin says that the lobbying and regulatory work will continue to grow.

"We're now interviewing folks with good contacts with Republicans on the Senate Side," Rabin says, explaining the expansion of the lobbying operation. "We don't want clients to feel they have to go someplace else to get a service they need. They want to know if you can take their message up to the Hill and the Administration," he adds.

One benefit offered is Food and Health Alert, an information service that the firm's brochure touts as featuring "high-touch 'insider' intelligence gathering."

Notes the brochure: "Members of the practice exchange information about the latest developments in the field, identify opportunities for special client promotions, and call upon experts without and outside the agency to provide client counsel."

HEALTH-CARE CONTACTS

The debate over health-care reform has given Porter/Novelli the chance to draw on its contacts with many government agencies in landing new business.

For example, Porter/Novelli represents a coalition working to improve the way the Clinton administration's plan reimburses patients for psychiatric services and for drugs used to treat mental disorders. Porter/Novelli also lobbies for drug companies that want to be reimbursed by insurance companies for off-label use—that is, applications of their products that doctors find effective, but which may not have approval from the Food and Drug Administration.

Another health-reform client is the American Medical Association, which had Porter/Novelli spend the last six months analyzing its health-reform promotion efforts and offering suggestions for improvement. The lobbying firm also represents the National Nutritional Foods Association, a California-based group of vitamin-supplement manufacturers and related companies, which is fighting an FDA move to restrict health claims now permitted on vitamins and other products.

"They're doing a terrific job. We like them a lot," says the group's legislative director, Richard Meyers, who adds that Porter/Novelli has prepared congressional testimony for his group and set up a meeting with the White House.

Is there a conflict in the way his firm has grown to work for so many government agencies and private interests? Novelli doesn't think so.

"It's not a conflict, and it's a good idea," he says.

On the subject of cancer, for example, Novelli says that the NCI, pharmaceutical firms, and non-profits share the same goal: controlling the disease.

"They are all basically interested in the same objective—cancer control—and they are each going about it in a slightly different way," he says. "If you can come up with a strategy to bring them all together, you can do powerful stuff for all your clients."

But the pharmaceutical firm obviously has a major financial stake in cancer research—something Porter/Novelli doesn't like to acknowledge. Similarly, the firm's other corporate, professional-association, and trade-group clients have a keen interest in what the government is doing in their fields.

Even when the firm's work for government and private clients is not on exactly the same issue, the appearance of conflicting interests remains. For example, the nutrition work for the Agriculture Department is not always at odds with the various food groups the firm represents, but easily could be, considering the array of recent Porter/Novelli clients: the International Apple Institute, the United Fresh Food and Vegetable Associationr, the National Potato Promotion Board, the United Dairy Industry Association, the National Live Stock & Meat Board, the California Kiwi Fruit Commission, and the Chocolate Manufacturers Association. The producers look to the USDA for help in promoting their products, but they most also follow rules set by the agency—in concert with other government offices—for many issues related to food safety.

On the international level, Porter/Novelli is in a similar situation with regard to food products. While the firm works for the Kellogg Co., General Mills Inc., and the

Procter & Gamble Co., it also has a contract with the Agency for International Development to devise nutrition-education programs for developing countries.

ODD BEDFELLOWS

Sometimes Porter/Novelli's clients are not so much opponents as they are odd bedfellows. The firm promotes breast-cancer awareness for the National Cancer Institute with ads and community events to encourage women to get mammograms. In the scare over silicone-gel breast implants, however, Porter/Novelli was front and center for another client, the American Society of Plastic and Reconstructive Surgeons, who wanted to keep the implants on the market. In the end, the National Cancer Institute supported the FDA decision to limit use of the silicone implants to women who had lost breasts to cancer: whether Porter/Novelli had a role in crafting the compromise is a mystery.

Rabin, who became managing director of the Washington office about 18 months ago, dismisses concerns of conflicts of interest.

He says, for example, that the firm's work promoting lean cuts of beef for the Beef Industry Council was consistent with its work helping the USDA develop its new food pyramid—the nutrition guide that encourages people to eat more quantities of low-fat, healthy food and less meat and fewer fats and sweets.

Similarly, Rabin says, the firm's agricultural and chemical clients want the same thing as the government agencies that regulate pesticides and inspect food: as safe a food supply as possible.

