

PR WATCH

PUBLIC INTEREST REPORTING ON THE PUBLIC RELATIONS INDUSTRY

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GOING . . . GOING . . . GREEN!

By John C. Stauber

More than any other modern American, author Rachel Carson is credited with giving birth to popular ecological awareness. *Silent Spring*, her bombshell 1962 best-seller, gave a dramatic, prophetic and factual account of massive agricultural poisoning. Written with the goal of shocking the public, government and industry into action, it sowed seeds of consciousness that burst forth eight years later when millions of people demonstrated in the streets on the first Earth Day, April 22, 1970.

Now PR executive E. Bruce Harrison, who led the fight to silence *Silent Spring*, has written his own book, a how-to guide titled *Going Green: How to Communicate Your Company's Environmental Commitment*.

Harrison's "commitment" began when, at age 30, he was appointed "manager of environmental information" for the manufacturers of agricultural pesticides and other poisons, and assigned to coordinate and conduct the industry's attack against *Silent Spring*. They hit back with
continued on next page

FLACK ATTACK

This issue is devoted to a particularly recent and insidious type of PR, called "greenwashing." "Greenwashing" doesn't yet appear in most dictionaries, but Greenpeace defines it as: "where transnational corporations preserve and expand their markets by posing as friends of the environment and leaders in the struggle to eradicate poverty.

"Examples: A leader in ozone destruction takes credit for being a leader in ozone protection. A giant oil company professes to take a 'precautionary approach' to global warming. A major agrochemical manufacturer sells a pesticide so hazardous it has been banned in many countries, while implying the company is helping to feed the hungry. A company cuts timber from natural rainforest, replaces it with plantations of a single exotic species, and calls the project 'sustainable forest development.'"

Through greenwashing, PR firms make themselves or their corporate clients appear to be friends of the environment, part of a progressive effort to make things better, cleaner, healthier and prettier. Meanwhile, the polluters profit from the manufacture of billions of tons

of environmental toxins, dump them into the global biosphere, contaminate our very cells, destroy the ozone layer, and are eliminating species after species.

The greenwashers say, we're all human. No one wants to pollute. The solution is personal. Let's just sit down together as individuals and work out common-sense solutions. The system is the solution.

PR practitioners call this approach "smart environmentalism," but it's only smart from the point of view of their corporate clients. The carefully-cultivated environmental "partners" who cut mostly symbolic deals are providing polluters with a coveted but false imprimatur of ecological responsibility.

Corporate industry is polluting our air, water, soil and food. Now, a new type of toxic effluent—slick PR—is polluting efforts to achieve a sustainable future.

Our unprecedented global environmental crises are systemic, and they require fundamental economic, social and ecological reforms. Green activists must understand the difference between fighting for real social change, and cutting "win-win" PR deals. Beware of coercive harmony, the hottest new product of Madison Avenue.

—John C. Stauber, Editor

the PR equivalent of a prolonged carpet bombing campaign. No expense was spared in defending the fledgling agricultural industry and its \$300 million/year in sales of DDT and other toxins. The national Agricultural Chemical Association doubled its PR budget and distributed thousands of book reviews trashing *Silent Spring*.

Along the way, they pioneered environmental PR 'crisis management' techniques that have now become standard industry tactics. They used emotional appeals, scientific misinformation, front groups, extensive mailings to the media and opinion leaders, and the recruitment of doctors and scientists as 'objective' third party defenders of agrichemicals.

In Going Green, Harrison declares that environmental activism has "died." Today, "corporate environmentalism is more lively than external activist environmentalism."

Rachel Carson succumbed to cancer on April 14, 1964, never seeing herself vindicated. Due in part to Harrison's PR work, the warnings of *Silent Spring* have never been adequately understood or heeded. Today, agricultural contamination of soil, air, water, animals and people is one of the most ubiquitous and difficult environmental health disasters we face.

Harrison, however, is alive and thriving. In 1973, he and his wife established their own PR company, drawing in clients such as Monsanto and Dow Chemical, who were among the sponsors of the campaign against *Silent Spring*. The PR trade publication *Inside PR* named him as its 1993 "PR All Star," stating that by writing *Going Green* he had "confirmed his status as the leading [PR] thinker on environmental issues" and as a continuing "pioneer in the field."

The E. Bruce Harrison Company has offices in DC, Dallas, Austin, New York, and San Francisco, and recently opened a new office Brussels, Belgium that will, in the words of *Inside PR*, "help its transnational clients work through the complexity" of Europe's new environmental regulations. The company employs more than 50 staff and does \$6 million dollars of business annually for about 80 of the world's largest corporations and associations, including Coors, Clorox, R.J. Reynolds, the American Medical Association and Vista Chemical.

Harrison's clients include the 'wise-use' Global Climate Coalition (which opposes environmental action to prevent global warming) and the Coalition for Vehicle

Choice (which opposes emission-control regulations for automobile manufacturers). He even receives taxpayer funding from one of his clients, the federal Environmental Protection Agency (EPA).

In *Going Green*, Harrison shares some of his perspective and methods. The book includes self-promotional chapters in which he discreetly brags of the PR greenwashing successes that he has arranged for such clients as Uniroyal, General Motors, Cosmair and Zoecon. Of course, he doesn't use the word "greenwash." The text is filled with environmentally correct-sounding jargon that makes for clumsy reading. The phrase he uses to describe his PR work, for example, is "sustainable communications."

THE GREENING BUSINESS

In *Going Green*, Harrison declares that environmental activism has "died," and that its death presents corporations with a tremendous opportunity to define and dominate the future of environmentalism in the name of "sustainable development," by which he means corporate business-as-usual, made palatable for the public through "sustainable communications."

