PR WATCH

Public Interest Reporting on the Public Relations Industry

Volume 1, Number 1 October–December 1993

ALSO IN THIS ISSUE

Spies for Hire—Mongoven, Biscoe & Duchin, Inc.

by John C. Stauber, PR Watch Editor

"Bud" looks the part of a B movie detective: a huge, hulking man in his 50's, pushing 270 pounds, with pale skin, a military haircut, sweaty palms and fidgety manners. He almost always wears the same cheap dark blue suit and carries a large leather briefcase.

For years Bud has been a frequent visitor to the offices and events of non-profit public advocacy groups, particularly those involved in environmental, food safety and animal welfare issues. Sometimes he says he's a freelance writer, sometimes just a concerned citizen. Public interest activists now suspect Bud of providing information about them to the secretive PR/public affairs firm of Mongoven, Biscoe and Duchin (MBD). MBD president John Mongoven denies that Bud is an employee, but an MBD secretary stated that Bud frequents the office. Inquiring messages left on Bud's phone machine have gone unanswered.

Kara M. Zeigler looks nothing like Bud, and she is definitely an employee of MBD. She is a personable young woman, fashionably dressed with long dark red hair. Kara spies by telephone, typically

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Flack Attack

Welcome to the first issue of *PR Watch*. This quarterly publication is dedicated to the public interest, and to the populist ideal of reclaiming democratic debate and decision-making from the corporate flacks, hacks, lobbyists and influence peddlers, the practioners of modern PR who have become a kind of occupation army in our democracy.

"The use and abuse of journalists by PR flacks and lobbyists has long been a fact of life in Washington," notes Alicia Mundy, writing in the Columbia Journalism Review. "In the past couple of years, though, media manipulation has been taken to a new level. How have the spinmeisters come to play such an important part in our political life, and why do the media go along with them?"

Today there are about 170,000 PR employees in the United States, working to manipulate news, public opinion and public policy. There are about 40,000 more "flacks" than news reporters, and the gap is growing. At the same time, the news media itself is big business, concentrating more and more editorial control in fewer and fewer corporate hands.

The popularity of H. Ross Perot has focused attention on the massive political alienation that exists in America, the great disgust felt by ordinary citizens toward both the political process and the news media. The American people know that government now serves wealthy "special interests" and that manipulation, rather than communication, has become the primary means of exchange between the powers-that-be and the public at large.

Outside of the PR industry's own trade publications, names like Hill & Kowlton, Burson-Marsteller, or Edelman are seldom heard. But inside the DC beltway or on Wall Street, everyone knows that it is the PR

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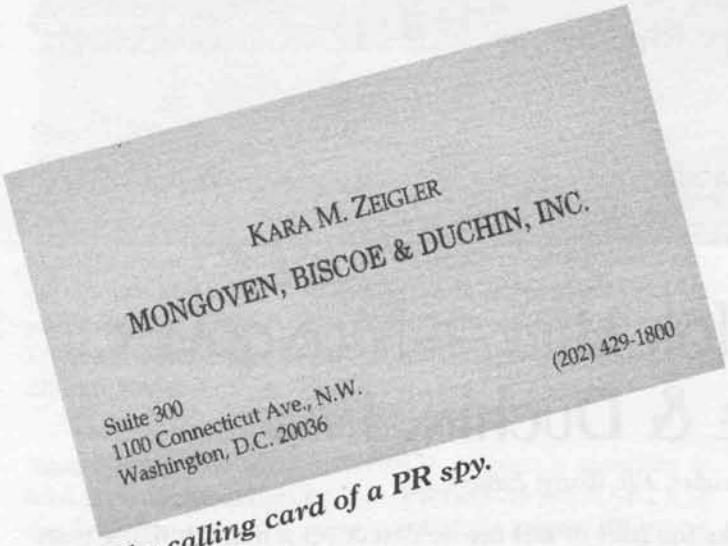


The calling card of a PR spy.

spending long hours on the phone falsely representing herself as "a writer for Z magazine" or a friend-of-a-friend. Sometimes she will correctly identify herself as representing "MBD, a public affairs company," without elaborating on the real reasons behind her call.

In one single recent day Kara placed calls to an aide to US Senator Russ Feingold (D–Wisconsin); Dr. Michael Hansen of Consumers Union, the publisher of *Consumer Reports* magazine; and Wisconsin dairy farmer Francis Goodman. Kara calls on orders from her MBD superiors, as part of their frenetic gathering of "intelligence" information.

MBD tries to avoid public attention, describing itself in the O'Dwyer PR directory as a "public affairs/issue management firm specializing in resolution of public policy conflicts between corporations and activist groups." More candidly, MBD specializes in defeating activist causes. MBD refuses to name its clients, but an internal MBD document says they "are almost all members of the Fortune 100 and six are members of the Fortune top 20."

MBD casts a wide net, and gathers a vast amount of information. The material collected by Bud and Kara is sifted and reviewed by company analysts, then distilled into reports and memos for Philip Morris/Kraft, Monsanto, Shell, and other corporate clients.

Leading PR Firms

Each Spring the *O'Dwyer's Directory of Public Relations Firms* publishes its rankings. The information below is excerpted from the 1993, directory.

Ten Largest PR Companies'	1992 Net Fees
1.Burson-Marsteller	$203,683,000
2.Shandwick	166,100,000
3.Hill & Knowlton	149,100,000
4.Omnicon PR Network	65,569,433
5.Edelman PR Worldwide	59,814,538
6.Fleishman-Hillard	58,651,100
7.Ketchum PR	45,600,000
8.Rowland Co.	44,000,000
9.Ogilvy Adams & Rhinehart	36,124,000
10.Manning, Selvage & Lee	31,424,000

"The military is a role model for the business world," writes Robert Dilenschneider, ex-head of the PR firm Hill & Knowlton.