Despite his relatively benign view of potential conflicts, Rabin is not blind to the danger of losing credibility by serving opposing masters.

"If someone wanted us to come out and say pesticides are good, it wouldn't pass the laugh test," says Rabin.

And one recent discussion with a prospective acquisition was ended because of a conflict, Rabin says. Porter/Novelli discovered that the other firm lobbied for the tobacco industry—the one business the firm purposely steers clear of to avoid clashing with its health-care clients.

"People don't want to work in a place," says Rabin, "if there's no ethical compass."

Reprinted with permission from *Legal Times,* week of November 22, 1993.

PORTER/NOVELLI'S CLIENT LIST

(From O'Dwyer's Directory of PR Firms, Spring1993)

Porter/Novelli (P/N) provided the following self-description to O'Dwyer's Directory:

"[P/N is a member of the] Omnicom PR Network. Full range marketing and PR support, media relations, corporate and business-to-business communications, public affairs, crisis and issue management, research, broadcast & video services, social marketing, media training, creative services." The Omnicom PR Network describes itself as composed of 24 partner firms with 62 offices in 15 countries with a net fee income of $65 million/year.

CLIENTS: Abbott Laboratories, Academy for Educational Development, Adria Labs, AIDS Project of Los Angeles, Allergan Inc., American Academy of Pediatrics, American Association of Retired Persons, American Diabetes Association, American Petroleum Institute, American Society of Plastic and Reconstructive Surgeons, AMTRAK, Animal Health Institute, Baskin-Robbins, Beef Industry Council, Bermuda Dept. of Tourism, Bristol-Myers Squibb, Burroughs Wellcome, C-SPAN, Calgene Fresh [FlavrSavr Tomato], California Kiwifruit Commission, Center for Produce Quality, U.S. Govt. Centers for Disease Control (CDC), Century City Hospital, CIBA-GEIGY Pharmaceutical Division, CIGNA Health Plan of California, Contact Lens Council, Contempo Casuals, Convatec, Daniel Freeman Memorial Hospitals, Delta Dental Plans Assocn., Development Assocs., Dial Corp. Dupont, EP Technologies, El Pollo Loco Restaurants, Elizabeth Arden Inc., Farichild Corp., Futures Group/ SOMARC, G.D.Searle & Co. [Monsanto], General Mills Inc., Gillette, Glaxo, Hoechst Celanese, Hoechst-Roussel Pharmarceutical, Hoffmann-LaRoche, Intl. Apple Inst., Janssen Pharmaceutica, Johnson & Johnson, Lifescan, Kellogg Company, Kubota Tractor Corp., Laserscope, MCI Communications Corp., March of Dimes of S. CA, Marion Merrell Dow, Marriott Corp., Mentor Corp., Mobil, Natil. Assn. of Medical Equipment Suppliers, Natl. Assn. of Private Psychiatric Hospitals, National Black Women's Health Project, U.S. Government National Cancer Institute, National Community AIDS Partnership, Natl. Council of Negro Women, National Heart, Lung & Blood Institute, U.S. Government National Institute of Mental Health, National Leadership Coalition on Aids, National Live Stock & Meat Board, National Medical Enterprises, National Potato Promotion Board, National Spa & Pool Inst., Nerogen Corp., Non-Prescription Drug Manufacturers Assn., Oral-B Laboratories, Ore-Ida Foods Inc., Pitman-Moore, Pizza Hut, Prince Manufacturing Co., Pritikin Systems Inc., Procter & Gamble, Quaker Oats, Refractory Ceramic Fiber Coalition, Rhone-Poulenc Agriculture Co., Robert Wood Johnson Foundation, Schering-Plough HealthCare Products, Selected Financial Services, Snack Food Assn., Synergen, Syntex Labs, United Dairy Industry Assn., U.S. Agency for Intl. Development [AID], U.S. Dept. of Agriculture [USDA], UCLA, Video Software Dealers Assn.

Shut Up and Eat Your 'Frankenfoods'

by John C. Stauber, PR Watch Editor

A billion-dollar food fight over genetic engineering has erupted, now that the Clinton Administration has approved, *without mandatory consumer labeling,* sales of milk from cows injected with a drug to induce greater milk production. The drug, recombinant Bovine Growth Hormone or rBGH, is sold to dairy farmers under the name Posilac™. The manufacturer is Monsanto, a company until now better known for its cancer-causing PCB's, dioxin-laced herbicide, and the omnipresent NutraSweet™.