Who or what killed environmental activism? According to Harrison, the "activist movement that began in the early 1960s, roughly when the use of pesticides was attacked in the book *Silent Spring*, . . . succumbed to success over a period roughly covering the last 15 years."

Since the first Earth Day in 1970, he argues, ecological activism has been transforming itself from a grassroots movement into dozens of professionally-run, competitive, non-profit businesses, epitomized by groups like the Environmental Defense Fund (EDF).

Going Green says that today's environmental groups are first and foremost business ventures, run by managers. Groups like EDF are tax-exempt, customer-based firms primarily concerned with fundraising and maintaining a "respectable" public image. This preoccupation with funding and respectability makes them willing to sit down with industry and cut deals in which their main concern is their own financial bottom line. In Harrison's words, to "stay in the greening business," the goal of environmental groups "is not to green, but to ensure the wherewithal that enable it to green."

Everywhere he looks, Harrison sees the rise of pro-corporate environmentalism and the demise of grassroots eco-activism. Especially since the 1992 Earth Summit in Brazil, "corporate environmentalism is now more lively than external activist environmentalism, and this trend will continue to grow."

This opens the door to tremendous opportunities for Harrison's corporate and governmental clients, whom he assists in building issue coalitions and alliances with carefully chosen environmentalists ready to reap mutual business benefits.

As an example, Harrison points to the partnership between McDonald's Restaurants and the Environmental Defense Fund. "In the late 1980s, the company slipped into its worst sales slump ever—and the anti-McDonald's drive of the green activists was at least partly blamed. . . . [EDF's Executive Director Fred] Krupp saw the golden arches of McDonald's, the nation's fast food marketing king, as a sign of opportunity. . . . Krupp was ready to deal, and so was McDonald's."

Harrison is quite happy that the professional environmental establishment is rejecting the tactics of community organizing, street demonstrations and noisy conflicts with industry. Ironically, the unseemly confrontational tactics that the eco-professionals scorn are acknowledged by Harrison to be the main impetus for any real ecological reform.

In *Going Green*, Harrison observes that "Greening and the public-policy impact of greenism are being propelled by what I refer to as the 'AMP Syndrome'—a synergy of Activists + Media + Politicians. . . . Activists stir up conflict, naming 'victims' (various people or public sectors) and 'villains' (very often, business interests). The news media respond to conflict and publicize it. Politicians respond to media and issues, moving to protect 'victims' and punish 'villains' with legislative and regulatory actions."

COERCIVE HARMONY

Some environmentalists haven't yet accepted the message that protest tactics are dead. In one chapter Harrison advises businesses "what to do when you're attacked by an activist group." He first suggests hiring a private detective to investigate the activists—making sure, of course, not to get caught. But strategic co-optation remains his primary strategy for achieving "sustainable communications."

"Remember that your organization and the green action group are quite similar when it comes to management goals," Harrison advises. "You're both trying to create customers. . . . The [activist] group must be publicly observed in action, on behalf of a cause that has appeal to potential customer-publics.

"Offer to meet with them. . . . Your task is to try and deflate their balloon and to get direct information about what's motivating them, how serious they are, who they are, what they will consider 'success.' . . . Be friendly. Politely put off giving more direct information. Offer to meet with them again. As long as you are talking, you may not be fighting. Maybe you can come up with multiple options for mutual benefit that will satisfy their needs."

Going Green is a book that activists should read to identify and counter the sophisticated tactics of the greenwashers, and to understand industry's co-optation of the environmental movement. As for E. Bruce Harrison, the godfather of greenwashing is "going green" all the way to the bank.

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FROM EARTH DAY TO EARTH PAY

by John C. Stauber

Next year will mark the 25th anniversary of Earth Day. The idea for the first Earth Day began in 1969 at the height of the movement against the war in Vietnam, when Wisconsin Senator Gaylord Nelson borrowed the idea for a student environmental teach-in from the tactics of anti-war organizers.

On April 22, 1970, the event mushroomed into an almost spontaneous happening in which millions of Americans demonstrated against pollution in the streets, parks and schools of America. A massive grassroots environmental reform movement was born overnight.

The student organizers of the original Earth Day saw the common systemic roots of both the war against Vietnam and the ecological destruction of the biosphere. Denis Hayes spoke passionately to a Washington, DC, protest rally: "Our country is stealing from poorer nations and from generations yet unborn. . . . We're tired of being told we are to blame for corporate depredations. . . . institutions have no conscience. If we want them to do what is right, we must make them do what is right."

That was then, but this is now. The new doctrine, according to current Earth Day USA President Bruce Anderson, is that "We're all to blame, everyone of us." And since we're all equally guilty, it's easy to forgive polluting industries. "If a business says they want to improve their environmental record, it's not up to Earth Day USA to be the judge and jury of their past behavior," says Anderson, a business consultant and solar architect.

Founded in 1991 by Anderson and Gaylord Nelson, Earth Day USA plans to make the event's 25th anniversary the biggest eco-publicity blast of all time. But whereas previous Earth Day organizations protested the actions of polluting corporations, Earth Day USA is pro-business and has even hired one of the world's largest PR firms to plan, develop and execute Earth Day 1995. They welcome corporate involvement, aggressively pursue business funding, and scoff at concerns of corporate greenwashing.

What about the decision by previous Earth Day groups to reject large corporate contributions? Anderson finds that notion annoyingly outdated. "Confrontation is the old way. We have to work together hand-in-hand, arm-in-arm, or we're wasting time, fiddling while the planet burns."

