Marketing changes planned abroad for baby milk powder

Two U.S. producers of powdered baby milk have agreed to change their marketing practices in undeveloped nations, according to the Interfaith Center on Corporate Responsibility in New York.

The center, an agency of the National Council of Churches, has led a two-year campaign against the promotion and sale of baby milk powder in countries where families do not have the facilities to prepare the products properly. Increased malnutrition and death among infants has resulted in these Third World countries where instructions for the use of baby formula are not followed, the center claims.

Leah Margulies, director of the campaign, said Borden and Abbott Laboratories have made concessions that have prompted the church agencies that own stock in the companies to withdraw stockholder resolutions on the matter.

In its agreement with the church groups, Abbott, maker of Similac and other formulas, pledged to take its saleswomen out of nurses’ uniforms and call them “company representatives” rather than “mothercraft nurses.” The saleswomen will be prohibited from making home visits to families under the agreement.

Margulies said the companies have used nurses to promote baby formula to give the impression the products have a medical endorsement.

Abbott also agreed to spend close to $100,000 to develop and air a series of radio announcements promoting breastfeeding and to package more detailed instructions for the use of the milk powders inside the tins.

Borden agreed to withdraw all advertising that promotes KLIM powdered milk for feeding infants.

Though she applauded the steps taken by the companies, Margulies said powdered milk formulas continue to be available in countries where they “will inevitably be misused.” She said the church groups are calling for an end to free samples of the products and label warnings against improper use.

The stockholder resolutions were filed with Borden by the Sisters of Saint Joseph, who own 1,600 shares, and with Abbott by the Adrian Dominican Sisters (3,800 shares), Sisters of Mercy (3,000 shares) and Religious of Jesus and Mary (100 shares).

Sisters of the Precious Blood, another member of the center, have a lawsuit against Bristol Myers that could lead to the first major U.S. trial on the subject of overseas promotion and sale of infant formulas.

Some 135 Roman Catholic orders and 14 Protestant denominations are members of the Interfaith Center on Corporate Responsibility.

NSA to meet

Madison chapter of National Secretaries Association will have an open meeting Thursday at the Park Motor Inn. There will be a social hour at 5:30 and dinner at 6:30 p.m. Guest reservations must be made by today with Darlene Damon, 5308 Midmoor Rd.

The program entitled “A Professional Woman’s Tradeoffs” will be presented by Dr. John Wrage.
Church groups say American milk causing Third World malnutrition

TEXAS METHODIST—Baby milk and baby bottles are in the limelight right alongside human rights and population growth in the new International Development and Food Assistance Act of 1977 now on President Carter’s desk. And church groups have helped shape the issue.

The act calls for AID to evaluate fully the marketing practices of the infant formula industry in developing countries.

The AID Act claims that increased bottle feeding in chronically poor Third World countries is contributing directly to a sharp rise in infant malnutrition and deaths, according to research by the United National Protein Advisory Group, the World Health Organization and the International Pediatrics Association.

U.S. church groups, alerted to the baby milk situation, have had a real role in bringing infant nutrition to the attention of government and manufacturers through the Interfaith Center on Corporate Responsibility (ICCR). Beginning in 1974, both Protestant and Roman Catholic groups filed stockholder resolutions with U.S. baby milk manufacturers requesting information on their sales and promotion practices abroad.

THE UNITED METHODIST CHURCH’S World Division and Women’s Division of the Board of Global Ministries filed resolutions with American Home Products in 1976 and 1977 regarding their promotion techniques. Florence Little and Peggy Halsey, officials in the divisions, are representing the divisions in what they describe as a “good continuing conversation” with company officials.

Ms. Little said the conversations have been “open” and officials “responsive.” She said, “We feel we’re making some progress.”

Leah Margulies, ICCR staffer in charge of the infant formula campaign, said the reasons why infant formula is so disastrous for Third World babies are not hard to detect.

“Just look at the requirements for the safe use of infant formula: clean water, literacy (to read directions) and money. These are literally impossible in developing nations,” she said as a panel member addressing a press conference earlier this summer on world hunger.

ANOTHER PANELIST, nutrition expert Dr. Johanna Dwyer, said, “What is unfortunate is that once you put a person on any artificial product, you can’t go back. Mothers make a choice and only later realize the enormous expense of the formula. But they are hooked.” She is a professor at the Frances Stern Nutrition Center of the New England Medical Center Hospital and the Tufts University Medical School. As buying the formula becomes a financial burden, it is diluted, or water is substituted. Malnutrition is said to be 50 times more common among bottle fed babies.