MBD's roots are in Pagan International, a firm named after its owner Raphael Pagan. Pagan International was used by Nestlé Foods in the 1980's to counter an international church-led boycott campaign. The boycott protested Nestlé's deadly practice of selling infant formula to women in third world countries, causing many babies to die from lack of money and sanitation to properly use infant formula.

MBD president John O. Mongoven founded his company in 1988, after three years as president of Pagan International. Mongoven was previously Vice-President of the Nestlé Coordinating Center for Nutrition, a deputy director of communications for the Republican National Committee, an assistant to the Governor of Illinois, and a newspaper editor in Springfield, IL.

Ronald A. Duchin, MBD senior vice president since 1988, worked with Mongoven as a vice president at Pagan International from 1986-88. Previously he was director of public affairs for the Veterans of Foreign Wars (VFW) and a special assistant to the Secretary of Defense from 1981–84. He is a graduate of the US Army War College.

Robert Dilenschneider, ex-head of the Hill & Knowlton PR agency, has written, "the military is a role model for the business world." Duchin's military background has served him well as spymaster-for-hire.

Two of MBD's top clients are agri-chemical and food giants Monsanto and Philip Morris/Kraft/General Foods. They are currently using MBD to spy on and undermine consumer activists and family dairy farmers opposed to Monsanto's controversial new animal drug, bovine growth hormone (BGH).

Monsanto has spent hundreds of millions of dollars over the past decade developing BGH, and is on the verge of receiving FDA approval to market and sell the

dairy drug. Philip Morris/Kraft buys or sells about half of the U.S. cheese supply, and has a vital interest in lowering the price it pays farmers for milk, as well as overcoming the strong consumer opposition to 'hormone-tainted' milk.

Philip Morris CEO Mike Miles may have a personal affinity for MBD's cold-war style. Hill & Knowlton's Dilenschneider has written of Miles, "[He] has a voracious appetite for intelligence, and he's very much aware of the other side's intelligence-gathering efforts. He's so careful that he has his company's travel people glue stickers on airline ticket jackets cautioning his executives not to talk shop while en route!"

Philip Morris will typically fax MBD memos and reports to a long list of dozens of its executives, consultants and PR advisors across North America. Valerie Woods at Edelman PR Worldwide receives and reviews MBD's information; as does Craig Fuller, former wunderkind chief of staff for George Bush before moving to Hill & Knowlton and now Philip Morris.

Mongoven, Biscoe & Duchin, Edelman and Hill & Knowlton are three of at least six PR/public affairs firms that claim both Monsanto and Philip Morris as clients. The others are Bonner & Associates, Burson-Marsteller, and Cerrell.

MBD is not the only firm hired jointly by Philip Morris and Monsanto that has been caught spying on consumer and farm activists. In 1991, Burson-Marsteller's Diane Moser attended a meeting of BGH opponents, falsely representing herself as a member of a non-existent Maryland consumer group used by B-M to gather information on BGH opponents. Her boss in B-M's Washington office, vice president Sheila Raviv, behaved like a model spymaster, disavowing any knowledge of the operation in curt interviews with reporters. ■

Flack Attack *continued from page 1*

wizards who these days advise leaders, devise strategies, cement deals, manufacture consensus, place the advertising, and manage in similar manner the images of soda pop, presidents and painkillers.

The ascendancy of the PR industry and the collapse of American participatory democracy are the same phenomenon. The growing concentration of economic power in fewer and fewer hands, combined with sophisticated marketing techniques and radical new electronic technologies, have come together in the past decade to fundamentally re-shape our social and political landscape.

Modern PR is slick and powerful. Behind the scenes of the public debates that shape public policy, global mega-firms—McDonalds, Philip Morris, Time Warner, Procter & Gamble, AT&T, Johnson & Johnson—use lobbyists, political consultants, pollsters, private detectives, advertising, media monitoring, political fundraising, video news releases, and broadcast faxing to shape the debates and determine their outcome.

The PR industry's seemingly unlimited budget makes it fundamentally anti-democratic. When the corporate status quo is threatened by "the rest of us" (seeking better working conditions, national health care, fair prices for farmers, safe food, freedom from toxic pollution, and social justice), the PR flacks, lobbyists and trade associations mobilize to crush or co-opt the outnumbered, outgunned reformers.

It is time to speak out and to act. Journalists need to recognize and report on the PR industry in all its forms. Citizens need to know the extent of its tactics and the goals of its clients. Editors and reporters need to counterbalance the clout of the spinmeisters with a conscious effort to advance the public interest. We the people need to take back control of our own minds.

—John C. Stauber

MBD Unplugged

PR Watch called John Mongoven, president of MDB Inc. He refused to release a list of clients or provide more than a smattering of information. However, *PR Watch* has obtained internal MBD documents which provide the following picture of this very confidential outfit. *In its own words,* here is how MBD describes itself and its services:

Clients

"MBD's clients are almost all members of the Fortune 100 and six are members of the Fortune top 20. . . . MBD works on a retainer basis or by the hour. . . . Products range from answers to questions, to complete strategies for resolving complex issues. In all cases, products are confidential and tailored to meet the specific needs of the individual client at the time of delivery."

Staff

"MBD now has a staff of 20, 14 of whom are professionals and 6 of whom work at the support level. . . . MBD is comprised of individuals who have extensive experience interacting with environmental and consumer goups, churches and other organizations which seek changes in public policy.

Files on Activists

"MBD is committed to the concept that it is critical to know who the current and potential participants are in the public policy process, to understand their goals and modus operandi, and to understand their relative importance. To this end MBD maintains extensive files on organizations and their leadership . . .

"[The t]able of Contents of Each Organizational Profile [Contains]: Executive Summary; Overview; Background; Characterization—e.g. radical, realistic, idealistic; Key Issues; Potential Impact/Anticipated Initiatives; Methods of Operation; Networking (Relations with like-minded organizations); Publications; Potential for Industry Relationship; Funding Sources; Key Staff (Includes brief comments in most cases)."

