

ALSO IN THIS ISSUE:

Tele-Press Associates: Flacking for Whalers for 21 Years

page 4

Science with a Bloody Harpoon

page 5

Shandwick Works to Save the Fox, Kill the Whale

page 6

Kicking APCO's Habit

(letter to the editor)

page 6

Berman & Co.: "Nonprofit" Hustlers for the Food & Booze Biz

page 7

The Legend of the Salad Bar

page 9

No Choice on GM Foods

page 10

Tough Issues, Tough World

page 11

Save the Whalers

By Bob Burton

When the International Whaling Commission (IWC) came together for its annual meeting in July 2000, Alan Macnow swung into action.

Macnow's New York-based PR firm, Tele-Press Associates (TPA), has defended the Japanese whaling and fishing industry for more than two decades, but his vigorous campaign against an initiative to create a whale sanctuary in the South Pacific may have reached new lows of unethical behavior. As executive director of a hastily-concocted coalition called "Friends of the Whalers," he lashed out at targets including elected officials in New Zealand and Australia.

"Your country is trying to make all of the world's waters a whale sanctuary," Macnow complained in a letter addressed to New Zealand Minister Helen Clark that was published in one of the country's leading newspapers.

"What we're saying is if whales increase in abundance, there shouldn't be any reason not to utilize them in order to keep their populations in balance with the fish population," Macnow told a journalist from *The Australian*.

It is an argument rejected by Australian government scientists. "There is no evidence that whale populations have direct impacts on commercial fish stocks," said Environment Australia, the government environmental agency. "Differences in feeding behavior and migration

Flack Attack

Public relations people who are offended by the exposés that appear in *PR Watch* sometimes complain that we offer a one-sided view of the industry, and they're right. We cover the dark side of PR—the coverups and outright lies used by powerful groups to influence public opinion and public policy.

Not all PR is this sinister, of course. Some public relations consists of relatively innocuous marketing efforts, and PR is even used to promote worthy causes, such as fundraising drives for charities.

Some people who dislike our take on the PR industry have even accused us of hypocrisy, pointing out that *PR Watch* itself helps promote causes that we believe in. In other words, they argue, we are engaged in public relations ourselves on behalf of our beliefs. If so, who are we to criticize the PR industry?

There is a key difference, however, between our work and the hidden machinations of the public relations industry. The difference is that *PR Watch* has no hidden agenda, whereas most of the campaigns that we expose rely on some effort to hide the identity of the real client whose interests are being served.

The PR campaigns that we expose in this issue are cases in point. When the "Natural Resources Study Center" rises to the defense of Japanese whalers or the "Employment Policies Institute" helps keep the minimum wage low for restaurants, self-serving messages are being disguised to make them look respectable by putting industry words in the mouths of seemingly independent third-party experts.

There is nothing wrong with citizens campaigning for causes that they believe in, but *deceptive* campaigns deserve to be exposed, and that's why the work of *PR Watch* is necessary.

patterns largely preclude direct competition between whales and fisheries in the South Pacific Ocean. ... Overlap with commercially fished species is relatively low as much of their feeding is in waters that are not exploited by fisheries," they wrote in a report assessing the claims by the whaling industry.

In Adelaide, Australia, where the IWC annual meeting was held, Macnow also spent approximately \$20,000 to broadcast a pro-whaling TV ad on all three commercial Adelaide television stations during the week of the conference. "It's broken. The International Whaling Commission is broken, unable and unwilling to do its job," the advertisement warned in dire tones, claiming that IWC member countries were "caving in to anti-whaling, fund-raising groups" and that "the IWC holds science in contempt."

These self-serving statements would of course have drawn a skeptical reception if the ads had correctly identified the whaling industry itself as the sponsor of the ads, but Macnow had that under control. Under Australia's Broadcasting Services Act, political TV advertisements are required to include a disclaimer which identifies the sponsor, but Macnow's ads said, "Authorized by Andrew Tibault for the Natural Resources Study Center (NRSC), Westport, Connecticut."

Who exactly is the Natural Resources Study Center? Questioned by a journalist, Macnow said that NRSC was one of his clients. But when *PR Watch* asked where NRSC could be contacted, he gave a vague response. "They are a sustainable-use group in Connecticut," he said. Pressed further to provide a contact name and phone number, he turned evasive. "You can look them up in the phone book," he tersely suggested.

Connecticut phone books, however, have no listing for the group. Nor is NRSC listed with the U.S. Internal Revenue Service as a nonprofit organization. John Horkel, a long-time resident of Westport and executive director of the Nature Center, which is based there, has never heard of them either. Nor are they registered with the Secretary of State on the Connecticut State Register, where nonprofits are required to list their street address and office bearers.

Asked a second time for a contact, Macnow once more declined. "I'm afraid not," he said, claiming that he "didn't want them attacked by the vicious anti-whaling groups. If you want to find them, do the research to find them."

Asked whether they actually exist, Macnow tentatively said, "I think so." Do they have an office? "Yeah," he said after a pause. Paid staff? "Yes, I get checks from them." Are they registered as a non-profit with the IRS?

"I don't know. They don't collect funds from the public," he said.

When we pointed out that there is no evidence the organization actually exists, Macnow nonchalantly said, "Well, I can't help you with that."

Shigeko Misaki, a spokesperson for the Japanese Whaling Association (one of Macnow's clients), said she knew about the ads but thought they were done by a group called the Natural Resources Study Foundation, based not in Connecticut but in Washington, D.C. "Tele-Press happens to be the PR agent for them amongst many other clients," Misaki said. "They have been pursuing the sustainable utilization of wildlife over the years. They saw it as a good opportunity for them to make it clear they are on our side." However, the Natural Resources Study Foundation is not listed in the phone directories of Washington, D.C., Maryland, or Virginia.

