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Spy TV

JUST WHO IS THE DIGITAL TV REVOLUTION OVERTHROWING?

by David Burke

The chances are you spend one quarter of your waking life in front of a TV set, perhaps saying, "it's like having someone in the room." Meanwhile, because of television, you have fewer conversations, and fewer people know you intimately.

But a new type of television is being developed, called "interactive TV." Millions of dollars are being spent to create a device that *really* is someone in the room with you, someone who will know you intimately. Matthew Timms, head of programming at Two Way TV in London describes this digital revolution you have heard so much about:

"Somehow they feel they're sitting there, it's just them and the television—even though the reality is that it's got a wire leading straight back to somebody's computer. So it actually gets sort of interesting information back."

Timms is talking about his customers, the people who pay him money each month. Perhaps they were attracted to his company's subscriber list by its promises of Choice, Fun, Convenience, Empower-

FLACK ATTACK

Half a century ago George Orwell wrote *1984*, a novel that depicts a world in which everyone has a television set in their room—a TV that watches you as you watch it, with government agents standing by to make sure you keep watching and responding in approved ways. According to *Spy TV*, Orwell's dystopic vision may not be far off. Television sets that monitor their audience are currently in the planning stages, and while they may offer somewhat better entertainment than Orwell imagined, corporate marketers already have plans to use them in ways that make Orwell's fears of mind control seem eerily on target.

Spy TV is a 160-page book, edited by David Burke with contributions by Deirdre Devers, Jean Lotus, Simon Davies and Ibrahim Hasan. It quotes marketing gurus, pollsters and programmers who are enthu-

siastic about their plans to develop "interactive TV," which Burke suggests will mean unprecedented new levels of corporate intrusion into the privacy of our own homes.

Traditional television certainly has its own share of flaws—the "boob tube" that encourages us to tune in, turn on and zone out. Burke does a great job of capturing the ways that traditional TV has eviscerated popular culture. *Interactive* television, however, adds the ability for marketing gurus to monitor and manage our behavior while we watch whatever digital video spectacle they decide to place in front of our eyeballs.

With interactive TV, every choice we make—whether it be to order a pizza or switch channels—can be tracked in a database controlled by the TV service

continued on next page

ment, Control—that's what interactive television offers. Sitting on your couch, you will soon be able to have almost any product or service you desire, delivered at the touch of a button.

But what if you prefer to monitor people in their homes, any time, day or night? What if you want to build up, over years, psychological profiles of individuals from a distance—what motivates them, what makes them anxious, what makes them jump? What if you want to use that knowledge to manipulate what they know, how they feel and, finally, what they do?

Interactive television can deliver that as well. It can provide all this control to any company or government that is able to pay the money. "We can build up profiles of people," says Two Way TV Managing Director Simon Cornwell, "based on what they say and on their actual behavior. Eventually the product will target itself to individual customers and what one customer sees will be very different from what another customer sees."

Interactive television will be used to invade viewers' privacy. Contrary to what you may have heard, that is important, because privacy was never about information; it's about power—the individual's bargaining power with the rest of the world. If you have nothing left to hide, then your negotiating position is impossibly weak. Your free will is exposed to tampering, and you may have much to fear.

This technology creates experimental conditions in the home . . . a loop of stimulus, response and measurement as carefully designed as those boxes where rats hit buttons to get food and avoid electric shocks.

If asked, people who work in interactive television will admit that this technology creates experimental conditions in the home. The machines that control your TV set will show you something, check to see how you react, and then show you something different. That's not just convenient. It's a loop of stimulus, response and measurement as carefully designed as those boxes where rats hit buttons to get food and avoid electric shocks.

A digital interactive television will be able to do some or all of the following things:

- Broadcast content
- Address content to individual sets
- Customize content on the fly
- Send video on demand
- Receive information from the viewer's set

The people who sell it call interactive television "a convergence." And it is—of so many things: marketing, child psychology, advertising, public relations and politics. Not to mention complex adaptive systems software.

But how will it affect you? You are about to accept a powerful new device into your home, and interact with it every day for an average of four hours, that is half the time you are not sleeping and working, for the rest of your life. What is this machine designed to do?

It is hard to find out the truth about this machine, and decide whether to accept it. The only people who know anything, and are doing all the talking, are the companies trying to sell it. And they haven't been telling the whole truth—not in the television commercials, glossy booklets or their carefully worded contracts. ■

Flack Attack *continued from page one*

provider. As direct marketers well know, that sort of information is extremely valuable to business, and they have lots of plans to use it. The day may not be far off when intimate details about our buying, sexual and political choices are scrupulously tracked in "real time" and sold to companies that manipulate our thoughts and behavior.

Burke describes interactive TV as a sort of enticing but dumbed-down internet, in which "end users" make decisions only within the context of the choices offered by media slicksters. Even more disturbing is an essay by Deirdre Devers titled "Fun: How the TV Set Will Raise Children." Devers details marketers' plans to draw children into this new virtual reality, in which cyber-friends replace real ones and their toys are programmed to say things such as, "Mmm, I smell french fries. I'm hungry—are you?"

Notwithstanding the disturbing nature of this vision, *Spy TV* is an enjoyable read, leavened with wit and little sparklers of sly insight. Issued in 1999 by Slab-o-Concrete Publications, a small press in England, *Spy TV* has not found a large readership, which is a shame because it is full of important insights into trends that may shape our brave new cyber-future. PR Watch is pleased to publish these excerpts.