Issues and Activities

"The issues listed here are followed routinely. Additional issues are followed according to client need. Core Issues Monitored by MBD:

"A. ***Overarching issues:*** Acid rain; Clean air; Earth Day; Clean water; Environmental groups/movements; Greenhouse effect; Ozone layer; Rainforest; Global climate change; Shareholder initiatives; Superfund; Hazardous and toxic wastes; Nuclear energy/power; [and] Environmental racism.

MBD boasts that it "maintains extensive files on organizations and their leadership."

"B. ***Solid Waste issues:*** Incineration; Ocean waste; packaging; disposables; polystyrene; recycling; landfills; waste-to-energy conversions.

"C. ***International issues:*** The South African issue/all phases; UN related meetings and activities including UNCED, UNEP, FAO, WHO; Europe 1992 regulations; International ozone treaties; Eastern European developments; The Green Party (non-U.S.); Greenpeace International; Friends of the Earth; Political/economic climate in Eastern Europe and Russia; Antarctica; Sustainable development.

"D. ***Chemical issues:*** Indoor air pollution; Dioxin; Hazardous products/chlorine/styrene; Organic farming/sustainable agriculture/LISA; Pesticides; SARA Title III; Seeds; Waste minimization; Great Lakes; RCRA; CMA programs.

"E. ***Food and Health:*** Biotechnology—all phases; Grazing & food related environmental issues; Eco marketing/certification schemes; Labeling; Irradiation; Vegetarianism/veganism; Nutrition related issues, Animal rights/experimentation/testing/livestock production; Endangered Species; Consumer groups; Safety; Pharmaceutical development/marketing.

"F. ***Petroleum issues:*** Deep well injections; Alternative fuels; LUST; Oil spills; Wetlands; Exploration/ANWR/OCS; Mining issues; Used motor oil; Exploration and production wastes."

List of Representative Work & Activities

"1. Provide technical and strategic support for legal staff preparing defense against suit filed by activist organization regarding corporate Superfund site.

"2. Engage in joint effort with client's PR firm in developing client strategy and tactics regarding major environmental issue.

"3. Review list of individuals registered to attend corporate annual meeting to anticipate potential activist-led disruptions.

"4. Attend and report daily to client on UNCED conference in Rio de Janeiro and provide follow-up analyses on Agenda 21.

"5. Monitor continuously the status of issues selected by client and report as needed by telephone or written report.

"6. Prepare in-depth information and analysis of organizations selected by client, and supply write-ups on diskettes customized for use on corporate mainframe, thereby providing immediate access to client staff worldwide.

"7. Analyze public record of activist leader to anticipate style and content of campaign against corporate client.

"8. Anticipate activist reaction to new product prior to full market introduction.

"9. Participate in designing and presenting corporate communication programs for stakeholders regarding critical public policy issues.

"10. Interact daily with client staff to determine strategy, tactics and work products to achieve win/win outcome of ongoing activist attack.

"11. Help client develop corporate environmental report to shareholders and other stakeholders.

"12. Review and critique industry-sponsored media campaign on an environmental issue in order to anticipate activist and public interest group response.

"13. Conduct an assessment of educational programs targeted at school children and teachers by the animal rights movement.

MBD's interests range from international ozone treaties, acid rain and recycling to biotechnology, South Africa, animal rights, food safety, oil spills and nuclear power.

"14. Propose individuals from the environmental community as candidates for corporate Boards of Directors and advisory boards based on confidential reviews of the public record regarding experience, positions on environmental issues and overall suitability.

"15. Provide issue briefings to corporate Board.

"16. Conduct indepth study on the role of churches in the environmental movement.

"17. Analyze public interest group involvement in state ballot initiatives and referenda.

"18. Provide multi-tiered threat assessment regarding solid waste and packaging issues for a major consumer company.

"19. Conduct analysis of the priorities of major environmental organizations.

"20. Analyze grant proposals from public interest groups to corporate foundations." ■

MBD's Divide-and-Conquer Strategy to Defeat Activists

Ronald A. Duchin, senior vice president of Mongoven, Biscoe & Duchin Incorporated (MBD), addressed the 1991 convention of the National Cattlemen's Association. He described how corporations can defeat public interest activists.

According to Duchin, activists fall into four distinct categories: "radicals," "opportunists," "idealists," and "realists." To defeat activists, says Duchin, corporations must utilize a three-step, divide-and-conquer strategy. The goal is to isolate the radicals, "cultivate" the idealists and "educate" them into becoming realists, then coopt the realists into agreeing with industry.

Below are excerpts of Duchin's talk as reported in the June, 1991, issue of "CALF News":

"[T]he activists we are concerned about here are the ones who want to change the way your industry does business—either for good or bad reasons: environmentalists, churches, Public Interest Research Groups, campus organizations, civic groups, teachers unions and 'Nader-ites.' "

The Radicals

"[Radical activists] want to change the system; have underlying socio/political motives; [are] anti-corporate—[they] see the multinationals as inherently evil; winning is unimportant on a specific issue; [they] can be extremist/violent; [their] involvement in a particular issue can be a diversion from the pursuit of their real, unarticulated, goals.

"The Grassroots Organizations . . . are very important . . . due to their commitment to a radical change in the way America governs itself. . . . These organizations do not trust the . . . federal, state and local governments to protect them and to safeguard the environment. They believe, rather, that individuals and local groups should have direct power over industry. Not only does this make these groups difficult to deal with, it makes it impossible to predict with any certainty what standards will be deemed acceptable. I would categorize their principal aims right now as social justice

(continued on next page)

and political empowerment—using the environment as a platform."

The Opportunists

"The public policy process breeds opportunists because the process offers visibility, power, followers and, perhaps, even employment. . . . The key to dealing with opportunists is to provide them with at least the perception of a partial victory. . . . [Opportunist activists] exploit issues for their own personal agenda; [are] only involved in an issue if personal gain [is] available; can be, but not normally, extremist/violent. . . ."