Macnow's \$20,000 advertising campaign for a group that doesn't exist neatly exploited a loophole in Australian law. If he had been advertising a product, the ad would fall under the jurisdiction of the Trade Practices Act, which provides for fines of up to \$120,000 if a company is found guilty of false and misleading advertising.

Political advertising, however, is not covered under the Trade Practices Act, so it can say whatever it wants. The only penalty that might apply to Macnow's ads would be a slap on the wrist to the owners of the television stations for failing to rigorously check the bona fides of Macnow's bogus group.

FRIENDS FOR HIRE

Macnow's other front group, "Friends of the Whalers," is nearly as ephemeral as the Natural Resources Study Center. Macnow, who calls himself the group's executive director, admits that Friends of the Whalers is not a formal incorporated organization but an informal network of individuals. "They are a group of people that would like to see sustainable whaling, including groups like the Global Guardians in Japan, people in the U.S., members of the Japanese Whaling Association, and Icelandic film-maker . . . Magnuss Gudmundsson," Macnow said.

Gudmundsson is well known to British journalist Andy Rowell, who describes him in his book *Green Backlash*, as someone associated "with the Icelandic and Norwegian governments, whalers, sealers, fishermen, the nuclear industry, the "wise use" movement, associates of Lyndon LaRouche, the International Wildlife Management Consortium, and various right-wing think tanks such as the Heritage Foundation."

In preparation for the July 2000 meeting of the IWC meeting, Macnow also commissioned a legal opinion

from William Burke, a retired professor of law and marine affairs at the University of Washington. Burke argued that the proposed South Pacific whale sanctuary would be illegal.

“Australia and New Zealand offer no scientific finding justifying a new sanctuary and disregard the requirement that deference be given to existing regulatory measures conserving whale stocks,” Burke said in a statement that was quoted in news media throughout the world, such as Agence France Press, which described him as “an American legal expert” who “has thrown doubt on the validity of the initiative.”

Canadian anthropology professor Milton Freeman (not to be confused with conservative economist Milton Friedman) also entered the fray, criticizing New Zealand Minister Helen Clark for supporting protests by Greenpeace against Japan’s whaling activities.

The July 2000 IWC meeting was not the first time that Burke and Freeman have joined together to support Japanese whalers. Just prior to the previous year’s meeting of the IWC, they joined with William Aron, a professor at the University of Washington, to author a 3,600-word article for the *Atlantic Monthly*, railing against the governments and environmental groups that oppose commercial whaling. “By spurning all attempts at compromise, today’s anti-whaling crusaders have the potential to disrupt the large scale environmental legislation of tomorrow,” they wrote.

Titled “Flouting the Convention,” The *Atlantic Monthly* article argued that the IWC’s ban on commercial whaling violates the International Convention for the Regulation of Whaling, a legal agreement that was nego-

tiated in 1946 by whaling nations. Failure to authorize the official resumption of commercial whaling, the authors claimed, would jeopardize all international conventions that require international cooperation, such as the Kyoto Protocol on greenhouse gases. “No possible interpretation of the convention allows for putting an end to whaling when credible scientific opinion supports the sustainable use of abundant whale resources,” they stated.

What the 1.1 million readers of *Atlantic Monthly* were not told was that Burke was a regular consultant to the Japanese Whaling Association, a fact which Burke himself openly admits. “Yes, sure, sure,” he said when asked.

While the *Atlantic Monthly* has guidelines for its authors, it does not request them to disclose any financial or other interests. Asked if its readers have a right to know whether authors have such interests in a topic that they are writing about, senior editor Michael Curtis responded cautiously. “Our readers should expect every assertion of fact to have been rigorously checked for accuracy,” he said.

Regarding potential conflicts of interest, however, he believes the onus to disclose such conflicts lies with the authors themselves. “We expect contributors to be forthright in acknowledging potential conflicts of interest,” Curtis said.

Japanese Whaling Association (JWA) spokesperson Shigeko Misaki prefers to portray Burke as an enthusiastic volunteer rather than a consultant. “He just offered his services, thinking he might re-align the thinking trajectory of the IWC, not as a consultant. We never paid him anything,” she said. “He just happened to appear at

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the IWC at Aberdeen [in 1997]. . . . He just turned up and called up in our delegation room and said, 'Here I am. I have written this article,' and gave us a copy," she said. "So he has never been engaged by money," she insisted.

However, the minutes of the IWC meeting record Burke as having had made his entrée to the IWC in 1996, the year before Aberdeen conference. The IWC chairman's report noted, "Japan introduced a legal opinion

from Prof. W.T. Burke of the School of Law, University of Washington, which argued that the establishment of the Southern Ocean Sanctuary did not conform to Article V of the Convention. . . . Japan therefore questioned the legality of the decision."

Burke himself says he went to the Aberdeen meeting, not on a whim, but after being offered work as a consultant by TPA's Macnow. "I did the work on it for the Japan Whaling Association," he said. ■

Tele-Press Associates: Flacking for Whalers for 21 Years

Alan Macnow, president of the New York-based Tele-Press Associates (TPA), has been defending the Japanese whaling and fishing industry for 21 years. A former stringer for *Time-Life* in Korea, Macnow founded TPA in 1959. The current *O'Dwyer's Directory of Public Relations Executives* says Macnow was a PR writer for the American Heritage Foundation prior to starting his own public relations company.

Reports filed by TPA with the U.S. Department of Justice, as required under the Foreign Agents Registration Act, reveal that in the 18 months prior to mid-June 1999, TPA earned more than \$180,000 for advising and representing the Japanese Whaling Association (JWA) in the United States. For the two years prior to mid-1999, TPA also earned more than \$220,500 representing the Japan Fisheries Association (JFA), of which the JWA is a member organization.