Clinton's Food and Drug Administration (FDA) has ruled that hormone-induced milk does *not* need to be labeled, despite acknowledged health threats to both cows and consumers. The decision against labeling rBGH milk was crucial to any chance of the drug succeeding in the marketplace, since surveys indicate overwhelming consumer rejection of rBGH-milk. Without mandatory labeling, consumers are finding it difficult to avoid rBGH-induced milk. Clinton's decision therefore denies consumers any fundamental right to avoid rBGH food products.

Much more is at stake than Monsanto's billion-dollar investment in rBGH. The Administration's anti-labeling decision sends a loud message to Wall Street that it won't risk allowing the market vagaries of individual choice to impede sales of genetically-engineered food products.

Surveys indicate overwhelming consumer rejection of bovine growth hormone. In order for the product to succeed in the marketplace, therefore, the Clinton administration ruled that rBGH milk did not have to be labeled.

Soon to follow rBGH are genetically-engineered fruits and vegetables from Monsanto, Upjohn, Calgene and other firms; infant formula from Bristol-Myers Squibb produced from genetically-engineered cows and containing human mother's milk protein; and meat from cloned cattle owned by W.R. Grace. All these genetically-engineered 'frankenfoods' and farm animals have already been developed and tested, and are just months or years from the supermarket.

The headline-grabbing fight over rBGH pits the multinational grocery, dairy and biotechnology industries against a loosely-knit coalition of consumer, farmer, animal welfare, natural food, public health and environmental activists.

The pro-rBGH forces are not content with simply defeating mandatory labeling. They want to keep rBGH-free products off the grocery shelves. On February 10, in response to pro-rBGH lobbying, the FDA announced labeling guidelines which could severely interfere with moving rBGH-free products across state borders.

Federal opposition to labeling rBGH and other genetically-engineered foods preceded Clinton. Under Bush, the FDA announced that genetically-engineered fruits and vegetables would require no special labeling, a policy Clinton also maintains. The Clinton Administration's refusal to label rBGH milk indicates continuing staunch White House support for the U.S. biotechnology industry, even if it means running roughshod over fundamental consumer rights to know how food is produced.

Both Clinton and Vice President Al Gore are outspoken advocates of the biotech industry, a rare high-tech economic example of U.S. industry beating international competitors with marketable products. Genentech, the biotech company that originally developed rBGH for Monsanto, was a major funder of Clinton's unprecedented inaugural bash.

Leading the PR and lobby fight for Monsanto for ten years has been the giant Hill & Knowlton firm. H&K lobbyists have helped to defeat state legislative attempts in Wisconsin, Minnesota, California, and Vermont that would have required labeling of rBGH milk. Clinton's FDA Commissioner David Kessler approved rBGH while H&K's Howard Paster served as Clinton's chief lobbyist. Paster returned to Hill & Knowlton as its CEO just weeks after the FDA allowed rBGH on the market.

Other leading PR/lobby firms promoting and defending genetically-engineered foods include Edelman; Burson-Marsteller; Ketchum; Mongoven Biscoe & Duchin; Jerry Dryer & Associates; Manning, Selvage & Lee; Morgan & Myers; Porter/Novelli; Olsson, Frank & Weeda; Covington & Burling; King & Spalding; and Foreman & Heidepreim.

Pro-rBGH trade associations include the National Association of State Departments of Agriculture; the International Dairy Foods Association; the National Milk Producers Federation; the Grocery Manufacturers Association; the American Dietetic Association; and the American Medical Association. The dieticians group has received $100,000 from Monsanto to operate a 1-800 'call-a-dietician' number which advocates for rBGH. The AMA has been airing a 20-minute pro-rBGH show funded by Monsanto on its CNBC national cable TV

Genetically-engineered fruits and vegetables, infant formula from cows containing human mother's milk protein, and meat from cloned cattle are just months or years from the supermarket.

program. Porter/Novelli represents both the AMA and Monsanto's Searle drug subsidiary, and this appears to be another example of the PR firm's "cross-pollination" tactics (see story on page 4).