To buy the book (ISBN 1899866256), visit its website (www.spyinteractive.com), or contact White Dot USA, PO Box 1187, Oak Park IL 60304. White Dot also has its own website (www.whitedot.org).

A DUMBED-DOWN VERSION OF THE INTERNET

by David Burke. Excerpted from *Spy TV: Just Who Is the Digital Revolution Overthrowing?*

Obviously, no one who criticizes television can unre-servedly embrace the internet. One cathode ray tube can be as bad as another, and there are many users wasting their lives in chat rooms who should be out chatting with real people in their street or local bar. But the internet has, to some extent, managed to threaten television. It has put a glossy new front end on the old idea of human contact, and made people wonder why they should have to spend so much time watching commercials. It reminds them that they can do better than TV's lifestyle of risk-free entertainment.

Open access: Like the cheap, hand printed leaflets of the 18th century, the internet has given anyone with an opinion or a story their chance to be heard. High distribution costs no longer stack the deck against a single author or small group.

Less censorship: The structure of the internet was originally designed by the U.S. military to withstand nuclear attack by operating without any central control. Governments have had a difficult time trying to limit access to such a system, and have sometimes just given up.

No programming: Unlike a TV viewer, an internet user logs on, gets what he or she wants and leaves. The user is not tied to a schedule. . . . This arrangement is sometimes referred to as "pull technology," and people like it. Advertisers are less happy.

E-commerce: The internet has the potential to break open national economies, providing small businesses with the same sales and distribution network as huge multinational corporations.

Text based: Even with better and better pictures, and the advent of sound files, animation and mini-cams, the internet has revived popular excitement about reading and writing. Just when we were told they were obsolete, we can again feel the power and living importance of words.

Communication: If you want to exchange messages with people all over the world, you have to have something to say. You have to have a personality robust enough and resourceful enough to reach out to them. You have to care enough about subjects to converse about them. TV has always shielded us from those requirements. The internet challenged its users to rediscover them.

This is real interaction, not just pushing buttons, but using the buttons to meet human beings. And it makes television look bad.

SAVING TELEVISION

The television industry's response to the internet has been predictable. Companies have formed with names like Videotron, Two Way TV, Rupert Murdoch's BskyB, British Interactive Broadcasting, Microtime Media, WebTV, Sky Digital and Cable & Wireless. They are teaming up with telemarketers, video game designers database vendors and companies like Microsoft to invent a new paradigm.

First, **convergence**. They spoke at first about the need for investment in the internet, to clean it up, weed out the rogue elements, improve the picture quality and standardize the e-commerce. In other words, make it fit the television model. This did not work. The internet proved too big to tame.

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Second, **subversion**. They bought, and continue to buy up, the internet portals, those search engines and home pages where people go first. These immediately became more TV-like and, as much as possible, promote the kind of leisure “surfing” that fits in with television. The portals now promote television brands and programs using the familiar words “Tonight only!” or “Don’t miss it!”

Third, **replacement**. Digital interactive television is meant to satiate viewers’ desire to join the digital age, while reassuring them that there is nothing new at all—just better commercials. As one advertising manager admits, “The endgame is to create a more profitable platform than the internet.”

We are all about to take the next step, as computers move from observing households to observing individuals.

It keeps only the bits of the internet it can use, while shutting out any elements that constitute a threat to the old business model.

THE FABULOUS FEATURES OF INTERACTIVE TV

Limited access: The people who make and control interactive television are broadcasters. No one has any intention of opening the airwaves to everyone and every message, the way the internet does now.

Censorship: Believe it or not, this is a selling point. For all the commercialism and violence on TV, interactive TV providers still hope that viewers will be more nervous about the internet. There is a clear corporatist interest in demonizing the internet. Tight control over content, exercised by a few large companies, is meant to reassure people who have heard that cyberspace is nothing but a rendezvous for pedophiles and bomb makers.

Push technology: The push concept is crucial to interactive television. If a large choice of programs increases the risk that users will turn off their sets altogether, it is necessary to limit that choice again—package it dynamically into something fleeting and exciting. Television depends on the “big event.” Something has to get viewers staying in to see it.

That something is the Electronic Program Guide (EPG)—the on-screen television listing which allows users to choose programs. It’s like a web browser, except it doesn’t go where you tell it to go. It only goes to the places it offers, and is designed to nudge viewers into profitable directions.

E-commerce: If e-commerce on the internet threatened to open up competition so that every tiny business had the ability to trade with the world, interactive television closes that threat. As with commercials on ordinary TV, e-commerce on your television will be costly and tightly controlled. Participation will be limited to the same kinds of companies who advertise on television at the moment.

Picture based: Interactive TV’s big advantage over the internet is its bandwidth. Rather than a few still pictures and some crude video, interactive television delivers all the flashing, sexy, moving images that a viewer could ever hope to sit and stare at for hours.

Entertainment: Interactive TV is not about communication. It may offer email, but the primary goal is escapism, just like ordinary TV. And the only interaction most viewers will have is with the software. Like a video game, or a coin operated gambling machine, an interactive TV is designed to get you deeply involved with a machine.