"The key to dealing with opportunists is to provide them with at least the perception of a partial victory."

The Idealists

"Idealists want a perfect world and find it easy to brand any product or practice which can be shown to mar that perfection as evil. Because of their intrinsic altruism, however, and because they have nothing perceptible to be gained by holding their position, they are easily believed by both the media and the public, and sometimes even politicians.

"Again, because of their altruism, the idealists are hard to deal with. As long as their motivation remains pure their credibility for the positions they support will be viable. Idealists must be cultivated and one should respect their position. It has been arrived at through a sense of justice. They must be educated.

"Certain of the idealists, . . . e.g., churches, . . . have a vulnerable point. If they can be shown that their position in opposition to an industry or its products causes harm to to others and cannot be ethically justified, they are forced to change their position.

Wanted: PR Whistleblowers

As you read this issue, you will note information from the inside of the PR industry. We encourage more PR whistleblowing. Conscientious practioners of the more traditional arts of public relations have a role to play in cleaning up the industry. We accept unsolicited video tapes, memos, minutes of meetings, strategy plans, and other documents.

"Because of their altruism, the idealists are hard to deal with."

"Once the idealist is made fully aware of the long-term consequences or the wide-ranging ramifications of his/her position in terms of other issues of justice and society, she/he can be made into a realist.

"Without support of the realists and the idealists, the positions of radicals and opportunists are seen to be shallow and self-serving. Thus, while a realist must be negotiated with, an idealist must be educated. Generally this education process requires great sensititivy and understanding on the part of the educator."

The Realists

"[Realists] can look beyond the issue at hand; understand the consequences; can live with trade-offs; [are] willing to work within the system; [are] not interested in radical change; [are] pragmatic.

"The realists should always receive the highest priority in any strategy dealing with a public policy issue. It is very important to work with and cooperate with the realists. . . .

"In most issues, it is the solution agreed upon by the realists which becomes the accepted solution, especially when business participates in the decision-making process. If business opts out of the policy process, the voices of the idealists and the radicals take on more strength. . . . [R]ealist leaders and groups are the best candidates for constructive dialogue leading to mutually satisfactory solutions. Idealists often can be convinced over time to take a more realistic view. If your industry can successfully bring about these relationships, the credibility of the radicals will be lost and the opportunists can be counted on to share in the final policy resolution." ■

What the Polls Say

A consumer study conducted by Porter/Novelli PR reveals that citizens *do* remember corporate crimes. The top five best-known PR nightmares are: (1) the Exxon Valdez oil spill; (2) the savings-and-loan scandal; (3) the Sears car repair scam; (4) the General Motors trucks exploding gas tanks; and (5) the hazardous Dow Corning silicone breast implants.

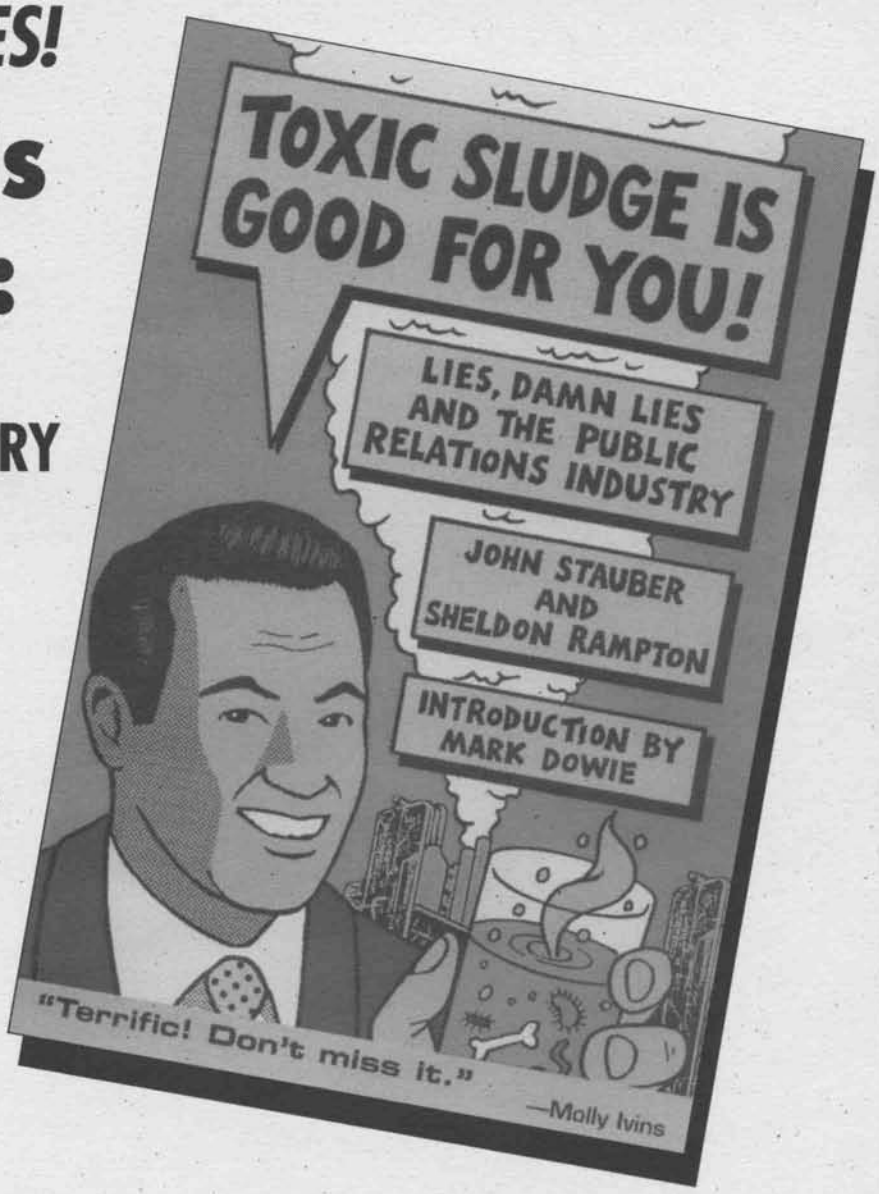
Another recent survey, by the Public Relations Society of America (PRSA), shows that the PR industry itself gets consistently bad PR, and that journalists have negative perceptions of public relations. ■

NOW IN BOOKSTORES!