"If a company expresses earnestness and a desire to change, Earth Day USA works with them," explains Earth Day USA board member Jerry Klamon. "We would work with companies others probably wouldn't,

because we see the need for the 'carrot' approach. These companies need to be nurtured and brought along."

Klamon's St. Louis group accepts funding from chemical giant Monsanto and other corporations, and relies on the donated work of corporate public relations firms. "We need to use tactics that people are habituated to following," he says. "These PR people are obviously good at penetrating the American consciousness."

The current annual Earth Day USA budget is about \$300,000 and quickly growing, thanks to business donations. For \$20,000, almost any company can become an official Earth Day sponsor. Further negotiations with Bruce Anderson can buy permission to use the official Earth Day USA logo. For \$7,000 a company can sponsor an issue of the newsletter which is mailed to more than 4,000 grassroots organizers. Other corporate deals are available for as little as \$5,000.

BUILDING "THE TEAM"

Earth Day USA has virtually no 'screen' — social or environmental standards — to determine which companies can be sponsors. So far, about 20 corporations are sponsors or are engaged in negotiations, including Ralston Purina, Business Wire, Church & Dwight, Procter & Gamble, 3M and News America FSI Inc.

In addition to selling sponsorships and seeking grants from non-profit foundations, Earth Day USA is contemplating the spin-off of another organization now called "The Earth Day Corporate Team," or simply "The Team."

According to an internal Earth Day USA memo, the Team would consist of "environmental leaders within corporations in the United States." It would be "organized as a separate non-profit corporation," but its board would be dominated by the leaders of Earth Day USA.

The Team would "provide corporations with their own vehicle" for participating in Earth Day activities. The Team would also "enhance the fundraising opportunities for Earth Day USA and the other members of the Earth Day Family."

To protect its own image, Earth Day USA would "retain some independence from its corporate arm to preserve the innocence and inclusiveness of the Earth Day spirit."

For PR purposes, Earth Day USA has enlisted one of the world's largest public relations firms, Shandwick, to carry out program development and communications. Bruce Anderson personally hired Shandwick's Dorf & Stanton (D&S) subsidiary after a breakfast meeting in Washington, DC, with their Senior Vice President Allen

Finch. Dorf & Stanton charges Earth Day USA a greatly reduced fee.

Anderson told *PR Watch* that he likes Allen Finch's attitude. "I see Dorf & Stanton's commitment to Earth Day USA expanding every day. He looks at it the same way I do: Earth Day is an incredible gift with a potentially tremendous impact."

"It's not up to us to be the judge and jury," says Earth Day USA President Bruce Anderson. His group uses virtually no environmental standards to determine which companies can sign on as sponsors.

Dorf & Stanton specializes in "environmental services." According to the firm's promotional material, "Our staff boasts broad experience . . . necessary to guide corporate environmental strategies. . . . From analyzing pending legislative and regulatory developments, to creating alternative product and packaging solutions, we're helping companies . . . maximize green market opportunities, mitigate environmental risks and protect the bottom line." The bottom line at D&S contributes to the \$11,225,000 that parent firm Shandwick received in 1992 for "environmental PR".

Besides Earth Day USA, Dorf & Stanton represents Ciba-Geigy, Chase Manhattan Bank, Ford Motor Company, Hydro-Quebec, Monsanto, Pfizer, Procter & Gamble, Purina Mills, Sumitomo Bank, Tetra Pak and dozens of other corporate clients. D&S claims it "has access to the corridors of power at the federal level and every state capital, local business community and newsroom."

Someone else at Earth Day USA who has access to Washington's corridors of power is Gaylord Nelson. Since losing his 1980 re-election bid for the US Senate, Nelson has been a lobbyist for the Wilderness Society. Now he is also working with "13 different government agencies" and the Clinton administration to organize a huge April 22, 1995, event on the DC Mall that "will probably attract more than a quarter-million people".

PURE NO MORE

The term "corporate greenwashing" wasn't yet coined during the original Earth Day, but it was already a problem. "Political and business leaders once hoped that they could turn the environmental movement into a massive anti-litter campaign," observed Denis Hayes, the student leader of the 1970 teach-ins. "Industry

has turned the environmental problem over to its public relations men. . . . We have learned not to believe the advertising."

PR Watch asked Senator Nelson if he is concerned about greenwashing. "No, the issue is overblown. If a corporation is moving to be green, that's just fine. Since 1970, there's been a dramatic change. Many of today's corporate leaders participated in Earth Day in college; it turned them into environmentalists. A couple of them were just in my office."

Nelson said he actually welcomes corporate co-optation of Earth Day. "We're not going to have a sustainable society unless all interest groups are on board. I'm glad to see corporations joining in. If they try to co-opt Earth Day, they'll just help spread environmental propaganda. I'm not worried about greenwashing."

Nelson has little use for the "I'm purer than you" attitude which he said infected previous Earth Day organizations.

Does it bother Gaylord Nelson that Earth Day USA is represented by a PR firm whose clients include some of the world's biggest polluters? Nelson scoffed and replied, "I have no concerns about that. They are a PR firm. They represent all kinds of people. Its like hiring a lawyer. If he represents a murderer or a crooked businessman, that's what lawyers do. Am I not to hire him?"

A LETTER TO THE EDITOR

Dear *PR Watch*:

The network of corporations, PR firms, and bogus grassroots groups which comprise the anti-regulatory "wise use movement" is indeed vast and bewildering. Having read both of the publications you mentioned (*PR Watch*, 1st Quarter 1994), I share your recommendation of *Masks of Deception: Corporate Front Groups in America* and *The Greenpeace Guide to Anti-Environmental Organizations*

However, as you point out, printed directories are not able to keep up with the rapid growth of front groups and the backlash movement.