MILITARY SURVEILLANCE FOR THE REST OF US

Of course, computers have been doing this for decades. In the 1960s Nielsen audits gathered 8 million bits of information about what was produced. In the 1970s, warehouse data was used to compile 130 million bits of information about what was sold to retailers. In the 1980s, store scanner data was used to amass 200,000 million bits of data about what people bought. And, according to Andersen Consulting, the 1990s have seen the focus move closer, to the household level. Systems that hold your address now produce 300 million million bits of information.

But we are all about to take the next step, as these computers move from observing households to observing individuals. Taken to this smallest unit, the use of such data becomes one to one marketing, a philosophy of “relationship marketing” that has exploded in popularity.

Databases are already collecting information about you including your address, occupation, family members, ages, income, purchases and ownership of various things. It will be easy for broadcasters to create the following additional reports about viewers of interactive television:

- Viewing hours over week
- Channel choice over week
- Loyalty to shows
- Who watches a certain show or shows, in order by wealth of neighborhood

- Advertisements missed or seen
- Viewer restlessness by type of program
- Viewer restlessness by type of advertisement
- Response to big events

These reports are simple but powerful. they describe behaviors in each household that broadcasters and advertisers have long dreamt of knowing. How many people are watching a car program, for how long, and how many of them live in wealthy neighborhoods? Who are they? What are their addresses?

CLUSTER BOMBS

Neural networks will be used with digital interactive television in a number of important ways. This first is called collaborative filtering. And if you ever buy books on the internet, you can see it at work. Search for the book *1984* by George Orwell at the online bookstore Amazon.com and the page you get informs you, down at the bottom, that people who bought *1984* also bought:

- Animal Farm by George Orwell
- Brave New World by Aldous Huxley
- Fahrenheit 451 by Ray Bradbury

To come up with this advice, the software has been observing all people who buy all books. As more Amazon customers are seen buying the same two books, you can imagine those titles moving closer together on some virtual map. Eventually, clusters of titles appear, and the computer has invented a category of book.

To an extent you never thought possible, what you like and don't like to do will become known, and even predictable.

What you do with your TV will fit you into clusters of activity that extend far away from your television, to areas of your life you thought were yours alone. To an extent you never thought possible, what you like and don't like to do will become known, and even predictable.

Consider that every program is also, to some extent, a commitment to think certain thoughts and spend time with certain imaginary people, and it is easy to see that what you watch will say more about you than your choice of detergent. It can hint at the answers to such questions as:

- What anxieties do you have in your life?
- What is your attitude toward sex?
- What issues will determine how you vote in the next election?
- How would you define a healthy family?

The second important application of neural network software to digital interactive television will be used to help segments of the population find themselves. This is a version of the clustering technique described above, except that instead of clustering actions around people, the software clusters people around the things they do, or products they buy, or opinions they hold.

The Amazon.com website features the use of this application as well. If you go to a service of theirs called "Book Matcher," you will be invited to rate five books from a long list. The service is then able to recommend other books you might like. To come up with these recommendations, the computer uses the collaborative filtering described before. But in this case, when looking for clusters of products you might like, the computer pays more attention to purchases made by people who have already shown themselves to be similar to you.

So for instance, if next to George Orwell's *1984* you selected "Loved it!" then the computer would pay more attention to the recommendations of someone else who liked that book, or someone who liked Ray Bradbury's *Fahrenheit 451*.

A company called Andromedia that makes this kind of software refers to these people as your "like minded peers," and Amazon.com also describes their Book Matcher as "a meeting of minds." The funny thing of course is that you will never meet these other people you seem so well matched with, except on Amazon's terms. You have not come together for any purpose of your own, but instead have been identified as a segment of the population for someone else's purposes. ■

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BOOB TUBE BABIES: HOW I-TV REINVENTS “FUN” FOR CHILDREN

by Deirdre Devers. Excerpted from *Spy TV: Just Who Is the Digital Revolution Overthrowing?*

Interactive television has been sold as opening up a new world to children. When people said the same of the internet, the meaning of the phrase was simple—the bodies who own the airwaves lost control of a medium that let everyone have their say. Large amounts of information and communication became freely available from, and moves between, ordinary people from all over. And the world which was opened up was not new or virtual at all. It was our own.

The virtual worlds came later, especially after the creation of the world wide web. By changing emphasis from the information people exchange to the clicking they do to get it, many games, works of fiction, and on-screen “hangouts” were created. What defines these online places is their element of control. Visitors have control of what happens within an unreal “space,” the design of which is in total control of a designer. They are not communications with Earth, but an alternative to it, measured in users’ hours of enjoyment and whatever else their designers have in mind.

On interactive television, such virtual worlds, usually created by ad agencies, will be the only ones on offer. And the people for whom most of them have been designed are children, those earliest of early adopters of new technology. To see how everyone will live with interactive television, it is worth examining these worlds that the next generation of interactive consumers already inhabit.

For mother and child, interactive children’s programming appears at first to be a great improvement over passive television viewing. But the relief they feel, and their need for increasingly sophisticated entertainment technology, are themselves a new phenomenon. Any virtual world must take place within a real one, most frequently a child’s bedroom. What is important about any interactive media is not what is presented on the screen, but what goes on around it.