When asked, Macnow is coy about his other clients. "It's confidential," he says before adding, "you can find them in the PR guidebooks if you want." Pressed on why his clients are considered confidential if it is already public, Macnow tartly trotted out a well-practiced argument for secrecy. "I'm not going to provide targets for environmental groups," he said.

O'Dwyer's Directory of Public Relations Firms 2000 reveals that TPA's client list has a strong Japanese flavor. In addition to the JWA and JFA, TPA's clients include the Japan External Trade Organization, the Japan Pearl Exporters Association, the Japan Tuna Association, Nippon Steel Corporation, the Overseas Fishery Cooperative Foundation, the government of St. Lucia, and the South Sea Pearl Consortium. Macnow's son, Devin, who started at TPA in 1987, heads the Cultured Pearl Information Center, the trade association he established for the cultured pearl industry.

TPA also involves itself in advocacy activities in its own right. In 1997, for example, Macnow and TPA

signed onto a "environmental manifesto" drafted by Consumer Alert, a corporate front group that has been funded by Monsanto, Philip Morris, and Exxon. Prepared as a response to that year's Earth Day mobilizations, the Consumer Alert manifesto advocated familiar "free market" themes: property rights, small government, deregulation. Other signers included Steven J. Milloy from The Advancement of Sound Science Coalition; James Mitchell from the "wise use" umbrella group Alliance for America; Elizabeth Whelan from the American Council on Science and Health; and Marlo Lewis from the right-wing Competitive Enterprise Institute.

Macnow, a seasoned PR hand, knows to schmooze only tame reporters. At the May 1999 IWC meeting in St. Georges, Grenada, journalists were enticed to attend a "International Whaling Commission Conference Media Symposium" with the program sporting the logo of the Caribbean Broadcasting Union. Journalists who attended soon discovered that the symposium was in fact an extended media conference for pro-whaling advocates, including Eugene La Pointe, the president of the International Wildlife Management Consortium, an international organization that supports the resumption of commercial whaling, along with hunting elephants for ivory.

When two journalists, John Maxwell for the Jamaica Sunday Observer and Matthias Peltier, a stringer for British Broadcasting Corporation (BBC), began asking pointed questions, the mood turned sour. Maxwell reported in his subsequent column that at the coffee break Macnow arrived and pointing to Peltier, said, "I want this man out of this room." Macnow refused to accept Peltier's BBC credentials and insisted he be ejected on the grounds that he was not a journalist but a "frontman" for the International Fund for Animal Welfare, an anti-whaling group.

Science With a Bloody Harpoon

by Bob Burton

In 1986, the International Whaling Commission declared a moratorium on commercial whaling. By that time, large-scale hunting had driven many whale species to near extinction. The moratorium, and the creation of sanctuaries in the Southern and Indian Oceans, have helped some whale numbers to rebound, but this progress is threatened by the refusal of Japan and Norway to honor the moratorium.

Japan's response to the 1986 moratorium was to establish a "scientific" whaling program in the Antarctic, exploiting a loophole in IWC rules that allows countries to issue permits for lethal research on whales. But as Japan's domestic press reported at the time, scientific whaling was no more than a ruse for "keeping the industry alive until a way could be found to reverse the moratorium decision," according to a Greenpeace website.

Greenpeace reports the whaling industry donated \$10 million in 1987 to establish a supposedly nonprofit organization called the Institute for Cetacean Research (IRC). The IRC manages Japan's Research Program in the Antarctic (JARPA), using ongoing funding derived from sales of whale meat, plus \$9 million a year from the Japanese government.

This "scientific" whaling began in the 1987-88 season, initially taking 300 minke whale per year. For the 1995-6 season, Japan increased the "permitted" minke whale kill to 440 and expanded the area around Antarctica in which it could operate. In 1994, Japan also began a second "research" hunt in the North Pacific.

JARPA is supposed to provide data for the management of whale populations, but Greenpeace points out that the only use for such data is for commercial killing quotas. The international community has repeatedly condemned Japan's "scientific" whaling, and JARPA violates international law. The IWC has rejected Japan's claims that it is engaged in scientific research, noting that the results of this research typically wind up on the meat counters of Japan's public fish markets. The sale of whale meat derived through "scientific whaling" currently generates some \$40 million a year in revenues.

In addition to serving as an excuse to continue whaling, the scientific research program may also provide cover for other, even more blatant violations of the IWC moratorium. The introduction in 1995 of DNA-sam-



DNA testing by the International Fund for Animal Welfare has found meat from endangered species like this humpback whale on sale in Tokyo fish markets.

pling techniques has repeatedly identified the meat of a variety of protected species for sale in Japanese fish markets, including endangered fin whales, sperm whales, and humpback whales.

Public relations and lobbying for the whalers is managed by the Japanese Whaling Association, described by JWA spokesperson Shigeko Misaki as "a voluntary organization whose membership consist of former whaling operators before the commercial whaling moratorium came into effect. The membership also contains general public who are supporters of the sustainable use of whale resources for food." The JWA receives funding from Kyodo Senpaku, the company that operates vessels chartered for "research" by the ICR. ■

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Shandwick Works to Save the Fox, Kill the Whale

by Bob Burton

The International Fund for Animal Welfare (IFAW) is one of the leading critics worldwide of Japan's whaling activities. It also works on behalf of other animal welfare issues, such as a campaign to ban fox hunting in England, for which purpose it retained one of the world's fourth PR firms, Shandwick International. During the July 2000 meeting of the International Whaling Commission in Australia, however, IFAW representatives were dismayed to discover that Shandwick was also working for the Japanese Whaling Association.