The Clearinghouse on Environmental Advocacy and Research (CLEAR) was established in 1993 to maintain just such information. I encourage reporters, researchers, activists and others interested in sharing current information to contact CLEAR.

Dan Barry, Director, CLEAR
1718 Connecticut Ave NW #600
Washington, DC 20009
202-667-6982

FLACKS TO GREENS: GROW UP AND TAKE THE CASH

By Peter Montague, Ph.D.

O'Dwyer's *PR Services Report*, the monthly trade industry magazine, sees evidence of "maturing" in the environmental movement's growing willingness to form "partnerships" with major polluters.

In February, *PR Services* devoted an entire issue to what they call "environmental PR firms" and the "winning strategies" that they use for their clients. The report offers a candid, if unflattering, assessment of the environmental movement and of the polluting companies that have become its "allies."

"The lessons of the recent recession have taught PR people that no matter how idealistic a company sounds, it puts the bottom line ahead of cleaning up its mess," admits an editorial accompanying the *PR Services* report. As a cost-effective alternative, "such companies are finding that cold cash will buy them good will from the environmental movement.

"Cash-rich companies, PR people say, are funding hard-up environmental groups in the belief [that] the imprimatur of activists will go a long way in improving their reputation among environmental aware consumers," *PR Services* says.

On the other side of the "partnership," *PR Services* observes that, "Though activists may at first balk at working with corporate America, non-profit groups are beginning to realize that private sector cash can increase an organization's clout and bankroll membership building programs."

LET'S MAKE A DEAL

O'Dwyer's interviewed Dale Didion of Hill & Knowlton in Washington, DC, the nation's third largest "environmental PR firm." In January, Hill & Knowlton sent a mailing to hundreds of environmentalists announcing Didion's appointment as Senior Vice President and Director of Environmental Practices. The mailing says Didion was formerly executive director of Renew American and the Natural Resources Analyst for the US government's Office of Management and Budget.

Didion says companies are learning that they can "hire members of the environmental group's staff to help on certain projects. This is a tremendous benefit for a company that wants to have access to top green experts. Companies can avail themselves of talented researchers, scientists and analysts at very reasonable prices."

PR Services says there are two other benefits of such "cooperation." First, "the exchanges offer a good strategic fit for companies targeting certain demographics, especially young people." Second, "because most large environmental groups are international, relationships can

pave the way for companies to make connections with green organizations overseas."

Getting a relationship started between a company and an environmental group "takes a lot of planning and hard work," *PR Services* says. It's important to pick the right group to work with. "It might be in both parties' interest at first to keep their relationship out of the news," says Didion. "Work out early how and when the relationship will be announced to the media — and what measure should be taken if word leaks out prematurely."

PR Services suggest some "cost-free and virtually risk free" ways to "test the waters" when entering into a relationship with an environmental group. "Help them raise money," says Didion. "Offer to sit on their board of directors. That can open up a good symbiotic relationship."

Didion also suggest "dialoguing" as an effective technique. He says Hill & Knowlton is "active in setting up dialogue groups between key representatives of environmental groups, Chambers of Commerce and the Federal Government." Another effective tool is for the company to fund an "issue-specific publication for the nonprofit group." The company gets substantial input into the content because the publication has its name on it," Didion says. "A similar tactic is to bankroll a conference on a topic of mutual interest," *PR Services* reports.

NAIVE NO MORE

One of the goals of corporate environmental PR campaigns, according to *PR Services*, is to "educate people about the economic costs in improving the environment," by reducing environmental concerns to a simple money analysis: "Does a community benefit from a plant that pollutes but employs? Does the cost of sick days and hospitalizations due to exposure from the dirt outweigh a payroll? Successful PR people will be those that can blend the cold-hearted reality of 1990s economics with the 1970s touching, though somewhat naive, concern for Mother Earth."

As an example of this approach to "educating people," *PR Services* reports that companies are "challenging federal mandates to install pricey pollution control gear that has no productivity benefits when it may be cheaper to close up shop and move to pollution-havens like Mexico. . . . It's the job of PR firms to make sure federal, state and local governments along with host communities understand the economic trade-offs involved in complying with environmental requirements."

The mathematical technique of "cost-benefit analysis" underlying these evaluations was originally devel-

THE HILL AND KNOWLTON

GREEN TEAM!

Making the Environment a Business Advantage

Today's business climate is shaped by many outside forces. One of the most formidable is the environment. From a business standpoint, the challenge is to make the environment a distinct bottom-line advantage. Companies that respond effectively can increase market share and, at the same time, make a significant contribution to the enhancement of the nation's water, land, and air.

Our international network of environmental specialists extends these Environmental Practice capabilities worldwide. These specialists have expertise in media relations, crisis management, and employee and community communications.

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- ▶ "Green" Marketing
- ▶ Community Relations and Plant Siting

Winning Strategies from the Leader in Environmental Communications...

Stimulating a municipal waste incinerator: Sixty years of opposition to a plant to incinerate waste, including environmental and safety issues, blocked the project. Hill and Knowlton executed a strategy to address a community's fears and present factual information. Results: by intelligently challenging, explaining, and public opinion turned in favor of the proposed incinerator.

Coordinating a global corporate environmental image for a multi-national chemical company: Hill and Knowlton helped the company improve country-specific media relations, while spotlighting the array of corporate environmental products. Result: the corporation is known for its environmental products around the world with considerable local pride in each country.