Ms. Margulies levels much of the blame on U.S. companies seeking new markets as markets have become saturated in developing countries. She charges that intense promotion and “slick marketing techniques” have succeeded in foisting a technology on Third World countries—“they are not prepared to handle and which is disastrous to both their health and economy. Promotional practices under fire are: (1) mass media campaigns that promote infant formulas as “status symbols” and use implied medical endorsement to convince mothers to bottle feed; (2) companies employing uniformed nurses to promote the product, give free samples and visit hospitals, clinics and homes; and (3) free supplies given to hospitals and doctors.

ICCR REPORTS that both Borden and Abbott have agreed to restrict their uniformed nurses. They are now “company representatives” rather than “Mothercraft nurses.” Further, Abbott has agreed to spend $100,000 to develop spot announcements to promote breast feeding. Also, they will include more detailed instructions on the use of the formula.

THE CHURCH COALITION applauds these moves, says Ms. Margulies, but is still concerned about large expenditures to free sampling to hospitals, doctors or directly to mothers and the extensive promotion within the health care professions. It also wants products to be available only to mothers with a true need and the facilities for correct use.

Dr. Giorgio Solimano, an international nutrition expert on the panel, said governments are also an important part of the problem. Officials may not be aware of the implications of large scale switch from breast to bottle feeding for their nation, or they may be party to the marketing practices of the multinational companies, he said. Frequently, the medical community is unable to influence government policies.

Ms. Margulies said increasingly numbers of nations are aware of the problem and are taking some positive steps, such as limiting the sale of bottles and formula by prescription only.

She reported that throughout the Caribbean, commercial milk nurses are forbidden in hospitals and clinics and breast feeding campaigns have been initiated in several islands.

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8/5/1977
Nuns tackle profit motive to promote social justice in Third World nations

Continued from 1st Tempo page

the Swiss company's products.

At Abbott-Ross, Tom McCollough, whose title is "research specialist, Third World," said there are legitimate uses for formula products overseas that transcend the nuns' complaints. He cited the elite, educated segments of the population, and women who are unable to breastfeed.

"But we are dealing seriously with the problem that the nuns have presented through their resolutions, and we have been involved since a UNICEF meeting was held on the subject back in 1970 in Bogota (Colombia)," he said.

"I have, in fact, spent many arduous hours in conversation with Sister Marilyn," he added, "and we have the greatest respect for the sisters and their beliefs. It's an issue that has many ends that cannot be easily tied up. Putting a stop to the sale of infant formulas is not going to solve the problems of malnourishment in Third World countries."

LIKE MOST of the companies involved, Abbott-Ross has come up with a code of ethics to govern advertising and promotions in foreign countries in response to the growing controversy. But the apparent sure spot in many cases, even where there is an agreement to abandon the practice of using "milk nurses" and mass-media advertising, is the practice of working through local health care personnel.

At Nestle, perhaps hardest-hit by the campaign, feelings toward the nuns and their organizations are less favorable.

Nestle recently won a defamation suit against the Swiss Action Group for Developmental Policy, which put out a publication titled "Nestle Kills Babies" in 1974, but a representative in this country was vague about the economic impact of the boycott, though he said he was sure it would not peter out.

"They are committed," he said.

"I feel that the issue of the infant formula is just a graphic, sensationalized way of achieving Interfaith's real goal," said Steve Korzen, manager of the consumer affairs of the U.S. branch of Nestle. "I feel the group opposes multinational companies on the grounds that we are creating economic dependence in Third World countries, and that their real target is all multinationals."

He characterized the nuns as "unwilling to look at both sides or consider the facts in the case, although he said Nestle had brought in executives from Switzerland and flown the protestor to New York to meet with company representatives.

"It would be unthinknable and cruel to stop selling infant formula in Third World countries, because there are some very real needs, not only among those who physically cannot breastfeed, but among those who must leave home to go to work and support their families," he said.

But he added that Nestle, like most other companies involved, has come up with strict guidelines governing its overseas marketing practices and advised native mothers that "breast milk is best for your baby."

THE INTERFAITH groups have been inclined to laud their publications with pictures of infant graves where crushed milk formula can lie next to tiny white crosses, but the campaign for the most part has been a sober, well-informed argument.