IFAW terminated its relationship with Shandwick after learning that the PR firm had been hired by the JWA to conduct a high-profile PR campaign including newspaper advertisements in Australian media titled "Whaling the facts," which claimed that "all whales aren't endangered" and "many are abundant."

A leaflet distributed to households in Adelaide claimed that whale meat is to Japanese what meat pies are to Australians. "Don't interfere in our culture and we won't interfere in yours," the leaflet said. The leaflet, however, didn't sit well with the citizens of Adelaide. JWA spokesperson Shigeko Misaki admits that they were stung by a public backlash. "We were alarmed by the effect of this," she said.

Greenpeace oceans campaigner, Denise Boyd rejects the claim that whaling in the southern oceans and South Pacific is a long-held Japanese tradition. "Large-scale commercial whaling in the Antarctic, 6,000 miles from Japan and using technology imported from Norway, cannot be described as a cultural activity," she said.

Shandwick staff also organized a spot of banner painting. "Whaling the facts: excessive protection creates an imbalance of ecosystem," said the banner held by kimono-clad Japanese supporters of whaling at the entrance to the IWC meeting. Shandwick Australia's chairman, Mike Smith, reluctantly confirmed that Shandwick staff had organized painting the banner, although he noted that he didn't find the slogan particularly inspiring. "It's a bit wordy," he said.

Smith was less forthcoming when asked how much the firm had been paid for its pro-whaling activities. "Look, I don't know, and if I did know, I wouldn't tell you," he said. Others involved confirmed that the seven-month campaign cost the JWA nearly \$300,000.

Smith is willing to freely dispense advice on how clients should deal with their crises. A client faced with a crisis, he told *The Australian*, is "better off talking about it than not talking about it [because] that silence would be interpreted as guilt." However, when Shandwick's contract for the JWA became front-page news, Smith preferred silence. Shandwick staff told journalists that

only Smith could speak for the company, but with phone calls unreturned, Shandwick's role dropped from view.

Smith insisted his preference for not talking about the PR firm's work for the JWA was at the request of the client. Shandwick, he said, wasn't "authorized to speak about what we do for them. I wouldn't say it is common, but often a client doesn't want us to discuss it."

Others working for the JWA tell another story. When Shandwick's work became public knowledge in fiercely anti-whaling Australia, the firm experienced a backlash from a number of its other clients. "They wanted to keep a low profile because of feedback they were getting from other clients. . . . They provided the introductions for us [in Adelaide] and we did the rest," the JWA's lobbyist Alan Macnow told *PR Watch*.

The whaling controversy is not Shandwick's first brush with controversy. The company has also worked for Shell oil company to counter criticism over its role in Nigeria at the time of the execution of writer Ken Saro-Wiwa and for American industry groups opposed to measures that would limit greenhouse gas emissions. More recently it was embarrassed by the publication of *Secrets and Lies: The Anatomy of an Anti-Environmental PR Campaign*. Co-authored by myself and Nicky Hager, *Secrets and Lies* used hundreds of pages of leaked internal documents to detail a multi-million-dollar campaign, led by Shandwick, to "neutralize" environmentalists opposed to rainforest logging in New Zealand. ■

Kicking APCO's Habit

To the Editor, *PR Watch*:

I am amused to see that I have been included as the "media contact person" for APCO/TASSC during the early 1990s, according to "How Big Tobacco Helped Create the Junkman" (*PR Watch*, vol. 7, no. 3).

While it is true that I served this role for all of two months, I did so for one reason only: to attempt to prove to other APCO employees that company management gives larger bonuses to employees who work on tobacco issues — not exactly the employee incentive program that business schools write about.

I got my bonus check, deposited it, and promptly quit when the check cleared. I was disgusted to learn that APCO's addiction to tobacco was, in my opinion, worse than that of any nicotine addict I know. I would appreciate it if your Web site were amended to note that my decision to work on behalf of TAASC was NOT to promote tobacco, but instead to be in a better position to inform my colleagues of my opinions about the company's addiction.

—David Sheon

Berman & Co.: “Nonprofit” Hustlers for the Food & Booze Biz

by Sheldon Rampton and John Stauber

Restaurant-industry lobbyist Rick Berman says there are two things that set his firm, Berman & Co., apart from others in the trade. The first, he said, is that “we always have a knife in our teeth.” The other is that “we don’t chase the smaller issues. . . . Our work is restricted to and focused on issues that affect shareholder value. These big issues include labor costs as they relate to health insurance and the minimum wage, achieving operator sales increases, and tax rates as they are affected in particular by payroll and excise taxes.”

Based in Washington, DC, Berman speaks for hotels, beer distributors, taverns, and restaurant chains such as Cracker Barrel, Hooters, International House of Pancakes, Olive Garden, Outback Steakhouse, Red Lobster, Steak & Ale, TGI Friday’s, Uno Restaurants, and Wendy’s. His strategy for helping these chains maximize “shareholder value” is aimed at two goals: minimizing wages for restaurant employees, while driving up sales of his client’s high-markup products—in particular, booze, soda pop, fatty foods, and cigarettes.

“Other groups drive consumer behavior on meat, alcohol, fat, sugar, tobacco and caffeine with outrageous quotes, exaggeration, junk science and even violent acts,” Berman said in a 1999 interview with the *Chain Leader*, a trade publication for restaurant chains. “Our offensive strategy is to shoot the messenger,” Berman went on. “Given the activists’ plans to alarm beyond all reason, we’ve got to attack their credibility as spokespersons.”