Toxic Sludge Is Good For You:

LIES, DAMN LIES AND THE PUBLIC RELATIONS INDUSTRY

by John C. Stauber and Sheldon Rampton



"Important . . . unmasks how corporations manipulate our democracy."
—**William Greider,** author, *Who Will Tell the People*

"Exposes how far we've tumbled down the dark hole of 'Newspeak' that Orwell warned about. . . . It could be the flashlight to find our way out."
—**Jim Hightower,** author, talk show host

"A well-written, enlightening look at a war of the powerful against society."
—**Edward Herman,** co-author, *Manufacturing Consent*

Toxic Sludge blows the lid off today's multi-billion-dollar propaganda-for-hire industry. The book names names and reveals how public relations wizards concoct and spin the news, organize phony "grassroots" front groups, spy on citizens, and conspire with lobbyists and politicians to thwart democracy.

This exposé documents the activities of secretive, little-known mega-firms such as Hill & Knowlton, Burson-Marsteller and Ketchum PR—the "invisible men" who control our political debates and public opinion, twisting reality and protecting the powerful from scrutiny.

Publisher: Common Courage Press, Monroe, Maine
Bookstore price: $16.95 • Ask for it in your local bookstore or order it directly.

By phone: 1-800-497-3207

By mail: Send $20/book (includes postage and handling) to:
Center for Media & Democracy, 3318 Gregory Street, Madison, WI 53711.

PR Spy Operation Costs Kaufman Million Dollar-A-Year Account

by John C. Stauber

Spying on activist dairy farmers has cost Kaufman Public Relations a $1/million/year account with the National Dairy Promotion and Research Board (NDB), despite the fact that the Dairy Board funded and authorized the spying.

A Freedom of Information Act (FOIA) investigation of the National Dairy Board uncovered documents revealing that Kaufman PR, a subsidiary of Shandwick, trained infiltrators to pose as housewives at a January, 1990, New York city conference organized by activist dairy farmers. The farmers were meeting to publicize their opposition to genetically engineered bovine growth hormone, an experimental drug to increase a cow's milk production.

Kaufman was chosen by the Dairy Board in 1990 to oversee a $1 million/year crisis management plan to build support for the controversial cow drug, called "BGH." Kaufman coordinated a Dairy Industry Coalition of pro-BGH dairy industry groups and the four chemical and drug giants developing BGH—Monsanto, Eli Lilly, American Cyanamid and Upjohn.

To minimize press attendance, Monsanto's Larry O'Neil successfully contacted New York media in advance of the conference to convince them it would not be newsworthy. The Lewis & Neal company also monitored the conference for the National Dairy Board, later reporting that the meeting was covered by "no major news organizations."

The "Kaufman Team" for BGH included former Nancy Reagan press secretary Jennefer Hirshberg, John J. Seng and Kara J. McCollum, as well as John D. Brady and Thomas M. Herrity, the President and Vice President of Direct Impact/Grassroots Programs of Alexandria, VA. Direct Impact agreed to infiltrate the conference for $8,000. A memo from Brady to John Seng on January 12, 1990, states:

"Direct Impact will perform the following tasks . . . Recruitment of between six to eight residents of New York to attend the event, monitor developments, ask questions, and provide other support as appropriate. Each attendee must be able to articulate the basic [pro-BGH] arguments on the issue and cite one or more substantive reasons for supporting the Dairy Board's position. . . ."

The purpose of the covert operation was apparently to minimize news coverage of the conference, and to "spin" the coverage by planting "housewives" in the audience who would appear to favor injecting milk cows with bovine growth hormone.

The Kaufman/Direct Impact covert action was less than subtle. "When a woman said she was a typical housewife and then made highly technical statements, you knew she hadn't gleaned her information from Better Homes and Gardens. It was kind of a B-grade spy routine," said conference organizer Dave Carter.

The covert operation attempted to "spin" news coverage of the conference by planting "housewives" in the audience who would appear to favor injecting milk cows with bovine growth hormone.

Ironically, post-conference revelations of PR dirty tricks generated a great deal of publicity, much more than the conference itself. The publicity was negative for BGH, the Dairy Board. Kaufman and Direct Impact. The spy operation was featured in the National Journal, the St. Louis Post Dispatch, the Associated Press, and numerous farm publications.

Outraged dairy farmers responded to revelations of spying by launching a drive to abolish the National Dairy Board. Farmers have since collected the names of more than 16,000 dairy farmers who are mobilized against both the cow hormone and the NDB. The Dairy Board was forced to dump its contract with Kaufman PR in 1992 as part of a damage-control effort.

Richard Weiss, the Dairy Board's Vice President, admitted, "I wouldn't do it again that way." According to Weiss, when Direct Impact learned that its cover was about to be blown, they feared it would "adversely affect their current activities with Kaufman as well as their ability to obtain future business."

Kirk Davidson, professor of corporate responsibility at George Washington University, commented to the St. Louis Post Dispatch that "This is not a generally accepted practice."

"For Kaufman PR and Direct Impact this was a clumsy operation that cost Kaufman at least a million dollars in lost contracts," said John C. Stauber, PR Watch editor whose FOIA investigation uncovered the spy operation.