The United Nations Protein Action Group has given some attention to it, and the World Health Organization has accorded some caution through its European branch.

"In the long run," said Leah Magudie, program director of the Interfaith campaign, who feels that the group has made progress with its movement, "it's a change in the social climate that ultimately causes changes in corporate responsibility."

"We know we can't solve the problems of malnutrition or unsanitary water supplies around the world," she conceded. "But we can stop our companies in this country from profiting on situations that clearly are not meeting the needs of the people in these nations."

"We feel that the choice is either to renounce the stocks, or to try to reform the companies from within. Stock is the best leverage. The sisters can't sell all holdings, because there are few "clean" stocks in this country as alternatives. So we use the ownership to raise issues. If the companies are still intractable two or three years from now, despite all our challenges, many of the convents will probably divest themselves of their stock," she predicted.

TO SISTER MARILYN, also involved in a move to encourage American banks and corporations to stop lending money to South African businesses, her role is that of the advocate rather than the adversary.

"I feel that I represent Third World mothers, and that it is my job neither to threaten nor to bully," she said.

One criticism of the nuns is that, by their very roles in life, they are too naive and sheltered to get involved in the world of finance and big business.

But Sister Marilyn quoted from a first-person account of what is happening overseas. Two members of the Eighth Day Center went to Guatemala to interview neighborhood pharmacy owners who reported selling 300 cans of one brand of formula a month. She also cited letters from missionaries in Kenya implying the trend away from breast feeding and the advertising gimmicks of formula companies. Missionaries said they have seen the formulas for sale in the poorest of barracks at costs equivalent to a day's wages for poor laborers, Sister Marilyn said.

"WE FEEL WE must back our presentations with first-hand knowledge," she said, adding that she visited Santo Domingo in a dispute with an oil company in which her order holds stock.

And as for the image of nuns incapable of counting anything but rosary beads, and thus too ethereal for any kind of business dealings, she points to a portfolio of stocks that includes some of the biggest names in American business, from AT&T through the milk companies and into the bank columns.

"Maybe I taught too long, but I feel the biggest need is for education all around," she said. "Education of the milk companies, education of the Third World mothers and medical people, education of the governments, and education of the public in this country."
WHO vote stinging rebuke for U.S.

GENEVA, Switzerland (AP) — In a stinging rebuke to the United States, the World Health Organization voted almost unanimously Thursday for a set of intricately drafted guidelines that propose strict regulations on how baby formula is marketed.

By 118 votes to one — that of the United States — member states at the organization’s annual assembly formally adopted a global code that calls for a ban on direct advertising of infant formula and seeks to encourage breast-feeding. The results produced rousing applause.

"The weight of moral pressure is now on the United States to adopt the code," said a health organization source who requested anonymity. "Whenever the assembly passes a resolution by this majority, there is unquestionably moral pressure (for the dissenting state) to study the resolution and see if it can be implemented."

Consumer activists who lobbied aggressively on behalf of the code were more disparaging of the U.S. opposition.

"The message from the Reagan regime is unmistakable: protect profit above and beyond any consideration of the sickness and death caused by these companies" that produce infant formula, declared the International Baby Food Action Network.

Leah Margulies, a spokeswoman for the action network, a loose coalition of consumer and church groups, asserted: "The message to the Reagan regime is that the world’s health ministers cannot be intimidated by U.S. muscle. It is unfortunate that the U.S. cannot join in this celebration with the world’s leading health authorities in what is a beginning of the protection of infants from improper bottle feeding."

Although the guidelines are universal they are addressed mainly to developing countries where poor sanitary conditions are said to render contamination of infant formula virtually inevitable.

Estimates are that 1 million infants die in developing countries each year from inadequate artificial feeding.

U.S. officials in Geneva were mum Thursday about America’s exclusive opposition to the code, which was based on arguments that it posed unacceptable challenges to laws forbidding restraint-of-trade agreements.

U.S. Ambassador Gerald Helm, who cast the sole no vote, could not be reached for comment.

"He's not going to tell you how it feels" to have registered the unique dissenting vote, said Henry Grady, a spokesman at the U.S. mission to U.N. organizations in Geneva, where Helm is ambassador.
Infant Formula Firms Accused Of Actions Against Marketing Code

By Margaret W. Freivogel
Post-Dispatch Washington Bureau
WASHINGTON — Manufacturers of infant formula offered favors and pulled dirty tricks to try to keep the World Health Organization from adopting a formula marketing code, critics charged during House hearings Wednesday.