Launch of first consumer product recall pack: A major consumer products manufacturer needed high visibility in local and national media. Hill and Knowlton coordinated a multi-party support of environmental press releases, special events, and a national media strategy. Result: the media coverage significantly exceeded the company and the product as the leader in safe packaging and their packaging has been copied industry-wide.

State energy reduction program: Consumer acceptance of a mandatory energy check program was a serious problem. Hill and Knowlton designed a communications approach that used photo, media relations, school programs, and special events to show consumers the significant costs of air pollution. Result: 90% of the state's residents support the energy check program.

To learn more about our "Green Team," call Dale Didion at (202) 944-5184.

HILL AND KNOWLTON

Washington, D.C. 20007-2022

NORTH AMERICA: Atlanta, Denver, Houston, Los Angeles, New York, Ottawa, San Francisco, Tampa, Vancouver, Washington, F. O'Hare/MDW, LOS ANGELES, London, England, ASIA/PACIFIC: Honolulu

Past PR campaigns by Hill and Knowlton executives have included lobbying for Exxon after the Exxon-Valdez oil spill disaster and for Three Mile Island.

oped in the 1930s by the US Army Corps of Engineers to justify dam projects. If the total economic benefit exceeded the total cost, the dam was built.

But numbers can be manipulated in cost-benefit analyses. In evaluating the cost of introducing toxins into the environment, for example, analysts estimate the number of lives that will be lost due to cancer or other fatal reactions to the toxin.

In calculations involving money, it is standard accounting practice to "discount" future assets using estimated interest rates to calculate their "present value." In its cost-benefit analyses, the US Office of Management and Budget turns this practice into a caricature by requiring agencies to statistically "discount" the value of lives saved — as if our children's and grandchildren's lives are worth less than ours.

"Environmental PR firms" rely heavily on this discounting technique because it serves their strategic goal of making environmental and health regulations appear ridiculously expensive.

Keith Schneider of the *New York Times* used this discounting technique in a series of controversial articles in 1993. Schneider presented a table of data showing, for example, that the EPA's regulations to curb pollution by the wood-preservative industry would cost \$5.7 trillion dollars per life saved. (*New York Times*, 3/24/93). However, the EPA had previously estimated that the cost per life saved would be as low as \$800,000.

The *New York Times* article did not present EPA's estimate. Instead it presented OMB's numbers, which "discounted" future lives saved, without mentioning the "discounting."

Naturally, the *New York Times* article made the regulations seem absurdly costly, and it made Keith

Schneider the darling of the anti-environmental movement and its PR allies. *PR Services* described his series as "a watershed event in green reporting."

This article is adapted from *Rachel's Hazardous Waste News* #379, March 3, 1994. Subscriptions are \$25/year from Environmental Research Foundation, PO Box 5036, Annapolis, MD, 21403. (410) 263-1584. The March 1994 issue of *O'Dwyer's PR Services* is available for \$5.00 by writing them at 271 Madison Ave., New York, NY 10016.

Eco-Flacks Convene in DC

Has the "eco-flack" replaced the "eco-freak" in the 1990s green scene? To find out, *PR Watch* will cover a one-day meeting of environmental PR practitioners, June 20, at the Capitol Hilton.

"Smart Environmentalism" is the theme of the conference sponsored by the Public Relations Society of America's DC Chapter and Ketchum PR. According to the organizers, "America can afford nothing less" than a new "smart environmentalism" based on "partnering, consensus . . . and, most importantly . . . economics."

Assistant Secretary of Energy Thomas Gramblly will keynote. Issues to be addressed include "how journalists identify credible sources," "dealing with activists," and using science rather than emotions to settle issues. Cost is \$195. For information call 212-460-1482.

POISONING THE GRASSROOTS: PR GIANT BURSON-MARSTELLER THINKS GLOBAL, ACTS LOCAL

by John Dillon

The young woman taking notes during a Washington, DC meeting of safe food activists tried to be non-obstrusive. She glanced wearily at a paperback novel during the day-long session and avoided lengthy conversations with the other participants. These organizers from around the country were sharing strategies on how to fight companies planning to market a controversial hormone engineered to increase milk production in dairy cows.

But the woman, who gave her name as Diane Moser, was probably not as bored as she seemed. Although she said she was a member of a Maryland consumer organization, the group she cited does not exist. Moser's real employer that fall day in 1991 was Burson-Marsteller, an international public-relations firm that represents two bovine growth hormone developers, Eli Lilly and Monsanto. (Today she works for Porter-Novelli PR.)

A subsidiary of the giant Young and Rubicam advertising company, Burson-Marsteller is a favorite fix-it firm for multinationals with disastrous image problems. B-M has worked for firms such as Exxon (the Valdez oil spill),

Perrier (contaminated water), A.H. Robins (the Dalkon Shield), and Union Carbide (the Bhopal disaster).

Like its close competitor Hill and Knowlton, B-M trolls the lucrative and often overlapping waters of public relations, lobbying, and political fundraising. Its Washington offices are packed with veterans of Capitol Hill who have walked through the revolving door to take jobs influencing former colleagues.

In early 1991, Burson-Marsteller bought the well-connected lobbying firm of Black, Manafort, Stone and Kelly, an acquisition that made the parent firm even more of a powerhouse in Washington. The former home of Republican attack strategist Lee Atwater, Black, Manafort has maintained close ties to powerful Republicans. Firm partner Charles Black, for example, oversaw the writing of the GOP party platform in the summer of 1992, while Paul Manafort directed political operations in both of Ronald Reagan's presidential campaigns. The firm has bipartisan appeal as well; partner Peter Kelly is the former finance chair of the Democratic National Committee.