For the past seven years the major food industry lobby groups have been formally working with Monsanto and other rBGH manufacturers to overcome farmer and consumer opposition to rBGH. In 1991 the dairy industry spent more than $1 million dollars on a campaign conducted by Shandwick/Kaufman PR to train dairy industry leaders to parrot Monsanto's arguments. At one time the rBGH companies paid the salary of Karl Hoyle, while Hoyle was a lobbyist and spokesperson for the dairy industry. Recently Hoyle left the dairy industry to accept a federal regulatory position.

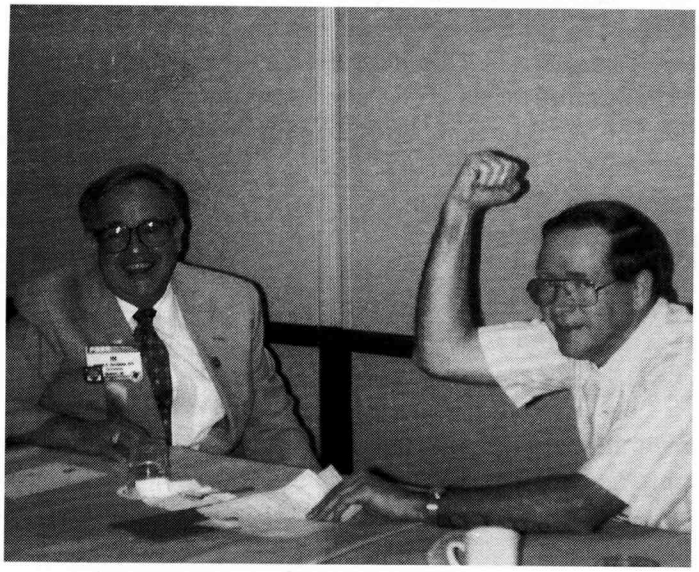
Since late 1989, when media coverage of rBGH intensified, per capita consumption of milk has declined. It is likely that rBGH will further depress dairy sales. In response to depressed sales, the dairy promotion groups awarded a new $50 million milk advertising account to J. Walter Thompson agency, a subsidiary of the WPP group. Interestingly, the WPP group is the main promoter of rBGH, since it also owns Hill & Knowlton.

Since 1986, opposition to rBGH has been spearhead by Jeremy Rifkin's Pure Food Campaign. Other rBGH opponents include the Consumers Union, the Humane Farming Association, the Humane Society of the U.S., the Student Environmental Action Coalition, and farmer organizations.

A former public-interest activist who now flacks for industry has been recruited to help Monsanto win acceptance of rBGH. Carol Tucker Foreman, former executive director of the DC-based Consumer Federation of America, went to work late last Spring for Monsanto on several issues, including rBGH. Her DC consulting firm, Foreman & Heidepreim, refused to provide information on the amount of their contract, would provide no documents, and referred *PR Watch* to Monsanto's PR department.

In early February, Monsanto launched TV ads featuring a doctor telling consumers not to worry about rBGH, that the milk is the same. This false theme, that milk from rBGH cows is no different, was identified a decade ago as the most important message to relay to customers to win acceptance of the milk hormone. ■

PR Watch Editor John C. Stauber works part-time on the BGH issue as a consultant to the Humane Farming Association.



Jack O'Dwyer (right), publisher of O'Dwyer's Newsletter and other leading PR trade publications, hams it up as he's photographed with Joseph A. Vecchione. Vecchione is president of the Public Relations Society of America, which held its national conference on November 14-17, 1993, at Disneyworld in Florida.

Vecchione is also the PR head of the Prudential Insurance Company,. "The Rock" has recently been rocked by financial scandals. While publicly begging forgiveness from burned investors, the insurance giant is vigorously fighting their claims in court. O'Dwyer has criticized Prudential's two-faced approach, naming it #9 among his "Top Ten PR Stories for 1993." (photo © by John C. Stauber)

BOOK REVIEWS

Sultans of Sleaze: Public Relations & the Media, by Joyce Nelson, 1989, Between the Lines.

Reviewed by Fred Tabachnick

In *Sultans of Sleaze*, her shotgun indictment of the North American media and public relations industry, Joyce Nelson charges that public relations manipulators are willing to place a dollar value on human life. She uses the tragedy at Love Canal to illustrate her point.

Whether dealing with chemicals dumped in upstate New York or bodies dumped in Argentina, the massive U.S.-based PR conglomerates are ready to massage away the pesky realities of human suffering—for a price.