By way of disclaimer, we should note that our attention was first drawn to Berman & Co. when our 1997 book, *Mad Cow USA*, was attacked recently by one of Berman’s front groups—the “Guest Choice Network,” whose stated mission is to expose what it calls “the Nanny Culture . . . the growing fraternity of food cops, health care enforcers, anti-meat activists, and meddling bureaucrats who ‘know what’s best for you.’”

According to the Guest Choice Network, *Mad Cow USA* “set new standards for food scare tactics.” Guest Choice has even produced a report, titled “Mad Cow: A New American Scare Campaign,” which insinuates that we are the masterminds behind recent headline stories about mad cow disease that have appeared in places as far apart as *Agence Press France*, *ABC World News Tonight*, and the *Wall Street Journal*. The report includes sinister-looking charts and arrows alleging hidden conspiratorial ties between us and groups such as People for the Ethical Treatment of Animals (PETA), the Center for Food Safety, Consumers Union, Fenton Communications, the Organic Consumers Association, Dr. Tom Pringle (who until recently managed a website about mad cow disease, at www.mad-cow.org), and CJD Voice

(an internet-based discussion and support group for people who have lost family members to Creutzfeldt-Jakob Disease, a mad cow-like disease in humans).

Guest Choice claims that all of these groups and individuals are part of a massive “junk-science smear campaign” to “ignite a U.S. panic” so that anti-meat “food police” can “frighten us all into eating only what bears their imprimatur.”

It is a curious honor, of course, to be accused of “junk science” by a flack for junk food. Given some of the garbage that Berman’s clients feed to an unsuspecting public, it’s hardly surprising that he would see a need to “attack our credibility as spokespersons.”

But what about Berman & Co. itself? How much credibility should anyone give a restaurant industry spokesperson who brags of having “a knife in his teeth”? The sad fact is that the news media has given him plenty.

MINIMIZING THE MINIMUM WAGE

The Guest Choice Network is only one of several organizations through which Berman & Co. seeks to advance the interests of the restaurant industry. It also sponsors the Employment Policies Institute (EPI), which calls itself a “non-profit research organization dedicated to studying public policy issues surrounding employment growth.” In reality, EPI’s mission is to oppose any increases in the minimum wage so that restaurants can continue to pay their employees as little as possible.

The Employment Policies Institute was launched in 1991, around the time of the economic recession that led to the electoral defeat of then-president George Bush, “Even the name of this new institute is misleading,” noted *Los Angeles Times* business columnist Harry Bernstein at the time. “It calls itself EPI, the same name used for years by the older and much more progressive Economic Policy Institute,” Bernstein wrote.

In addition to imitating the name and acronym of the Economic Policy Institute, Berman’s outfit even used the same typeface for its logo. “Your choice of name for your organization is causing serious and unfortunate public confusion,” stated Economic Policy Institute communications director Roger Hickey in a letter to Berman. Hickey added, “Reporters, leaders of public interest groups, Congressional staffers and members of the public have all expressed to us surprise and puzzlement as a result of mistakenly thinking our organization to be responsible for the public activities and publishing of your organization.” Berman eventually agreed to change the logo, but news stories still occasionally appear in which studies written by Berman’s organization are mistakenly attributed to the Economic Policy Institute.

In reality, the two groups have dramatically different public policy agendas. The Economic Policy Institute, which has ties to organized labor, supports a living wage and mandated health benefits for workers. Berman's organization opposes both and in fact opposes any minimum wage whatsoever.

“Even the name of this new institute is misleading. It calls itself EPI, the same name used for years by the older and much more progressive Economic Policy Institute.”

—Harry Bernstein, *Los Angeles Times*

In 1992, Bernstein at the *LA Times* noted that Berman's organization was using “misleading studies” to help put a positive spin on rising unemployment. “The conservative EPI, financed mostly by low-wage companies such as hotels and restaurants, is issuing reports the titles of which alone could help ... put a bright face on the miserable job scene,” Bernstein wrote. “The latest one is ‘The Value of Part-Time Workers to the American Economy.’ It hails as a great thing the distressing growth of part-time jobs because they offer ‘flexibility’ in economic planning for both workers and companies, and say that flexibility is vital ‘in the growing and increasingly competitive global economy.’ Tell that nonsense to the more than 6.5 million workers forced to take part-time jobs because nothing else is available. That is an increase of more than 1.5 million involuntary part-timers since 1990, the Bureau of Labor Statistics says.”

Then, as now, fast-food employees were the largest group of low-paid workers in the United States. One-quarter of the workers in the restaurant industry are estimated to earn the minimum wage—a higher proportion than in any other U.S. industry. This is the real reason why EPI appears on the scene whenever federal or local governments consider a proposal to increase the minimum wage. Its standard tactic is to trot out a study using contrived statistics designed to show that hundreds of thousands of jobs will be lost if the wage is raised. (In reality, studies by labor economists show that the job-loss effect of increasing the minimum wage is either small or nonexistent and that its benefits to low-wage workers and their families far outweigh the costs. Even the *Food Institute Report*, an industry trade publication, admitted in 1995 that “the weight of the empirical evidence suggests that the effects [on the number of available jobs] of a moderate raise from its current level are likely to be negligible.”)

EPI has been widely quoted in news stories regarding minimum wage issues, and although a few of those news stories have correctly described it as a “think tank financed by business,” most stories fail to provide any identification that would enable readers to identify the vested interest behind its pronouncements. Instead, it is usually described exactly the way it describes itself, as a “nonprofit organization” that studies “issues affecting entry-level employment,” with Berman as its “executive director.”