BURSON-MARSTELLER CLIENT LIST

(From O'Dwyer's Directory of PR Firms, Spring 1993)

Subsidiary of Young & Rubicam, Inc. 62 offices in 29 countries. 2,071 employees. Net fee income, \$200 million.

B-M provided the following self-description to O'Dwyer's Directory:

"Our 62 offices in 29 countries are linked together electronically and philosophically to deliver a single standard of excellence anywhere our clients do business. . . . Our Public Affairs Practice helps clients manage issues by influencing — in the right combination — public attitudes, public perceptions, public behavior and public policy. Our Environmental Practice Group counsels coproations on sensitive environmental issues, and we are recognized as the world leader in crisis management and preparedness planning. . . . Our global reach, our experience and our people make Burson-Marsteller a part of more corporate and marketing communication decisions than any other firm in the world."

CLIENT LIST: AETNA, Alliance for Beverage Cartons and the Environment, American Home Products, Ameritech, Andersen Consulting, Asea Brown Boveri, Association of American Railroads, AT&T, Australian Federal Police, Bellsouth, Bombardier, Bridgestone, Bristol Myers-Squibb, British Broadcasting, British Columbia Forest Alliance, British Gas, CEMEX, Cadbury

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On issues ranging from food safety, to the cutting of western old growth forests, to construction of hydroelectric dams in northeastern Canada, Burson-Marsteller fires its big guns at local battles.

Yet much of B-M's work takes place outside the halls of Congress. On issues ranging from food safety, to the cutting of western old growth forests, to Hydro Quebec's construction on native lands in northeastern Canada, B-M fires its big guns at local battles. The bovine growth hormone (BGH) controversy was a perfect match for Burson-Marsteller's brand of crisis management. Injected into dairy cattle, the hormone has increased milk production per cow up to 25 percent. But many dairy farmers oppose the drug, arguing that its widespread use will both undermine milk's wholesome image and depress already low prices by boosting milk surpluses.

Consumer groups also are fighting BGH approval on the grounds that the Food and Drug Administration review has failed to answer questions about its safety for animals or humans. Consumer activists also note that cows treated with BGH often develop udder infections and thus likely will be treated frequently with antibiotics, which could result in more antibiotic residue in milk.

The issues are complex but what's at stake for the drug's developers is simple. First year international sales of BGH are predicted to top \$100 million and may reach a half billion dollars. Consumer response could make or break that market. So when the "Pure Milk Campaign," an *ad hoc* group of safe-food advocates, met in Washington in October 1991 to plan strategy—including a possible boycott of milk from BGH-treated cows—the industry had reason to be worried. Just how worried became apparent a month later in Vermont.

UNIVERSITY ACCUSED OF COOKING LAB TESTS

Bovine growth hormone has been tested on dairy cows at state universities around the country. In Vermont, the research was sponsored by Monsanto Corporation on cows raised at the University of Vermont's (UVM) farm. But in November 1991, Rural Vermont, a farm advocacy group, issued a report based on information obtained from a UVM dairy scientist; the data from the whistleblower showed an unusually high rate of deformed calves born to BGH-treated cows. University officials reacted with outrage, attempting to discredit

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The "help" available from Burson-Marsteller on environmental issues includes covert spying on activist groups, and propaganda in favor of genetic engineering of foods.

the whistleblower and labeling the report a misleading compilation of incomplete data. The school, however, refused to release the full set of herd health results.

University spokesperson Nicola Marro insisted in an interview that the Rural Vermont report was merely the first wave of a national anti-BGH campaign organized out of the Washington offices of Jeremy Rifkin, head of the Foundation for Economic Trends, a group that has been critical of the biotechnology industry.

B-M MOLES INFILTRATE MEETING

How did the university and Monsanto know of the supposedly well-coordinated campaign? "Monsanto had a mole in Rifkin's meeting," Marro confided to a reporter. A little research proved the truth behind Marro's casual boast.

The meeting participants who gathered to plan the "Pure Milk Campaign" were all *bona fide* activists—all except Diane Moser, the woman who said she was an intern working for the Maryland Citizens Consumer Council. When asked who at the meeting might have been a mole, a few participants immediately recalled the

young blond who read a book and shunned small talk. "She said she represented housewives concerned about BGH," recalled Andrew Christiansen, a Vermont state representative who attended the Washington meeting. "I had suspicions immediately. I've never seen anybody with a paperback coming to a meeting like that. It's usually pretty serious activists."

National consumer organizations did not recognize the "Maryland Citizens Consumer Council." No listing for it could be found in Annapolis, Baltimore, or in a statewide directory, but a call to the number Moser wrote on the sign-up sheet yielded her work number—which rang at the downtown Washington offices of Burson-Marsteller.

The PR firm represents Eli Lilly on the BGH issue as well as Nutrasweet, a Monsanto subsidiary. But Timothy Brosnahan, general manager for the firm's Washington office, strongly denied any spying, although he confirmed that Moser worked for the company. "I know Diane [Moser] but I have no idea what she does in her spare time," he said.

Asked if the firm makes a practice of infiltrating its opposition, Brosnahan said: "Not generally, no." Burson-Marsteller or Moser is also linked to an earlier information-gathering attempt, according to Tim Atwater, co-director of Rural Vermont, and John Stauber, then a consultant to the Foundation on Economic Trends. Both recalled that someone who gave her name as Lisa Ellis repeatedly phoned their organizations in 1990 for information on BGH. The woman left the same Arnold, Maryland address Moser wrote on the sign-up sheet at the October 1991 meeting. Further investigating by Stauber revealed that the address and phone number used by Diane Moser and "Lisa Ellis" was actually that of Lori Ross Ellis, another employee of Burson-Marsteller. Both employees worked under Sheila Raviv, who in 1993 was named CEO of B-M's Washington, DC operations.