“Families have become more fragmented,” says Matthew Timms of Two Way TV, one of the companies working to develop interactive television. “We’ve found that most of the families we were talking to tended to have three or more TVs in their home and everybody would go off and watch their own programs on their own TVs; you know there’s more channels, more choice.”

As Timms demonstrates, children are increasingly seen as sophisticated consumers of their own media experiences, making their own decisions about what they watch and how they interact with machines. But a five-year, Europe-wide study of children has recently questioned whether children actually have the choices they want.

In Britain, Dr. Sonia Livingstone of the London School of Economics has described a process she observed from interviews with children at home whereby nervous parents keep children inside from fear of crime and traffic. To avoid arguments and make up for the loss of freedom, parents buy their children entertainment technology to explore. So computers and televisions are not the first choice of these supposedly sophisticated young media consumers. Repeatedly, what children told Livingstone they wanted was the freedom to go outside and be with friends. A study in Zurich went further, describing children as either “free range” or “battery.” The “battery” children were poorly socialized, aggressive, and prone to depression.

The excitement of exploring virtual worlds is being offered to children not in addition to, but in place of something. Only now are people beginning to count the real world cost of virtual convenience. Dr. Anthony Underwood is a pediatrician in Australia who has been studying the effect of television on children’s imaginations.

“When a child comes into my surgery who watches a lot of television, I can tell,” says Underwood, and describes what happens when such a child is offered some blocks to play with. “The child will not know how to play with them. He’ll wait for instructions or ask what they do.”

To doctors or parents, news of children with impaired imaginations trapped in their bedrooms is troubling. But, by what it is hopefully just a coincidence, it is nothing but good news for people whose livelihoods depend on a captive, unquestioning audience. Virtual worlds, full of children with nowhere else to go, are a marketing man’s dream.

As is already done on the internet, interactivity allows the use of a meeting place or hangout metaphor, meant to take the place of the tree houses or street corners that are now off limits. the Kellogg’s Club House™ web page welcomes young users with the following meticulously researched kidspeak:

“Hey there Cyberslackers, you’ve made it to Kellogg’s Clubhouse™, the hottest stop for the hippest Web hopper. . . . Looking for some household hype? Then eyeball these Awesome Activities, or send a stylin cyber-surprise with Kellogg’s™ E-cards.”

Nobody is actually at this website, except illustrations of Snap, Crackle and Pop reading the letters they’ve been sent. The site should probably provide some animation quickly if it is to keep up with the proliferation of club houses, secret clubs, hideaways and virtual soda shops crowding the web with various well-drawn, well-

researched non-entities. Children are willing to join in these simple imitations of companionship because, looking around their own houses, they have little choice.

Almost like playing with a real friend, the virtual world is a shielded and private place for expression, in which parents are rarely involved. Almost like playing outside, a child is given a sense of power by exerting control over characters on the screen.

A virtual world will also offer incentives for returning, calling the child by his or her name, or offering rewards such as vouchers. "For instance," says Matthew

Timm of Two Way TV, "in a pre-school, three or four year old type of program, we run a recognition game so that whenever a particular character runs on screen you press a button and you get a reward for having seen it happen."

The virtual world also provides for a child's real life needs without the responsibilities or social demands of real life. In the Kellogg's Clubhouse™, a child isn't chastized or bullied or told off by teachers. It's a great benefit to the growing number of children who, for some reason, now suffer from shyness. ■

Fired Fox-TV Journalists Win Goldman Environmental Prize

Former Fox-TV reporters Jane Akre and Steve Wilson have received the prestigious Goldman Environmental Prize, the world's largest award for environmental activists.

PR Watch first reported on Akre and Wilson in our second quarter 1998 issue ("Monsanto and Fox: Partners in Censorship"), which details how they were fired in December 1997 by Tampa station WTVT after the Monsanto company objected to their investigative report on the company's controversial genetically modified product, recombinant bovine growth hormone (rBGH). Our fourth quarter 2000 issue carried a story by Akre on their difficulties finding work since their firing ("The Cost of Taking a Stand").

Akre and Wilson say their former station did not merely suppress their report but repeatedly ordered them to "broadcast demonstrably inaccurate and dishonest versions of the story." In August 2000, a Florida jury awarded Akre \$425,000 in damages under the state's whistleblower law, concluding that she had been fired "because she threatened to disclose to the Federal Communications Commission under oath, in writing, the broadcast of a false, distorted, or slanted news report which she reasonably believed would violate the prohibition against intentional falsification or distortion of the news on television." The station has appealed the jury verdict, a process which is expected to take years before Akre can hope to actually receive payment. In the meantime, the husband-and-wife team remains unemployed.

Akre says the Goldman award, which includes a prize of \$125,000, is welcome not only as recognition for their efforts on behalf of the environment, but also because it will enable them to continue their legal battle with Fox and Monsanto, and also "to continue

to produce documentaries and other projects to bring attention to genetically engineered foods, the state of the American media, and other important issues that the mainstream press is just not covering any more."