In 1995, EPI lashed out at Princeton University professors David Card and Alan Krueger, after they published a survey of fast-food restaurants which found no loss in the number of jobs in New Jersey after implementing an increase in the state's minimum wage. Berman accused Card and Krueger of using bad data, citing contrary figures which his own institute had collected from some of the same restaurants. But whereas Card and Krueger had surveyed 410 restaurants, Berman's outfit only collected data from 71 restaurants and has refused to make its data publicly available so that other researchers can assess whether it “cherry-picked” restaurants to create a sample that would support its predetermined conclusions.

In 1996, the federal government passed a long-overdue hike of the minimum wage from \$4.25 to \$4.75 an hour. Berman argued at the time that the pay raise would hurt people on welfare by making it harder for them to find jobs “because employers will be looking for people with higher skills to justify the minimum wage increase.”

WORKERS ON WELFARE

In 1998, the Employment Policies Institute Foundation blasted a proposal by Senator Ted Kennedy to raise the federal minimum wage by \$1 an hour. “In Senator Kennedy's own state of Massachusetts, single mothers would take home only 19.1 cents for every extra dollar they earn,” Berman & Co.'s John Doyle claimed in a news release. “Why so little? The higher minimum wage will actually reduce their eligibility for vital programs designed to help those in need, such as Temporary Assistance for Needy Families, the Food Stamp program and the Earned Income Tax Credit.”

Even assuming that Doyle's estimate is correct, the implication of his argument is that taxpayers should have to foot the bill for welfare programs to make up for the fact that his clients refuse to pay their employees a wage that would bring them above the federal poverty level.

Elsewhere, however, the EPI has opposed the very idea of government welfare programs, while simultaneously rejecting the idea that employers should have to pay enough money even to enable full-time employ-

The Legend of the Salad Bar

Notwithstanding the obvious contradictions and transparently self-serving nature of the arguments that Berman serves up, he has been successful in influencing Congress thanks largely to the ties he has built up with conservative politicians such as former House Speaker Newt Gingrich.

In 1995, those ties prompted a House Ethics Committee investigation into allegations that Gingrich allowed Berman inside access in exchange for money.

In 1993, Berman's Employment Policies Institute Foundation gave a tax-deductible gift of \$25,000 to support a college course titled "Renewing Civilization" taught by Gingrich. The check came with a handwritten note: "Newt, thanks again for the help on today's committee hearing." And Berman did appear at a hearing that day. He testified before the House Judiciary Subcommittee on Crime against two bills that would have increased the federal role in drunken driving enforcement.

Gingrich also showed his gratitude for the gift by weaving EPI material on the evils of the minimum wage into his college course, along with a ridiculously

flattering video about EPI chairman Norman Brinker, a client of Berman's and the founder of the Steak & Ale and Chilis restaurant chains. The video described Brinker as "a living legend," talked about his "magical success in business," and credited him with inventing the salad bar.

During the class, Gingrich sang the glories of low-paying jobs, which he praised as "the entrepreneur's great learning opportunity, first rung on the ladder of success. . . . I see somebody walk in to their first job at minimum wage, or less, and I see them learning how to show up on Monday, I see them learning how to work with other human beings to be productive, I see them learning how to take care of the customer, I see them learning all of the skills to become a Norman Brinker."

What Gingrich *didn't* see, obviously, was poor people who work every day serving Big Macs and fries while unable to afford decent food, rent and health care. Of course, maybe that's their own fault. If poor people wanted his attention, they should have just given him 25 grand like the other entrepreneurs.

ees to afford food, clothing and rent. In October 2000, Berman complained that the idea of paying a "living wage" amounts to "paying people based on their need" and not on their "skills" or "contributions." Requiring employers to pay a "living wage," he said, represents "a welfare mentality."

EPI even has a strident "living wage" website (www.livingwage.org) which portrays efforts to establish a living wage as a conspiracy driven by "labor unions, the New Party (an affiliation of labor union organizers, academics and community activists), and ACORN (The Association of Community Organizations for Reform Now). . . . How far will they go? The most ardent living wage activists have made it clear that they want nothing less than a national living wage."

When it comes to *corporate* welfare, on the other hand, EPI's attitude suddenly changes. For example, it has supported government payments directly to his clients in the form of the Targeted Jobs Tax Credit (TJTC), which gives businesses a tax credit of up to \$2,400 for hiring "hard-to-employ individuals" such as welfare recipients.

Berman & Co. also participated actively in the campaign to kill President Clinton's health reform plan in the early days of the Clinton administration, claiming once again that the plan would destroy jobs. To publicize this claim, he created yet another front group called the "Partnership on Health Care & Employment," repre-

senting mostly large companies known for paying low wages and high worker turnover, such as Marriott, Burger King, Kmart, Walgreen's, and Holiday Inn. It released a study claiming that compulsory insurance for business would wipe out nine million jobs.

During the health reform debate, EPI's study was cited in TV commercials sponsored by the Republican National Committee, claiming that the Clinton health plan would cost millions of Americans their jobs. The ads continued to run even after Berman admitted that his study had actually been written before the Clinton administration even formulated the details of its health plan.

THE WHEEL BEHIND DRUNK DRIVERS

Some of Berman & Co.'s most visible lobbying has been waged against efforts to lower the legal blood-alcohol limit for drivers. It runs the American Beverage Institute, which was organized in 1991 with the stated mission of promoting "responsible alcohol consumption," but actually represents restaurants and retailers that sell alcohol.

In 1998, Berman used his close ties with Republican politicians Newt Gingrich and Trent Lott to help kill federal legislation supported by advocacy groups such as Mothers Against Drunk Driving (MADD) that would have lowered legal blood-alcohol levels for drivers from

.10% to .08%. In addition to MADD, supporters of the legislation included a who's who of highway safety experts, law enforcement and medical professionals including the American Medical Association, the American College of Emergency Room Physicians, the National Safety Council, the National Transportation Safety Board, the National District Attorneys Association and the Alliance of American Insurers.