IMPERSONATING NIGHTLINE

The mole at the DC meeting was apparently a continuation of the BGH boosters' subterfuge. In November 1990, just weeks before the Consumers Union, publishers of *Consumer Reports* magazine, released a highly critical assessment of BGH, a woman claiming to be a scheduler for ABC's *Nightline* contacted report author Michael Hansen and requested a preview of his findings.

The woman said *Nightline* was considering a show on the BGH controversy and was interested in his research. The woman also asked Hansen to fax her his *curriculum vita*. Hansen phoned a friend who works for

ABC to follow up on the *Nightline* call. His friend, David Sostman, who worked in the tape library at ABC News, discovered that no one on the *Nightline* staff had contacted Hansen. Intrigued, Sostman tracked the mystery caller. He traced the fax number to Burson-Marsteller's office building. "The bottom line was they said they were calling from ABC but the fax number they gave came from Burson-Marsteller's office," he said.

John C. Stauber believes there is an obvious pattern in the espionage episodes. "When you're in the business of selling intelligence and developing strategies based on intelligence, you're going to operate like an intelligence gathering organization to stay abreast," he said.

Stauber has unearthed other pro-BGH espionage by using the Freedom of Information Act (FOIA) to obtain records from the National Dairy Board, a farmer-funded, quasi-governmental agency. The records show that the Dairy Board staged a \$1 million-a-year public relations campaign to support BGH, an effort it has carried out in concert with the drug's manufacturers. Farmers around the country are now trying to abolish the National Dairy Board. Many believe the Board has used their money—the organization is funded by deductions from milk sales—to work against their best interests.

MORE UNDERCOVER "HOUSEWIVES"

The Dairy Board FOIA file revealed that a public relations firm working for the board hired women to pose as "housewives" and attend a BGH forum sponsored by New York farmers in 1990. At the conference, they presented "scientific" evidence of the human safety of BGH.

The PR firm handling that effort was Direct Impact Company, whose president John Brady is described in the Dairy Board documents as having worked in the 1988 Republican presidential campaign, as well as in the campaigns of "almost half the Senate Republicans."

Direct Impact was a subcontractor for Henry J. Kaufman and Associates, a firm that signed a \$1.1 million contract in May 1990 with the Dairy Board to work on BGH and other milk safety issues, Stauber said.

The National Dairy Board has another PR firm, according to Stauber's latest browse through its FOIA files. The promotional organization has signed a contract for up to \$250,000 with Des Moines, Iowa-based Creswell, Munsell, Fultz, and Zirbel. CMF&Z is a Young and Rubicam subsidiary, just like Burson-Marsteller.

The fact that the corporate parent of both firms represents Monsanto—a huge investor in BGH research—makes Stauber even more wary. "The day-to-day work is done out of Burson-Marsteller and CFM&Z. But I suspect there's overall coordination with Young and Rubicam," he said.

QUEBEC POWER

Like the BGH issue, the furor over the sale of electricity from massive hydro-electric dams in the Canadian province of Quebec is a high-stakes debate played out in town halls, university campuses, and state legislatures.

Community environmentalists and students have seized the issue, pointing out that proposed and already existing Hydro Quebec dams would flood over 4,000 square miles, release large quantities of mercury into the environment, and dislocate the native Cree people. Recently, in response to pressure, Dartmouth College divested its portfolio of bonds issued by Hydro Quebec. Public pressure also likely contributed to New York Gov. Mario Cuomo's March 1992 decision to cancel a contract between the New York State Power Authority and Hydro Quebec. Consumers and environmentalists in Vermont have also pressed municipally-owned utilities to cancel Hydro Quebec contracts. To turn the tide of public opinion, Hydro Quebec hired Burson-Marsteller, as well as local lobbyists in New York and Montpelier, the Vermont state capital.

The PR giant and the private utilities that have bought power from Hydro Quebec have formed a rapid response team to fire back at any anti-HQ publicity. A memo distributed last year to the Hydro Quebec team, for example, outlined a day-to-day strategy to respond to a *New York Times Magazine* story critical of hydropower development in northern Quebec. The strategy included organizing a letter-writing campaign to the *Times*, as well as distributing a "fact sheet" to debunk the story.

B-M also has helped organize a pro-Hydro Quebec group with a cozy name and catchy acronym: the Coalition for Clean and Renewable Energy (CCARE). The coalition's president is Harvey Schultz, who ran New York City's Department of Environmental Protection in the administration of Mayor Ed Koch. Working on the PR effort out of Burson-Marsteller's Park Avenue office is Jacques Guevremont, Hydro Quebec's chief US emissary, who has negotiated many of the utility's export contracts.

Schultz, Burson-Marsteller, and the Coalition for Clean and Renewable Energy have hosted briefing sessions for academics, and business and community leaders—opinion makers who can carry the good word about Hydro Quebec back to their institutions.

FAILURE TO DISCLOSE

All this work takes money. But since Burson-Marsteller is avoiding a federal law requiring foreign governments to disclose how much they spend to influence US public opinion, little of that money can be traced.

The Foreign Agents Registration Act, originally passed in 1938, lays out reporting requirements for foreign lobbyists and spin doctors. Foreign representatives must list how much they were paid and whom they contacted.