The Goldman Environmental Prize has sometimes been termed a "Nobel Prize for grassroots work" that calls attention to a significant environmental issue. Founded and funded in 1990 by San Francisco philanthropists Richard and Rhoda Goldman, the prize annually distributes cash bequests to six of the planet's most deserving "environmental heroes." Prize winners are selected by an international jury from confidential nominations submitted by a network of over 20 environmental organizations and individuals representing nearly 50 nations. Akre and Wilson are the first journalists to ever win the award. Other recipients who received the award on April 21 of this year included a Rwandan who crusaded to save his country's last 355 mountain gorillas, a Greek biologist who brought feuding nations together to save a fragile ecosystem, and an indigenous woman in Indonesia who fought the destructive mining activities of Freeport-McMoRan Copper & Gold Inc.

"We are both incredibly humbled by this honor," Akre and Wilson said in receiving their award, "especially after spending the last few days meeting the other winners selected from each of the other five inhabited continents on Earth."

Akre and Wilson have publicized their case through their own website (www.foxbghsuit.com), but their story has been largely ignored by the mainstream news media. News of their Goldman award has also received minimal coverage, and the few stories that have appeared usually omit any mention of either Monsanto or the Fox network.

PR WATCH WEBSITE LAUNCHES "Spin of the Day"

by Sheldon Rampton

The PR Watch website has added a new feature called "Spin of the Day," which will post brief summaries of current public relations campaigns, with links to websites and print publications that offer further details.

As traffic to our website has increased, we have begun receiving frequent news tips from activists, PR industry insiders and members of the general public. The purpose of Spin of the Day is to pass this information on to journalists and others interested in tracking the often-hidden influence that public relations exerts on the news and public opinion.

The latest postings to Spin of the Day can be found at the following URL:

<http://www.prwatch.org/cgi/spin.cgi>

Examples of recent headlines posted there include the following:

Corporations Urged to Declare War on Food Activists: Agribusiness needs to use "attack technologies" against activists, according to Nick Nichols of the PR/crisis management firm Nichols-Dezenhall. Speaking to the annual business meeting of the National Pork Producers Council, Nichols quoted gangster Al Capone, who said: "You can get more with kind words and a smile and a gun than you get with kind words and a smile."

Greenwashing on Trial: Does Nike have a First Amendment right to publicly claim that it is a leader in fighting sweatshops—or is that false advertising? In a lawsuit that could have far-reaching implications for corporate greenwashing campaigns, environmental activist Marc Kasky has sued Nike Inc., charging that the company's public claims about conditions in its Asian factories amount to false advertising.

Database Reveals Many Scientists' Links to Industry: The Center for Science in the Public Interest has posted on the internet a database of more than 1,100 professors and scientists who consult for or have other affiliations with chemical, gas, oil, food, drug, and other companies. The well-documented database is part of CSPI's Integrity in Science project and is designed for activists, journalists, policy makers, and others who are concerned about potential conflicts of interest. and who seek greater public disclosure of corporate sponsorship of science. The website (<http://integrityinscience.org/>) also provides partial information about nonprofit and professional organizations that receive industry funding.

Spies for Hire: A group called "Military Information Services" is offering its skills in "psychological warfare" to corporations and governments. A unit of MIS called "Behavior Modification Operations" calls itself "a unique international corporate advisory company ready to fulfill your specific behavior modification requirements

in support of organizational objectives in unstable areas and nations of the world. BMO is staffed by psychological warfare and military operations professionals who specialize in developing regions of Africa, the Middle East, Asia and South America. . . . By means of specially designed crises communications programs, BMO personnel are thoroughly trained to facilitate local acceptance of your organization's objectives at all levels of a given society, from leaders of developing nations to hostile local groups and communities. Simply put, we will ensure your operations are sympathetically supported by both antagonistic and indifferent local populations groups. . . . BMO will work with your organization to provide effective influence over a given local population's opinions, emotions and attitudes." BMO also promises to keep its activities secret through "secondment of our specialist to any of your departmental extensions overseas (be it PR, HR, Legal, etc.) so that the secondee will be veiled (hidden) in your organizational chart and will provide management information strictly to the designated executive for his/her discretionary use."

Chemical Industry Archives: The Environmental Working Group has created an extensive archive of internal chemical industry documents (<http://www.chemicalindustryarchives.org/>), detailing what insiders knew but didn't tell us about topics such as arsenic, the dangers of hairspray or the severe contamination of a chemical company town in Alabama.

Fineman Wins Gold Award for Pacifying Pacifica: The Bulldog Reporter, a publication that specializes in compiling dossiers on journalists for corporate PR use, has given its "gold award" in "crisis communications" to Michael Fineman of Fineman Associates Public Relations for his work on behalf of the Pacifica radio network. Fineman was hired to help contain the image problems that arose when the Pacifica's management used armed guards to forcibly expel veteran broadcasters, arrested demonstrators, and shut down station KPFA in Berkeley, CA.

Film Tooned Into Products: Animated films are increasingly focusing on characters who don't have to worry about going commercial—because they come from advertisements. Chef Boyardee, Mr. Clean and Mrs. Butterworth are among the shells now offered leading roles in "Foodfight," an upcoming movie where product placement is essential to the plot. The organization Commercial Alert has issued a news release calling the movie "a sick and pathetic effort to take advantage of young children for monetary gain" which "raises the commercial assault on children to a new level of brazenness." ■

WPP: World Propaganda Power

by Sharon Beder and Richard Gosden

For the past 15 years, the disparate international tribes of ad men and PR consultants have been quietly consolidating their power by forging giant conglomerates. The two biggest, WPP and Omnicom, were founded within a year of each other in the mid-1980s. Together they now manage the hearts and minds of global populations for their transnational corporate clients.