Leah Margulis of the Interfaith Center on Corporate Responsibility said industry representatives offered free trips to Europe and circulated misleading documents. One representative even posed as a delegate to the meeting, she said.

The U.S. government voted against the code and other government actions appeared to ally this country with corporate interests at the expense of infant health, she said.

A spokesman for the manufacturers told the Post-Dispatch that he would not respond to Ms. Margulis' charges until he had studied the transcript of the hearing. On Tuesday, a spokesman for Nestle, the focus of a boycott for its baby formula sales tactics in the Third World, said the company supports the aims of the WHO code. But he said the company is glad the code is a voluntary recommendation and not a regulation.

The code calls for a ban on promotional activities that undermine breast-feeding, such as visits from formula company employees posing as nurses. More than a million bottle-fed babies a year die from malnutrition and diseases transmitted because of poor sanitation that could be avoided through breast-feeding, supporters of the code say.

Ms. Margulis predicted that while publicly expressing support for the voluntary code, Nestle will continue to try to undercut it.

As evidence of the industry's efforts against the code, Ms. Margulis cited these incidents that she said took place at the Geneva meeting:

— Industry lobbyists circulated a letter, purportedly from an association of medical students in India, that implied that Prime Minister Indira Gandhi had offered her support for the code. The head of the Indian delegation to the meeting responded with a formal letter questioning the authenticity of the document.

— A privately financed organization set up a few days before the meeting to bombard journalists with information, including a false contention that the International Pediatrics Association opposed the code.

— A lawyer associated with Nestle took the seat of the head of the delegation from Guatemala until his credentials were challenged by the WHO secretariat. Guatemala ultimately voted for the code.

— Industry representatives offered free trips to Europe on the condition that they be absent from the vote on the code.

Ms. Margulis said U.S. actions appeared to ally this country with corporate interests. WHO delegates knew of U.S. documents that indicated that this country was voting against the code despite advice to the contrary from its own medical and legal experts, she said.

Among the documents, she said, was a U.S. Justice Department letter sent more than a year ago to the WHO legal division saying the code caused "no concern under U.S. antitrust law." Ms. Margulis said the letter credited the Reagan administration contention that the code would be unconstitutional.

The administration also ignored two senior public health aides who resigned in protest against U.S. opposition to the code. Ms. Margulis noted. This contributed to the belief among other nations that this country was putting corporate interests above professional judgment, she said.

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Nestle to comply with formula code

WASHINGTON (AP)—Nestle, the world's largest maker of infant formula, announced today it is voluntarily complying with the World Health Organization's international code for marketing breast milk substitutes.

Rafael D. Pagan Jr., president of the Nestle Coordination Center for Nutrition in Washington, said the company's aim is to ensure that its formula is not marketed in a way that discourages mothers from breast feeding.

Nestle said it will implement the WHO code "on its own initiative in all countries where no measures have been taken to apply it."

Last year, Nestle said it endorsed the principles of the WHO code. The company has been the target of a boycott by groups opposed to its infant formula policies.

Leah Margulies, a leader of the boycott, said today the boycott would continue until Nestle can convince its critics that it has altered its marketing practices.

"If this is a change of heart since the new year, then we really welcome it. We have to study the documents," said Margulies, co-director of the infant formula program for the Interfaith Center on Corporate Responsibility, an arm of the National Council of Churches in New York.

"My experience in the past with Nestle is that they've made promises that haven't been kept, based on our monitoring. What we really want now is for Nestle to stop the public relations and get down to the hard business of sitting down with the International Nestle Boycott Committee and working out what would be acceptable," she said. Last Friday, the 30,000-member American Public Health Association voted to join the boycott.

Margulies said the boycott was started in Minneapolis on July 4, 1977, by a small group called the National INFANT—the Infant Formula Action Coalition—and has spread to include 70 national labor, church and other groups.

Only two weeks ago, about 30 local protesters picketed the opening of the Rusty Scupper restaurant in the Inner Harbor, which is owned by a Nestle subsidiary.

Carrying signs such as "Crunch Nestle Quick," the protesters sought a "consumer boycott" against the Inner Harbor's newest attraction, said the Rev. P. Francis Murphy, auxiliary bishop of the Baltimore Roman Catholic Archdiocese.

The boycott coalition was backed by Baltimore Clergy and Laity Concerned, the archdiocese, the Baltimore Conference of the United Methodist Church, and union groups.