Environmentalists say building new dams in Quebec will flood over 4,000 square miles and release mercury into the environment. Burson-Marsteller is campaigning on behalf of the dam builders, using a front group called the "Coalition for Clean and Renewable Energy."

Sherman and Kimbell, the Montpelier, Vermont firm that works for Hydro Quebec, has registered under the act. "We're clearly attempting to influence the media and influence the government," said Robert Sherman, a firm partner. Registration "seemed like the intent of the law." The Cree people, whose territory would be flooded by the proposed \$12.6 billion Great Whale project, have hired a Middlebury, Vermont lawyer to represent their interests in that state. Because the Cree are considered a foreign nation under US law, the lawyer, James Dumont, files detailed reports under the Foreign Agents Registration Act.

But Burson-Marsteller, which has registered as a foreign agent for other countries and foreign businesses—including Indonesia and Saudi Basic Industries—has refused to file documents detailing its work for Hydro Quebec. The company takes the position that the law does not apply to its public relations activities. The US Department of Justice, which administers the law, has stonewalled Dumont in his attempt to get more information.

Dumont believes the failure to disclose is blatantly illegal. Although B-M has claimed that public relations work is exempt, the act says an "agent of a foreign principal" is required to register if he or she engages in political activities or work "within the United States as a public relations counsel, public agent, information service employee or political consultant for or in the interests of such foreign principal."

The secrecy surrounding Burson-Marsteller's work for Hydro Quebec puts the Cree at an unfair disadvantage, Dumont says. Its surrogates and consultants are sometimes not identified as being on the HQ payroll when they speak at public appearances—yet the Cree are

required to file a list of its witnesses with the Foreign Agents Registration Office.

The scant public information on Hydro Quebec's efforts shows the utility is sparing no expense. A one-person Albany, New York firm was guaranteed a \$100,000 annual payment in 1992. Sherman and Kimball was paid \$65,596 for the six months ending October 31, 1991. "A small army of persons paid by H.Q. and/or the province of Quebec have spoken on college campuses, testified at administrative hearings, met with citizen groups, orchestrated letter writing campaigns to the major newspapers, etc., to support the importation of power and energy from Hydro Quebec—all without registering and without disclosing," Dumont wrote last fall in a letter to the Department of Justice (DoJ).

"Burson-Marsteller's failure to register and to disclose is quite harmful to my clients. . . . And, since my clients are in an adversary relationship with Hydro Quebec and since we are disclosing and filing with you a large amount of information, which has become available to Hydro Quebec, othe one-sided application of [the Foreign Agents Registration Act] has placed my clients at a competitive disadvantage."

Both Burson-Marsteller and the Department of Justice have stalled on the registration issue. The DoJ took over three months to respond to respond to Dumont's letter—and then told him that its deliberations on registration questions are confidential. Joseph Clarkson, chief of the Justice Department's Foreign Agents Registration Unit, said the issue was still under consideration. "We're trying to decide whether or not there is an obligation [to register] or whether they qualify for an exemption," he said. A B-M spokeswoman said the company will not register on behalf of Quebec—or disclose how much it was paid and whom it has contacted—unless it is told to. "We have not filed and we are not going to do so until our legal advisers tell us to," said Margaret Durante, who works on the H-Q account out of B-M's New York City offices.

The registration question illustrates just one of the problems faced by consumer and environmental organizations as they work against sophisticated public relations firms. If Burson-Marsteller ignores the reporting law, it becomes impossible to follow the money. With their deep pockets and well-placed political connections, Burson-Marsteller and Hydro Quebec can continue to smooth over substantive environmental and social issues—at the same time keeping secret the scale of their propaganda effort.

The masquerade is part of the game. B-M and companies like it have become masters of manipulation. If a

pro-utility group calls itself by a nice, green-sounding name; if speakers at public forums are not identified as being on the Hydro Quebec payroll; if supposed activists are really moles for the opposition, image triumphs and truth becomes a casualty.

The revolving door also contributes to the blurred reality projected by the powerhouse PR firms. This door not only spins between the government and lobbies but between the press corps and the PR firms. Like Capitol Hill aides who trade in their access and expertise for a lobbyist's salary, burned out or broke reporters can be tempted by the greener and more lucrative pastures offered by PR companies. In Vermont, for example, the Kimbell and Sherman lobbying firm—which shares several clients with Burson-Marsteller—has hired expert reporters to work as lobbyists and rent-a-flacks. One of the former journalists, Kevin Ellis, covered the Hydro Quebec controversy in depth for the *Burlington Free Press*, the state's largest newspaper. Now he is helping to disseminate the "good news" about the provincial utility.

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The lesson of lobbying and public relations, said *Wall Street Journal* reporter Jeff Birnbaum, is that "[p]eople with resources have influence and clout and are able to get their way; people who don't, don't."

The resource advantage enjoyed by clients of the public relations giants is not only financial but also informational. PR experts know how the system works and how to apply public and private pressure. Stauber, who has tracked a variety of public relations firms in his work on BGH, emphasizes that activists need to learn more about the companies and their tactics. "Citizens groups, farm organizations and environmentalists are at a significant disadvantage if they aren't aware of the way a modern PR firm operates," he said. "Fifteen years ago, you fought Monsanto. Now you're aligned against PR organizations trained in private investigation, legal activities and grassroots organizing."

John Dillon is a Vermont newspaper reporter. This article is reprinted with permission from *Covert Action Quarterly*, Number 44, Spring 1993, 1500 Massachusetts Ave. NW, Washington, DC 20005. Subscriptions are \$22/year.