The rationale behind the amalgamation of advertising and PR companies is simple. The merging spree of transnational corporations in the 1980s and 1990s produced giant companies with far-flung assets and interests. These vastly enlarged corporate entities demanded one-stop advertising and PR services. To provide this service, financial whiz kids moved into the communications business and began the amalgamation process.

Readers of *PR Watch* are well aware of the dubious achievements of long-standing PR firms such as Hill & Knowlton or Burson-Marsteller, but some might be startled to learn that the manipulative skills of these two companies have recently been combined under one roof. Hill & Knowlton has been owned by WPP since 1987. In October 2000 WPP also acquired Burson-Marsteller when it bought Young & Rubicam for \$4.7 billion. With the Young & Rubicam purchase, WPP overtook Omnicom and lunged into forward position as “the world’s leading communications services group”.

Clients of the WPP Group include the majority of companies in the Fortune Global 500 and the NASDAQ 100, including Ford, IBM, Kellogg, Eastman Kodak and American Express. The combined revenues for WPP and Young & Rubicam were \$5.2 billion in 1999, and their combined market value was \$14.5 billion. The WPP Group is now one of the top three communication service providers in every market of the world.

“We share a common philosophy and culture of providing clients with integrated solutions to their marketing needs,” said WPP founder and CEO Martin Sorrell at the time of the Young & Rubicam acquisition. Indeed, WPP is able to offer clients every conceivable service associated with marketing their products and promoting their corporate goals. It employs 55,000 people in 92 countries and has 1,300 offices. It consists of more than 80 companies including some of the world’s largest firms in the areas of advertising: J. Walter Thompson, Ogilvy and Mather, Young & Rubicam. Their services include branding and identity; demographic marketing; direction, promotion and relationship marketing; investor relations; public relations; strategic marketing consulting; and media investment and services. In the field of public relations alone the WPP Group owns 18 companies. In addition to Burson-Marsteller and Hill &

Knowlton, it can draw on the skills of Ogilvy Public Relations Worldwide, Cohn & Wolfe and several others.

Sorrell doesn’t like to use the word conglomerate to describe his monster. He prefers to call it “a group of tribes. I think the tribes have their value. We would lose a lot of that value if we were only members of the Ogilvy tribe, or the J. Walter Thompson tribe, or the Hill & Knowlton tribe.”

WIRE AND PLASTIC

WPP began from very humble beginnings in 1985 when Sorrell and a partner paid \$676,000 to purchase a controlling stake in a British company called Wire & Plastic Products, which manufactured wire shopping baskets, filing trays and assorted oddments. Previously, Sorrell had been financial director for the Saatchi and Saatchi advertising agency, managing its takeovers of companies in the US and the UK, but he had a vision of far bigger things.

Clearly, Sorrell had no interest in making wire baskets when he bought Wire & Plastic Products. What he wanted was a shell company, a vehicle for buying up other companies. In 1986 Wire & Plastic Products became the innocuous-sounding WPP Group, with Sorrell as its CEO. That same year, the company acquired 10 marketing companies in the US and the UK.

Other acquisitions, financed with borrowed money, followed in quick succession. In a 1987 hostile takeover, WPP acquired the much larger US-based J. Walter Thompson Group, which included Hill and Knowlton, for \$566 million. This was only one of nine major acquisitions WPP made that year. Two years later it acquired the Ogilvy Group for \$864 million, prompting *Time Magazine* to describe Sorrell as the “Machiavelli on Madison Avenue” and “the most feared raider to set foot on Madison Avenue.”

In 1990 *Advertising Age* named WPP the top advertising agency in the world. And while WPP was acquiring companies as fast as the banks would allow, its subsidiary companies were also making their own acquisitions. “We continue to trawl carefully for acquisitions and investment opportunities,” noted WPP’s 1999 annual report.

This takeover activity is still proceeding at full pace without any limitations in sight. Simultaneously, WPP is also busily expanding the reach of the companies and networks it has already purchased. Its annual report boasted that in 1999 WPP “increased its equity interests in advertising and media investment management agencies in Australia, Austria, Brazil, France, Italy, the Netherlands, Portugal, Spain, Sweden, the UK and the US; in information and consultancy in Argentina,

France, Germany, Mexico, Poland, the UK and the US; in public relations and public affairs in Chile, Germany, the UK and the US; and in branding and identity, health-care and specialist communications in Brazil, the Czech Republic, France, Germany, the UK and the US.”

WPP seems to be aiming to become more than just a holding company. Its stated goal is to be “the preferred provider of multinational marketing services,” providing clients with a comprehensive and integrated mix of both tactical and strategic services. “It is politically incorrect to say so, but our big clients are becoming more coordinated,” Sorrell told *Forbes Magazine* in 1999. For that reason, he explained, communication services must also be coordinated and centralized.

One of WPP’s strategies is to form internal networks of its companies to offer specialist services. For example, CommonHealth combines all the WPP companies with expertise in healthcare communications to make an organisation that WPP claims is “the largest healthcare communications resource in the world.” Its services include “advertising, consumer promotion, public relations, medical education, and the latest interactive technologies.” Its established clients include Pharmacia & Upjohn, Procter and Gamble and Astra Zeneca.