Although the "Kaufman Team" on BGH has dissolved, many key players (John Seng, Jennefer Hirshberg and Kara McCollum) have moved on to Interscience Communications Ltd., where they are continuing their cloak and dagger ways. Interscience recently bragged about successfully infiltrating ACT-UP, the anti-AIDS organization, on behalf of Astra, a pharmaceutical company. ACT-UP has criticized the $30,000/year price of Astra's AIDS treatment. ■

Grassroots Organizing, PR-Style: Democracy for Hire

by William Greider

Jack Bonner has the squirrelly enthusiasm of a salesman who can't stop talking about his product because he truly believes in it. What Bonner's firm sells is democracy, not the abstract version found in textbooks, but the living, breathing kind that occurs when people call up a senator and tell him how to vote. Bonner & Associates packages democratic expression and sells it to corporate clients—drug manufacturers and the cosmetic industry, insurance companies and cigarette makers and the major banks.

Jack Bonner's firm is an exotic but relatively small example of the vast information industry that now surrounds the legislative debate and government in general. You want facts to support the industry's lobbying claims? It pumps out facts. You want expert opinions from scholars? It has those in abundance from the think tanks corporate contributors underwrite. You want opinion polls? It hires polling firms to produce them. You want people—live voters who support the industry position? Jack Bonner delivers them.

A "new politics" has enveloped government that guarantees the exclusion of most Americans from the debate. . . . A major industry has grown up in Washington around what might be called "democracy for hire."

"[For the auto industry] on the clean-air bill, we bring to the table a third party—'white hat' groups who have no financial interest," Bonner explained. "It's not the auto industry trying to protect its financial stake. Now it's senior citizens worried about getting out of small cars with walkers. Easter Seal, Multiple Sclerosis—a lot of these people have braces, wheelchairs, walkers. It's farm groups worrying about small trucks. It's people who need station wagons to drive kids to Little League games. These are groups with political juice and they're white hot."

Bonner's K Street office in Washington, DC has a "boiler room" with 300 phone lines and a sophisticated computer system, resembling the phone banks employed in election campaigns. Articulate young people sit in little booths every day, dialing around America on a variety of public issues, searching for "white hat" citizens who can be persuaded to endorse the political objectives of Mobil Oil, Dow Chemical, Citicorp, Ohio Bell, Miller, Boeing, U.S. Tobacco, the Chemical Manufacturers Association, the Pharmaceutical Manufacturers Association and dozens of other clients [see box].

This kind of political recruiting is expensive but not difficult. Corporate grassroots politics, as Bonner likes to emphasize, is really borrowed from the opposition—the citizen "public interest" organizations, especially in the environmental movement, who first perfected the techniques of generating emotional public responses with factual accusations. "Politics turns on emotion," Bonner said. "That's why industry has lost in the past and that's why we win. We bring emotion to the table."

A major industry has grown up in Washington around what might be called "democracy for hire"—business firms and outposts of sponsored scholars devoted to concocting facts and opinions and expert analysis, then aiming them at the government. That is the principal function of all those enterprises along Washington's main boulevards like K Street—the public-relations agencies, the direct-mail companies and opinion-polling firms. All these work in concert with the infrastructure of think tanks, tax-exempt foundations and other centers that churn out reams of policy ideas for the political debate. Most are financed by corporate interests and wealthy benefactors. The work of lobbyists and lawyers involves delivering the material to the appropriate legislators and administrators.

Grassroots for Sale: Who's Buying?

The following list of Bonner's clients is from the 1993 *O'Dwyer's Directory of PR Firms*: Aetna, Alliance of American Insurers, American Bankers Assn., American Insurance Assn., American Optimetric Assn., American Podiatric Medical Assn., Ameritech, Assn. of American Railroads, Assn. of Bank Holding Companies, Assn. of Intl. Auto Mfrs, Browning Ferris Indus., Chase Manhattan Bank, Chrysler, Cigna, Citicorp, Coastal Corp., Dow Chemical, Edison Electric Inst., Ford, GTE, General Motors, Health Insur. Assn. of Amer., Hershey Foods, Int'l Playtex Inc., LTV Corp., Lockheed, MBIA, McDonnell Douglas, Merck, Metropolitan Life, Monsanto, Motor Vehicle Mfrs. Assn., Nat'l Assn. of Ind. Insurers, Nat'l Assn. Medical Equip. Suppliers, Nationwide, Non-prescription Drug Mfrs. Assn., Northrop, NYNEX, Pacific Telesis, Pfizer, Pharmaceutical Mfrs. Assn., Philip Morris, Prudential, Rockwell, Smoke-less Tobacco Cncl., State Farm, Syntex Labs, Travelers, Unilever, U.S. Tobacco Co., Valent, Westinghouse.

Corporate grassroots politics is really borrowed from the opposition—the citizen "public interest" organizations. . . . "Politics turns on emotion," Bonner said. "That's why industry has lost in the past and that's why we win. We bring emotion to the table."

The democratic discourse is now dominated by such transactions—information and opinions and scholarly expertise produced by and for the self-interested sponsors. Imagine Bonner's technique multiplied and elaborated in different ways across hundreds of public issues and you may begin to envision the girth of this industry. Some firms produce artfully designed opinion polls, more or less guaranteed to yield results that suggest public support for the industry's position. Some first specialize in coalition building—assembling dozens or hundreds of civic organizations and interest groups in behalf of lobbying goals.

This is democracy and it costs a fortune. Democracy is held captive, not just by money, but by ideas—ideas that money buys.

In a democracy, everyone is free to join the argument, or so it is said in civic mythology. In the modern democracy that has evolved, that claim is nearly meaningless. During the last generation, a "new politics" has enveloped government that guarantees the exclusion of most Americans from the debate—the expensive politics of facts and information. ■

(Excerpted with permission from *Who Will Tell The People: The Betrayal of American Democracy,* Simon & Schuster, 1992.)