The Argentine military junta was anxious to make the world forgive and forget its 1976-81 reign of terror during which an estimated 35,000 people were 'disappeared'. It hired Burson Marsteller, one of the top PR firms in North America, to improve its standing in the world community and to attract foreign investment. By any measure, the butchers of Buenos Aires got great value for their PR dollar; the campaign was considered a full success.

Nelson relates in detail the successful work of the international PR conglomerates in keeping Canada safe for US big business. The campaign was a massive and expensive undertaking, but when you've had practice selling toxic waste and military juntas, pushing free trade is just a swim in the ocean.

Nelson faults the Canadian news media for its lack of in-depth coverage which enabled the PR firms to win passage of the US-Canadian free trade agreement through a smear and fear campaign. The major manipulator was the Public Affairs International-Decima agency. Shortly after the election this already-massive concern was purchased by WPP, the huge parent company that owns two big ad agencies (J.Walter Thompson and Ogilvy) and Hill and Knowlton.

The US-Canada agreement had disastrous consequences for the Canadian economy, causing massive job losses and a voter backlash in 1993. By then, however, PR firms were hard at work in the US, where they campaigned successfully for the recent NAFTA accord with Mexico.

The lesson of *Sultans of Sleaze* is that the media is there to be controlled—but only if you are on the 'right' side of an issue.

To order *Sultans*, call Common Courage Press at 1-800-497-3207.

(Fred Tabachnick is a PR director for a major Canadian labor union. This review is excerpted from *Canadian Forum*.)

Guerrilla PR, by Michael Levine. 1992, Harper Collins.

Reviewed by John C. Stauber

Michael Levine quotes Che Guevara, he authored *The Environmental Address Book*, and he's Barbara Streisand's latest publicist. But please don't mistake him for a tree-hugging Hollywood lefty.

In a phone interview with PR Watch, Levine opined that "Meryl Streep typifies extreme environmentalism going overboard." He complained about the US media's "massive leaning to the radical left." Although he describes himself as "a passionate centrist," he emphasized that his worldview harmonizes with right-wing friends and luminaries including William Bennett, George Will and Roger Ailes.

As much as I differ from his politics, however, I wish every grassroots activist in America would read his book, *Guerrilla PR.* At age 39, Levine is a financially successful and savvy LA-based PR executive and publicist. His book is the best single resource I've seen on "how to do PR," as opposed to "how to hire PR."

Guerrilla PR is a reader-friendly, first person, how-to guide written with entrepreneurs in mind. It explains how they can win publicity for themselves, their products, ideas and causes. It's appropriately subtitled, "How you can wage an effective publicity campaign without going broke." Its basic message is one of empowerment: You can be your own best publicist.

"Nobody will care about the client and his goals as much as the client himself," says Levine. This passion, he argues, is unbeatable if combined with a "guerrilla PR" method "that incorporates everything the pros have—energy, contacts, written and oral skills, and broad perspective."

"The guerrillas," writes Levine, "are those who take responsibility for their own success or failure. . . . A guerrilla knows his terrain better than his opponents, believes passionately in his cause, and is nearly impossible to defeat. . . . What a guerrilla lacks in funds, he or she makes up in moxie. . . . The pros, as paid pitchmen, can't help but take a less credible posture in representing a client. By taking a close-to-the-ground, one-on-one approach, and wearing his passion on his sleeve, the Guerrilla PR trooper cuts to the chase."

Levine's book is laced with tips, side-bars, wit, inspirational self-help vignettes, dropped names, important media addresses, good ideas and many examples of successful guerrilla PR tactics. Social change activists rarely conduct effective media relations. As a beginning remedy, I recommend studying and practicing *Guerrilla PR.*

Sound Bites Back

When a drunk driver killed her daughter, Candy L. Lightner responded by founding Mothers Against Drunk Drivers (MADD), which has grown to 3 million members in the US alone. Now she has a new calling. According to news reports, she has moved to Washington, DC, to lobby for a liquor industry trade group, the American Beverage Institute, which is paying her to help defeat MADD-supported laws that would toughen blood-alochol tests. Lightner believes she hasn't sold out. She was fired from MADD in 1985 over disagreements that included Lightner's desire to have MADD receive liquor industry money.