GLOBAL POWERHOUSE

What is the significance of this concentration of ownership in the communication services industry? Is it, as the *Guardian* newspaper suggests, simply that the advertising and PR industries are catching up with the consolidation binge of transnational corporations? “Having lagged behind the companies they serve for more than a decade, ad agencies rushed to buy, or be bought, in an often bewilderingly rapid feeding frenzy.”

Does it matter that four of the world’s largest public relations firms are now owned by the same corporation? WPP is a potential powerhouse, a huge propaganda machine, with the reach and coordinated skills in people manipulation that might allow it to rule the hearts and minds of the entire global population.

Some ad men and PR flacks have long dreamed of such a tool. Even back in the early 1980’s, when J. Walter Thomson was small fry compared to its WPP parent today, one of its executives went on record musing, “We have within our hands the greatest aggregate means of mass education and persuasion the world has ever seen—namely, the channels of advertising communication. We have power. Why do we not use it?” WPP is a UK-based company. This means that when Hill & Knowlton masterminded the Kuwaiti campaign to sell the Gulf War to the American public, the owners of this highly effective propaganda machine were residing in another country.

Should this give pause for thought? Does it demonstrate a certain potential for the future exercise of global political power? The power to manipulate democratic political processes through managing public opinion, which Hill and Knowlton demonstrated 10 years ago, is trifling compared to the potential power now residing in integrated conglomerates like WPP and Omnicom.

Sorrell himself is a somewhat enigmatic figure. He is reported to have a grandness of vision that isn’t reflected in either his diminutive stature or his modest self-appraisal. He once famously described himself as “a dull, boring little clerk,” but this was before he received a knighthood last year and became Sir Martin.

The chairman of the WPP Board is Hamish Maxwell, who was chairman and CEO of Philip Morris from 1978 to 1991. During the 1980s, when tobacco money was busy with corporate takeovers, Maxwell played a leading role, overseeing Philip Morris’s acquisitions of General Foods, Kraft and several other major consumer goods firms. Maxwell has been chairman of WPP since 1996.

Both Sorrell and Maxwell have backgrounds as financial wheelers and dealers, and there is very little on the record which suggests that either one has any kind of political or social vision beyond business. But of course, politics and social engineering is the business of business, isn’t it? Sorrell even admits that he has never designed an ad in his life and is happy to call himself a money man. “I like counting beans very much indeed,” he says. But he is a money man with a fascination for marketing and public relations. He is said to have a vision of a central role for what he calls “creative” communications in a coming Creative Age when conglomerates such as his will occupy the pivotal position as “creative business consultants” and much more.

But how much more? Sorrell apparently mourns a past when companies would “welcome an agency’s thoughts on just about all aspects of their business” and envisions the coming Creative Age as a time when companies like WPP will advise powerful corporations on “all aspects of their business.”

Is this a man prepared to tell the world that “toxic sludge is good for you”? Perhaps. But Sorrell’s ambition appears to be matched by that of his rival John Wren, the president and CEO of Omnicom. “We’re the people who can take cosmic dust and turn it into a brand,” Wren boasted in an interview with *Business Week*. ■

Sharon Beder is author of *Selling the Work Ethic: From Puritan Pulpit to Corporate PR* (Zed Books, 2001). Richard Gosden is author of *Punishing the Patient: How Psychiatrists Misunderstand and Mistreat Schizophrenia* (Scribe, 2001).

CRAIG SHIRLEY DOES THE DISABLED

by Marta Russell

Conservative PR man Craig Shirley recently created a front group called Disabled Americans for Death Tax Repeal (DADTR), which ran full-page advertisements in the *Wall Street Journal* and *Washington Times*, urging Congress to abolish the federal estate tax.

DADTR was created to spin the public debate over the estate tax, bringing in disabled people as a way of suggesting that repealing the tax would actually hurt the needy. As a disabled person myself and the author of a book about disability policy and politics, I was particularly offended by the deceptive nature of its arguments.

DADTR is headed by a photogenic woman named Erin O'Leary who says she suffers from multiple sclerosis. It says the federal estate tax hurts disabled people by preventing mothers and fathers to assist their disabled children with long-term care needs after their death. It claims that millions of individuals have left major estates for the medical expenses of their children or relatives with disabilities, and these estates are being taxed away.

This contention is simply not plausible. The federal estate tax applies only to extremely wealthy individuals when they die. Estates worth less than \$675,000 are excluded from taxation. Already less than 2% of taxpayers pay this tax (representing fewer than 43,000 estates in 1997), and legislation has been passed that will increase the exclusion to \$1 million in 2006. In dollar terms, two-thirds of the estate tax is paid by the richest 0.2% of taxpayers. The mere fact that the Bush administration is talking about repealing it gives some indication of its loyalty to the interests of rich people.

While it is true that many disabled persons have major health care expenses, the vast majority are from families of modest means. Only a very small percentage of the disabled population receives inheritances from estates above the current \$675,000 exclusion. It is simply impossible that 4 million disabled people could be adversely affected by the estate tax, as DADTR claims.