BOOK REVIEW

The Power House: Robert Keith Gray and the Selling of Access and Influence in Washington. By Susan B. Trento, 1992, St. Martin's.

Susan Trento's book is required and revealing reading for those wondering what's wrong with American democracy. *The Power House* is well researched and written by an accomplished investigative reporter who once served on the staff of former Republican congressman Harold Hollenbeck.

The book's subject, Robert Keith Gray, rose from the sticks of Nebraska to the Eisenhower White House and well beyond, defining and epitomizing corporate PR's influence on political decision making. Exposures of his excesses have led to his retirement from active duty at Hill and Knowlton (H&K),and the book provides the best available look behind the scenes at H&K.

Robert Gray pioneered the modern PR mega-firm where in one stop clients can buy lobbying, advertising, and political and media access. Gray first developed such now common techniques as combining lobbying and PR, video news releases that appear as news reporting, establishing phony citizens groups, and opening wide the revolving doors among politics, journalism, and PR.

Miranda Spencer in *The Nation* (12/21/92) says The Power House "details how obscenely well-paid flacks for special interest groups . . . constituted a proxy government that helped determine domestic and foreign policy—including the Gulf War. . . . [We] learn how the wall between private-sector corporations and public government has been reduced to a set prop."

San Francisco Examiner and Chronicle reviewer Larry Bush points out that ". . . Gray's clients are known to most Americans, and his successes have affected American lives and sometimes their deaths, as in the Persian Gulf war. She discusses 'Citizens for a Free Kuwait' . . . for which Gray was paid $8 million. . . . Gray lobbied for the People's Republic of China after the Tiananmen Square massacre, for the Catholic bishops' campaign against abortion . . ., for Exxon after the Exxon-Valdez environmental disaster and for Three Mile Island. . . ."

Susan Trento spoke at the October, 1992, luncheon meeting of Washington, D.C., capitol hill chapter of the Public Relations Society of American (PRSA), the PR industry's 15,000 member professional group.

O'Dwyer's PR Services Report (12/92) covered Trento's talk in an article headlined "PR corruption is rampant; few fear PRSA censure." How did the D.C. PR flacks and lobbyists receive Trento's talk? The air was chilly. "[T]here were few questions from the normally vocal PRSA audience and nobody responded to Trento's criticisms of PRSA, which surprised the author. 'Normally,' she said afterwards, 'when I speak at events, I'm peppered with questions.' "

Ah yes, but good flacks know when to shut up.

Exposing the Front Men for Death Squads in El Salvador

by Jon Reed

On December 15, 1989, the Minneapolis, Minnesota City Council voted overwhelmingly to sever a $500,000-a-year contract with the prestigious law and public relations firm, O'Connor and Hannan. The vote came as a sharp blow to the Washington, D.C.-based firm and two of its long-term clients in El Salvador: the ARENA party (the electoral arm of the country's military and death squads) and Salvador's right-wing president, Alfredo Cristiani.

The Minneapolis Council decision came in the wake of a shocking massacre of Jesuit priests and civilians by the Salvadoran military. From the PR perspective of O'Connor and Hannan, the vote marked a major setback. Not only did they lose an important client, they became figures themselves in the public debate over US policy in Central America, helping to transform a key foreign policy issue into a high-profile local issue.

Climaxing a well-organized and aggressive media and grassroots campaign by several Central American solidarity groups, 10 of O'Connor & Hannan's top Minnesota lobbyists announced after the Council vote that they were resigning from the firm, taking with them prime government and corporate clients representing millions of dollars.

The O'Connor & Hannan campaign vividly brought home the realities of the Salvadoran war to Minnesotans (75,000 dead, over one million exiled and displaced, and massive human rights violations—all subsidized by $3.5 billion in US aid since 1980). It also highlighted the increasing importance of PR firms in spreading disinformation, molding public opinion, and manipulating important policy decisions.

Not only did the PR firm lose an important client, they inadvertently helped transform the public debate over US policy in Central America into a high-profile local issue.

Public relations firms and media consultants like O'Connor & Hannan have become the psychological operations special forces of multinational corporations and the right wing. For this reason it is important for public interest publicists and organizers to absorb and refine some of the lessons of the O'Connor and Hannan campaign. According to Mary Swenson of the Minnesota-based Resource Center of the Americas, and Jim Shapiro, a veteran Central American activist, their 1989 campaign was successful because campaigners "carefully researched and publicized the links between the right-wing ARENA government, the military-directed *escuadrónes* (death squads), and O'Connor & Hannan."

Research compiled by activist investigators exposed how O'Connor & Hannan helped spread propaganda beneficial to the Salvadoran elite, via media appearances, op-ed columns, and slanted news stories and editorials (including the New York Times, the Washington Post, the Minneapolis Star-Tribune, and Nightline). Solidarity activists also publicized how O'Connor & Hannan lobbyists influenced crucial votes on Capital Hill by arranging personal meetings between President Cristiani and over 50 members of Congress. The campaign also demolished the PR firm's ridiculous claim (a familiar refrain among law/lobbying firms) that they were not really acting as lobbyists for ARENA—that they were simply carrying out their professional duty as lawyers, providing "legal counsel."

This cartoon first appeared in the Minneapolis Star-Tribune.

But as Minnesota activists emphasize, it took more than solid research and media work to achieve victory.

"We staged demonstrations outside O'Connor and Hannan's offices in Washington, D.C. and Minneapolis. We protested at city council meetings and carried out a year-long PR campaign of our own in both the mainstream and the alternative media," Shapiro recalls. "We called up O'Connor and Hannan's clients all over the USA and even in Europe.

"We protested at city council meetings and carried out a year-long PR campaign of our own in both the mainstream and the alternative media," Shapiro recalls.