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When in trouble, bash the liberal press. That's what President Clinton did in the November 18, 1993, *Rolling Stone*, saying "I have fought more damn battles here for more things than any President has in 20 years with the possible exception of Reagan's first budget and not gotten one damn bit of credit from the knee-jerk liberal press."

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The Winter, 1994, issue of *Co-op America Quarterly* features articles on PR trickery, phony corporate front groups, and what activists can do to counter corporate tactics.

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The February, 1994, *Consumer Reports* magazine picks apart the anti-health care reform PR/advertising campaigns of the American Medical Association, the Pharmaceutical Manufacturers Association and the Health Insurance Association of America. *The Nation* (12/13/93) ran an excellent article documenting the success of the corporate PR/lobby counter-offensive against fundamental health care reform.

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Fairness & Accuracy in Reporting (FAIR) reports in the Jan./Feb. issue of *Extra!* that the executive producer of ABC TV's 20/20 has been influenced by his PR executive wife to avoid environmental stories, especially stories that criticize nuclear power. Instead of reporting on the dangers of radiation-exposed food, a 20/20 story concluded that scientific and consumer concerns were scare tactics. Victor Neufeld's wife Lois is president of Media Access, a NY PR firm whose clients include the U.S. council for Energy Awareness, a pro-nuke industry coalition.

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The Jan./Feb. issue of the *Utne Reader* reprints a version of Joel Bleifuss's articles from *In These Times*, exposing the PR industry. Utne also has a brief piece on *PR Watch,* and a hillarious essay by journalist Mara Bovsun on her former life as a flack. Bovsun's piece begins, "My name is Mara and I'm a recovering PR executive. . . ."

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Ralph Nader's Congress Watch has released a report tracking over 300 government officials who moved back to the private sector after the 1992 elections. About 1/3 have already begun working for DC lobby and PR firms. The report is titled: *Government Service for Sale.*

Norman Sandler, a former UPI White House correspondent, is now flacking as a senior asociate for Powell Tate in Washington, DC. He signed an opinion piece titled Panic Gluttons in the October, 1993, *Technology Review*, belittling the dangers of radiation from cellular phones. Dr. Louis Slesin, editor of the respected *Micro Wave News*, responded with a scathing letter to *Technology Review*, ripping Sandler's piece as "junk PR."

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Washington's *National Journal* notes in an Oct. 9th article that drug companies and trade associations are "practically throwing money at journalists to get them to speak at their events." Specifically named are the following reporters: Fred Barnes of the New Republic, Eleanor Clift of Newsweek, Jane Bryant Quinn of Newsweek, Dr. Bob Arnot of CBS and Dr. Art Ulene of ABC. Speaking fees range up to $25,000.

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New in PR Technology/Products/Services: SpinControl II media relations software combines a computer fax capability with Burrelle's media database of more than 160,000 contacts. It lets PR practioners send simultaneous broadcast faxes to thousands of journalists. For info call #301-890-9588.

❖

The Associated Press has begun delivering publicity photos to some 300 newspapers for a fee from PR firms.

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Soon after his election, Bill Clinton tapped Howard Paster, the head of Hill & Knowlton's Washington office, to head his transition team and become the president's chief lobbyist with Congress. Less than a year later, Paster has returned to Hill & Knowton, with a doubled salary reported at one million dollars.

Paster's replacement as the new White House lobbyist is Pat Griffin, another DC insider, from the Griffin Johnson & Associates firm. Among their 41 clients are the Blue Cross & Blue Shield, American Nuclear Council, American Petroleum Institute, CBS, Merck, Waste Management and the Tobacco Institute.

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Citizen activists in California, New York and other states have asked their states to stop a school curriculum program produced by Procter & Gamble. The groups charge that the "Decision Earth" curriculum used by some 70,000 teachers constitutes "corporate pollution of the schools" and is a biased and deceptive "greenwash" promotion of P&G's abuses against the environment.

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Mary Matalin, President Bush's campaign manager, told the Magazine Publishers of America convention in November in New York, that she had informed Bush after the Republican convention that voters viewed him as "a misogynist, bigot and homophobe." On Thanksgiving day, Matalin married James Carville, her chief adversary and counterpart in the Clinton campaign.