Overall wealth and income gaps between Americans of different means remain wider today than at any time since the end of World War II. The US has the greatest wealth and poverty polarization of any "first world" nation. A 1997 study found that about 10% of the US population owns or controls 77% of the nation's total net wealth (nonresidential), and the top 1% controls 43%. The top 1% of population maintains a larger share of wealth than the bottom 90%, with the top 10% owning over twice as much as the rest of the citizenry.

As a group, people with disabilities are among the poorest of all Americans. Based on data from the 1995 Current Population Survey, 38.3% of working-age adults with severe work disabilities (i.e., unable to work due to

a disability) live in poverty, compared with 30% of those limited in their ability to work and 10.2% of those not limited in work. The 1998 National Organization on Disability (NOD)/Harris survey found that 33% of disabled persons live in households with incomes of less than \$15,000; only 12% of adults without disabilities live in such households. In other words, disabled people are three to four times as likely to live in poverty as people who are not disabled. Presumably, if these individuals had family members with substantial means, these family members would be raising their economic circumstances above the poverty line before leaving an inheritance.

DADTR's use of the term "death tax" is also a misleading use of rhetoric. Who could oppose repeal of a tax on death? But the estate tax is not a tax on death; it is a tax on wealth accumulated during life, and it is the essential linchpin that attempts to ensure a playing field that is not grossly unfair.

The traditional smokescreen used to justify the elimination of the estate tax is that it forces the next generation to sell the family farm or business. Even if that problem were real, it could be remedied by targeted solutions. Similarly, DADTR's smokescreen concerning taxation of estates needed by disabled persons could be remedied by legislation that would allow special needs trust funds to be exempt for such purposes.

Actually, abolishing the estate tax is likely to cause new problems for disabled people, by eroding government revenues available for programs upon which disabled people rely.

ATTACKING RESPONSIBLE WEALTH

In its effort to make the estate tax look like a burden on the needy, DADTR has gone out of its way to attack Responsible Wealth, a group formed by wealthy people who see the need for decent wages and equitable taxes to ensure the well-being of the rest of the population.

DADTR describes Responsible Wealth's position on the estate tax as "a misguided advertising campaign by a group of multi-millionaires and billionaires . . . who want to preserve the federal estate tax claiming it would be an 'unfortunate legacy' for America's future generations to inherit family money and property." DADTR's Erin O'Leary said she was "deeply offended by the callous and heartless comments made by this group. I take offense that this group of wealthy elite should term helping people like me an 'unfortunate legacy' and that I shouldn't be allowed to keep the money my family has earned to offset future medical expenses."

I asked around disability circles as to who this O'Leary person might be. No one had heard of her, but

my investigation of Craig Shirley turned up quite a cornucopia of insight. Much of his work comes from various conservative groups like the National Rifle Association that use him to get their views on talk radio. In recent years, he has worked for the Kuwaiti government and for interests connected to Haiti's military dictatorship. The press contact person for Disabled Americans for Death Tax Repeal is Diana Banister, who works for Shirley and is also the contact person for an effort against election campaign finance reform. George Stephanopoulos tagged Shirley "an adviser to the Dole campaign, a paid agent to the tobacco lobby, a paid agent of the gun lobby."

Offended by Shirley's use of disabled people as props in his PR campaign, I contacted Andrew Batavia, a professor in the School of Policy and Management of Florida International University and former executive director of the National Council on Disability. Batavia is politically conservative himself and served under George Bush Sr. He is also a quadriplegic and, like myself, he opposes repealing the estate tax. We decided to write a joint rebuttal to the DADTR and thought we might be successful in getting it printed in the *Washington Post* if not in the *Wall Street Journal*. (Given the tendentious conservatism of the *Washington Times*, we assumed our chances there were slim.)

"Recently, a few vocal disabled persons have been claiming publicly that the estate tax should be repealed because it harms the disabled population," we wrote. "These individuals have been recruited by a sophisticated public relations effort sponsored by wealthy interests that wish to perpetuate their wealth indefinitely. . . . Using disabled people to front for the interests of the wealthiest members of our society is an outrage and a disgrace."

Our op-ed never saw the light of day. This astonished Batavia, who said he always got his right-of-center opinions printed whenever he submitted one. He was stunned, he said, by how "arrogant" the *Washington Post* had been with him. Was I surprised? After some thought, no. Craig Shirley had paid for his free speech, and I suspect that none of the newspapers wanted to buck a prospective paying advertiser by printing an opposing point of view. Paying for the "right" to free speech seemed to be our only way to overcome the impasse, and unlike Disabled Americans for Death Tax Repeal, we could not afford that luxury.

Marta Russell is the author of *Beyond Ramps: Disability at the End of the Social Contract*. She can be reached at ap888@lafn.org or at www.disweb.org. A version of this article first appeared in the Alternative Press Review (www.altpr.org).

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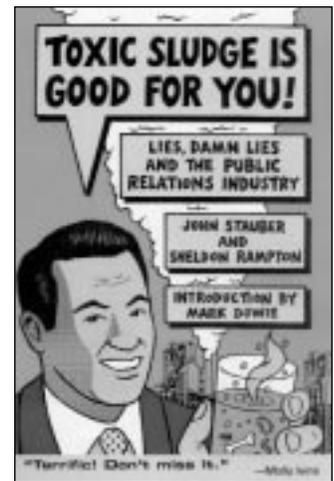
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