Berman says that lowering the legal blood-alcohol concentration for drivers would target social drinkers, people who are "doing something that isn't particularly dangerous behavior." He claims that a person can reach a blood-alcohol level of .08 percent simply by drinking two glasses of wine in two hours.

This claim is contradicted, however, by the National Highway Traffic Safety Administration (NHTSA), which cites scientific evidence showing that a 170-pound man would actually have to consume *five* drinks in two hours to reach the .08 level. According to the NHTSA, virtually all drivers are substantially impaired at .08 with regard to critical driving tasks such as braking, steering, changing lanes and general judgment.

"The facts show you are very impaired" at .08, says NHTSA Administrator Ricardo Martinez, "and if that's the fact, the question is, should those people be behind the wheel of a car and put on a road where coming in the other direction may be my family? That's why we think .08 should be the law of the land."

Berman's claims are also rejected by experts on drunk driving such as Rhode Island police officer Richard Lombardi. Lombardi replied to Berman's claims by saying, "I don't deal with statistics. I deal with reality." He added that he doesn't want to wake families up at four in the morning any more to tell them a loved one is dead.

Some of the harshest words for Berman came from Millie Webb, a member of Mothers Against Drunk Driving who suffered serious burns and lost her four-year-old daughter in an automobile accident caused by a driver whose blood-alcohol level was .08.

"As a victim of an .08 crash," Webb said, "I greatly resent the campaign being conducted by the alcohol industry against this life-saving amendment. Shame is in short supply in our nation's capital. Today, we have a Mr. Richard Berman of the American Beverage Institute, peddling a phony poll, fire-bombing the most credible research and researchers in the field, and using scare tactics in an attempt to kill life-saving .08 laws. . . . In the case of Mr. Berman, decency and the truth are also in short supply."

In fact, the defeated .08 rule is actually more lenient than drunken driving levels in most European countries.

Even France and Germany, countries known for their love of alcoholic beverages, both have a legal limit of .05.

Berman's success in killing the measure prompted MADD national president Karolyn V. Nunnallee to complain, "Our nation's drunk driving laws have been written by the alcohol and hospitality industry—a tragic irony that will likely result in many needless deaths and injuries at the hands of impaired drivers."

CALLING MOMMIES NANNIES

Berman launched the Guest Choice Network in 1996, proclaiming that its "mission is to expose the anti-choice antics of the 'nannies.'" The website is organized into sections, exposing the "nanny war on fatty foods," the "nanny war on tobacco," "nanny war on genetically engineered foods," "nanny war on coffee, soda," "nanny war on alcohol," and "nanny war on meat, dairy." It attacks a broad range of targets and has even devoted an

No Choice on GM Foods

Notwithstanding all its talk about protecting "consumer choice," Berman & Co.'s Guest Choice Network is vehemently opposed to labeling of genetically modified foods, which would enable consumers to choose whether or not to eat them. Its GM foods enemies list includes

- "Extremist environmental groups" such as Greenpeace and Friends of the Earth, which it accuses of conducting a "public relations jihad" on the issue.
- Christian Aid, a coalition of British and Irish churches that was formed at the end of World War II and has since developed into a worldwide hunger relief organization. Christian Aid's support comes from 40 religious denominations including the Church of England, Baptists, Lutherans, Methodists, Presbyterians, Moravians, the Greek Orthodox Church and Seventh Day Adventists. Christian Aid also rejects the claim that GM foods will help end world hunger, prompting Guest Choice to label it a "far-left group" that "flat-out lies" and "hides behind a religious façade to more easily malign farmers, scientists, food companies, and even PR people who deal with [genetically modified] foods."
- CBS television, which it calls "the Tiffa-Nanny Network" because of a *60 Minutes* report on the subject.

entire separate website (www.cspinot.org) to attacking the Center for Science in the Public Interest, which it accuses of anti-alcohol zealotry that “combines scare tactics and junk science to scold adult college students about alcohol consumption.”

Regarding alcohol consumption alone, the Guest Choice list of “nannies” includes:

- Mothers Against Drunk Driving, which Guest Choice describes as a group of “professional fund-raisers” who try to “scare us away from even responsible drinking.”
- The Marin Institute for the Prevention of Alcohol and Other Drug Problems, which it accuses of “strident opposition to any consumption of adult beverages.”
- New York Mayor Rudy Giuliani, for his proposal to confiscate the vehicles of people convicted for drunk driving. Guest Choice characterizes Giuliani’s plan as a “car-theft ring.”
- The U.S. Department of Transportation, for publishing a study which concludes that “a majority of the driving population is impaired in some important measure” at blood-alcohol levels “as low as .02%.”
- The Office of Highway Safety in Georgia, for an effort to tighten enforcement of existing drunk-driving laws.