Sound Bites Back *(continued)*

Mexico is ready to call the PR cavalary to handle the Zapatista rebellion in its southernmost state of Chiapas. The leading contenders seem to be Edelman and Burson-Marsteller (B-M), who handle multi-million Mexican accounts for tourism and NAFTA. Other firms conducting recent business with Mexican business or government agencies include Fleishman-Hillard; Hill & Knowlton; Thomas Scanlon; Robinson, Lake, Lerer and Montgomery; Smith & Haroff; Brock Group; Olsson Frank & Weeda; and plenty more.

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The Jefferson Group, DC's 6th largest lobby firm, quickly dropped one of its clients, an El Salvador politician with right-wing death squad connections, after O'Dwyer's *Washington Report* began investigating the story. The Jefferson Group has represented the Embassy of El Salvador in the past, and a source tells *PR Watch* that the firm is quite nervous that it could become too identified with the continuing death squad activity in that country.

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On December 8, 1993, Reed Irvine's right-wing *Accuracy In Media* began airing a weekly one-hour TV program on the new National Empowerment TV network started by Paul Weyrich.

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In the waning days of the NAFTA debate, Cassidy and Associates' Bekel Cowan "grass-roots" lobbying subsidiary launched an intense phone campaign, funded by Mexican business interests, to get "average citizens" calling their Congressperson in support of NAFTA.

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John F. Budd Jr. is now working for the Public Relations Society of America as part of an industry effort to win better PR for PR.

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Gloria Dittus has left Direct Impact, the secretive right-wing grassroots organizing firm, to start her own similar company, the Dittus Group, focusing on pro-corporate campaigns on environmental and healthcare issues. While at Direct Impact, Dittus worked to help secure the license for the Seabrook, NH, nuclear power plant. Meanwhile, Mary Beth Bloomberg has left Burson-Marsteller to join Direct Impact's Alexandria office.

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Roger Ailes, attack-dog campaign guru for three Republican presidents, has been named President of CNBC-TV. The now self-described "communications guy" has been Rush Limbaugh's executive producer, and advisor to the Hard Copy and John & Leeza shows.

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Former Reagan speechwriter Sheila Tate, president of the Powell-Tate PR firm, has been unanimously reelected by the board of the Corporation for Public Broadcasting to be its Chairperson.

Between 1987 and 1992, the American Civil Liberties Union has solicited and accepted about half-a-million dollars in contributions from tobacco interests, without disclosing the largesse to its ACLU membership. The ACLU denies charges by the Advocacy Institute that it is beholden to tobacco interests.

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Vladimir Zhirinovsky, the Russian ultra-nationalist, charges for media interviews. His fees range from $300 for five minutes to tens of thousands of dollars for longer TV interviews.

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The Free Press Association's 12th annual Mencken Award for Best Op-Ed Column has been given to John R. MacArthur, publisher of Harper's magazine, for his piece in the *NY Times* titled "Remember Nayirah, Witness for Kuwait?" The piece exposed the Hill & Knowlton scam in which the daughter of Kuwait's ambassador's gave false testimony, claiming she had witnessed baby-killing by Iraqi soldiers.

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The Southwest Organizing Project in Albuquerque, NM, is protesting computer giant Intel's hiring of the Canadian firm Pat Delbridge & Associates, of Toronto, to help them expand a $2 billion semiconductor plant. Delbridge sells her activist consulting experience to major companies, helping them hand-pick 'community advisory panels' to benefit corporate objectives.

PR Firms Get Fat On Health Care Debate

Regardless of the political outcome of the health care debate, the PR/lobby industry will win financially. Health care is shaping up as the most lucrative PR bonanza ever. According to O'Dwyer's *PR Services* (Oct. '93), the firms below claimed more than $121 million in health care fees in just a 10-month period ending July 31, 1993. Spending has since accelerated.

TOP TEN PR FEES FOR HEALTH CARE

(10 month period ending 7/31/93)

1	Burson-Marsteller	$ 41,793,000.00
2	Hill & Knowlton	15,000,000.00
3	Edelman PR	10,492,000.00
4	Ruder Finn	9,500,000.00
5	Porter/Novelli	9,113,000.00
6	Ketchum PR	8,300,000.00
7	Manning, Selvage & Lee	7,934,000.00
8	The Rowland Co.	7,832,000.00
9	Fleishman-Hillard	6,050,000.00
10	Shandwick	5,855,000.00
TEN- MONTH TOTAL:		**$121,869,000.00**