"We forced our way into a reception being hosted by O'Connor and Hannan at the Hubert Humphrey Institute. While the assembled lawyers and dignitaries tried to pretend that we weren't actually there across the room from them, chanting and yelling, Father Roy Bourgeois (a Maryknoll priest and Central American solidarity activist) stepped forward, rather imposing in his black priest's clothing and clerical collar, calmly grabbed the edge of a white tablecloth, and sent several hundred dollars worth of polished crystal and shrimp dip crashing to the floor."

In hindsight, the O'Connor & Hannan campaign looks impressive, but several unpleasant realities remain.

For one thing, conditions are as bad as ever in Central America and the Third World. And if anything, PR and lobbying firms are more powerful now than they were four years ago.

In the Clinton era, death squads and military coups may have fallen into disrepute, but economic exploitation and environmental degradation continue unabated, with Congress and the US taxpayer forced into passive or active complicity. The public policy debates surrounding new international "free trade" agreements, such as NAFTA and GATT, have generated millions of dollars in new contracts for PR firms like O'Connor & Hannan, and lucrative ad revenues for media giants such as the New York Times. These same "free market" schemes threaten to institutionalize yet another 500 years of colonization and business as usual in Latin America.

More than a few of today's remodeled autocrats, Free Traders, arms merchants, and global reach corporations are still being expertly represented by the folks at O'Connor and Hannan. The firm's current clients include ARENA, Peru's strongman president Alberto Fujimori, Israeli arms merchants, Mexico's current (fraudulently elected) president Salinas, and GATT-loving transnationals such as Coca-Cola, Mercedes Benz, Seagram's, Master Charge, Visa, and the National Rifle Association. O'Connor and Hannan lost a small strategic battle back in 1989, but the real PR war lies ahead. ■

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Editor & Publisher: John C. Stauber
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Sound Bites Back

The 15,000 member Public Relations Society of America (PRSA) meets Nov. 14-17 at Disney World. Some of the more interesting sessions: "Countering Anti-Corporate Grassroots Activism," "Is Green Marketing Passé?," "Fixing the Damage After a Media Expose," "Understanding Adversarial Group Strategies," "Dealing with Scientific Issues in an Emotional Arena," "The Importance of Children to the Environmental Movement," and "Terrorism—What You Should Know."

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According to The Nation (6/14/93), Mexico is spending at least $25 million dollars on U.S. PR firms to sell NAFTA to the American people, making it one of the biggest PR blitzes ever. Firms cleaning up on NAFTA PR/lobbying include Burson-Marsteller, O'Connor & Hannan and dozens more.

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Amid financial scandal, Mexico has suspended its director of North American tourism, and Edelman PR is denying any involvement. Meanwhile, Shandwick PR is one of several firms charged with kickbacks in the growing Italian government scandals; they also deny wrongdoing.

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Calvert, the 'socially responsible' investment company, has dumped Edelman as its PR firm. Calvert's Steve Schueth said a "typical bottom-line analysis" led to dropping Edelman, but admitted discomfort at being listed as an Edelman client along with some of the world's most socially irresponsible businesses.

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The American Medical Association (AMA) has produced a 20 minute TV program promoting a new animal drug from Monsanto. Also featured is the American Dietetic Association, which has been hired by Monsanto to field calls from concerned consumers. The program will air on cable television. Of course, it fails to mention that production costs were covered by a $30,000 payment from Monsanto.

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The Iowa-based firm C,M,F&Z has been hired by the Health Insurance Association of America to organize pro-industry grassroots support during the health care debate.

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The PR head for the 1996 Olympic Games, Richard Yarbrough, is being paid a quarter of a million dollars a year.

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According to PRSA, the median salary for PR employees in 1993 is $51,469.00, down 2% from 1992.

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The U.S. Tuna Foundation is strenuously denying charges from Greenpeace that "dolphin safe tuna" is nothing but "sophisticated PR greenwash," and that dolphins are still being killed in fishing nets.

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The Clinton Administration has appointed Lauri Fitz-Pegado to a consulting position at the Commerce Department. She's the former Hill & Knowlton executive responsible for 'Citizens for a Free Kuwait', the Kuwaiti front group that sold the Gulf War to the American people while earning H&K $11 million. Fitz-Pegado prepared the Kuwaiti Ambassador's daughter for her fabricated televised account of baby killing.

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Former Attorney General and Watergate hero Elliot Richardson told DC PR flacks in July that the "revolving door" between business and government is good for the public interest and "not a problem." He plugged his own ethical guidelines, the "Richardson Principles."

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For years Betsey Wright, Governor Clinton's Chief of Staff, was overworked and underpaid. That's about to change. Betsey has joined Ann Wexler's prominent PR/lobby firm.

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Burson-Marsteller has announced that Pierre Salinger will join their D.C. office as vice chairman with responsibilities for Europe and the Middle East.

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"PR is the most juvenile, whiny, back-biting, self-destructive profession I know of and it is frequently embarrassing to watch the antics of those who call themselves professionals."—Guy L. Smith, formerly of Hill & Knowlton.

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Valerie Woods of Edelman's Chicago office heads up a who's-who coalition of food and biotechnology companies to prevent consumer labeling of genetically-engineered foods. So what happens? Chicago, birthplace of anti-biotech activist Jeremy Rifkin, recently became the first city in the US to pass a law requiring labeling of biotech foods.

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Ex-Hill & Knowlton head Robert L. Dilenschneider now has his own company. One of our favorite RLD quotes: "The notion that business and editorial decisions in the press and media are totally separate is largely a myth."

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An article in O'Dwyer's Newsletter (8/11/93) notes that in Brazil, "intervention by federal censors in TV broadcasting is rare, since 'self-censorship' practices are well established."

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Cohn & Wolfe is working for Ralston Purina's Continental Baking Company to establish an image that Wonder Bread is a health food. Right—and "crack" is a vitamin supplement.

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Interscience International Limited, the PR firm of ex-Kaufman and ex-Hill & Knowlton hot shots, publishes a cutesy client-letter with the motto: "We Make All The News That's Fit to Print."

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