Guest Choice has also attacked various city and state officials throughout the United States for their efforts to

establish smoking bans in restaurants. Other targets include:

- The Washington Post, for running a health story which stated, “Research suggests kids who drink a lot of soft drinks risk becoming fat, weak-boned, cavity-prone and caffeine-addicted.”
- The Arthritis Foundation, the American Academy of Orthopedic Surgeons and the National Association of High School Principals for attempting (in collaboration with the dairy industry) to encourage kids to drink milk instead of soda pop.
- Journalist Eric Schlosser, described as “the nanny culture’s current man of the hour” for his book, *Fast Food Nation*, which documents the nutritional deficiencies of the American burger-fries-and-soda lifestyle.
- Ralph Nader’s group, Public Citizen.
- The Consumer Federation of America.
- The Harvard School of Public Health.
- The U.S. Centers for Disease Control and Prevention (CDC). Its warnings about salmonella-related food poisoning prompted Berman to complain, “For nearly three decades, [CDC] has been whipping up fear over food while remaining virtually unchallenged by the press or the scientific community. By generating more heat than light, [CDC] helps create fear . . . over . . . food products.” ■

Tough Issues, Tough World

by Laura Miller

The PR World Congress 2000 drew more than 3,500 public relations professionals, students, vendors, and trade journalists to the Chicago Hyatt Regency Hotel in late October. The Public Relations Society of America and the International Public Relations Association sponsored the PR conference. This year’s theme was “Building Our Talent in a World of Tough Issues.” Keynote speakers, panelists, and PR dignitaries attempted to instruct and inspire those in attendance to think about how, as communications professionals, they will be resolving the global issues that “we care about.”

Corporate philanthropy has regained legitimacy as a way of demonstrating “caring.” Reynold Levy delivered a keynote talk titled, “This Business of Giving—and Taking.” Levy, who wears multiple hats—president and CEO of International Rescue Committee, professor of at Harvard Business School and Columbia School of

Business, trustee of the Nathan Cummings Foundation, and author of *Give and Take: A Candid Account of Corporate Philanthropy*—spoke to an audience of well over a thousand on the virtues of corporate giving. He told the audience that corporate philanthropy, in addition to being “the right thing to do,” builds brand loyalty, constituent support, and employee morale.

“In short, corporate philanthropy can help win friends and influence people,” Levy said. “Contributing to nonprofits strengthens the donor as much as the donee. Philanthropy can be no less than a source of sustainable, competitive advantage, difficult to obtain by other means, and it can energize, enrich and sustain nonprofit causes in ways simply unavailable to private foundations and individuals.”

Levy showed advertisements for high-profile AT&T, Time Warner, General Electric, Microsoft, and Phillip

Morris philanthropic campaigns. "I'm not suggesting that the good, charitable work of Phillip Morris in any way absolves it of responsibility for the tobacco products it peddles or for how they're merchandised to kids, or for the decades of corporate duplicity about the diseases cause by smoking," Levy said as a caveat, "but I am contending that as tobacco companies fight for their corporate lives, even under these circumstances, major philanthropic commitments, creatively communicated to key audiences, can neutralize critics and curry favor. Corporate giving matters, and it matters to shareowners and customers too, and that is why philanthropy is front page, magazine-cover worthy news."

PR professionals may care about the benefits of philanthropy, but when it comes to nurturing an independent media, they come up short. In the workshop, "When the Media Creates News Instead of Reporting it — How Should Public Relations React?" panelist Nancy Brennan, deputy managing director of Manning Selvage & Lee in Chicago, best characterized the PR practitioner attitude towards media: "I agree there is nothing new about the media setting the agenda and creating news. . . . Media have always tried to set the agenda and in many ways the public has come to expect it. Some even perceived the media as a watchdog for our national institutions, our government, even our nation's moral direction. In reality, the media often serves as a lightning rod that coaxes and even shocks the public into supporting or dissenting positions and actions."

While claiming to affirm freedom of the press, Brennan bemoaned the negative effects of sensationalized news, activist fearmongering, the lack of media gatekeepers in cyberspace, and the use of misinformation. All of those things, she said, hurt her clients and ultimately America.

"Those on the far left and the far right and those in the past who've been disenfranchised, have become more sophisticated and more creative in their efforts to capture media attention and place their issues and causes on the nation's agenda," Brennan said. "Their modus operandi is anything goes and the more outrageous the better."

Some of the workshops failed to live up to the promise of their title, such as the provocatively-named session titled "Counteracting Anti-Corporate Activism on the Web, in the Streets, Against Individuals." Led by PR Newswire senior vice president David Armon, the session focused entirely on the internet. Crisis management guru Jim Lukaszewski was also on hand to provide running commentary.

One-fourth of the nearly 100 people attending the workshop said their company was currently using inter-

net monitoring services. Only two or three had actually dealt with a "bad" internet situation. Mostly the panelists and audience talked about "complaint" pages such as "gripenet.com" and "bitchaboutit.com." Lukaszewski and Armon agreed that perhaps the best way to handle untruthful or unpleasant information on the web was to contact the person who had posted the information and ask them to remove it or correct it. Lukaszewski, however, recommended immediate legal action in instances of copyright and trademark infringement. Libel and slander, he said, are much more difficult to assess. He recommended legal action only as a last resort.

All the examples of "anti-corporate" activism discussed during the workshop were either specific consumer complaints, the work of disgruntled employees, or disguised attacks by corporate competitors. Very little was said about the kind of anti-corporate activism that has taken place in the last year in the streets of Seattle or Prague.

Armon's 64-frame slide presentation (copyrighted to eWatch, an internet monitoring service owned by PR Newswire), came with a handout explaining how to remove a post from a Yahoo message board. Unfortunately, Armon had brought only 40 copies, causing a panicked dash of elbow-brandishing PR professionals at the end of the session.

In the end, counteracting anti-corporate activism boiled down to, "You can't control this stuff, but you should monitor it." Funny that a crisis management guru and an executive of a company that owns a web monitoring service should say that.

A tip for the PR job hunter: "men wanted." The old boys of PR—Harold Burson, Dan Edelman, and Al Golin—all expressed concern during the conference that the vast majority of people entering the PR field are women. Jack O'Dwyer's Newsletter noted that women comprise 70 percent of Burson-Marsteller's staff. Edelman stumbled over a question about the predominance of women entering PR before saying, "We need balance." Got that, girls. ■

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