
American Botanical Council

HerbClip

FILE: Herbs³/₄ General

Date: January 23, 1996

HC 1-23-6-1

TO: General Distribution

Re: ***Business Week* Article on Herbs**

Weber, Joseph, and Sandra Dallas. Cure? Well... Profit? Sure. *Business Week*, October 23, 1995, pp. 58-59.

The selling and manufacturing of herbs and herbal remedies has become a profitable business, citing the American Botanical's estimate of retail sales topping \$2 billion in 1995. Mainstream drugstore chains are now offering herbal remedies as well as homeopathic products. Nevertheless, some experts are skeptical, and warn that just because a product is natural and is being sold by a major retailer does not mean it is safe or efficacious. The FDA's authority extends for the most part only to claims made on the product label, and some manufacturers have become skillful at making suggestions in brochures and advertisements about the herb's efficacy without making promises, according to this article.

Regulators, including the Federal Trade Commission (FTC) which is responsible for claims made in sales brochures and ads, are cracking down on manufacturers and traders. In 1994, General Nutrition Inc. agreed to pay \$2.4 million to settle charges that it had violated previous disciplinary orders, and in August 1995, an individual marketer was sued by the Minnesota Attorney General for deceptive trade practices after she made medical claims about the mineral germanium on CompuServe.

This article appears to be written by reporters with no expertise in the subject area, as is often the case in mainstream publications. For example, they cite the fact that large pharmaceutical companies spend hundreds of millions of dollars to prove safety and efficacy of a new drug and then imply that the claims by the Pharmavite Corporation for its Nature Made garlic's ability to reduce cholesterol is based on "much thinner research"—apparently unaware of the lack of patentability issue which impedes serious research on herbs in the United States. It also states that ginseng "has never been proven to cure anything"—an interesting statement in light of the fact that most claims for ginseng center around its purported tonic abilities and

performance-enhancing properties. Ginseng is not generally used to “treat” or “cure” diseases, although the German Commission E does allow the following claims:

“As tonic for invigoration and fortification in times of fatigue and debility, for declining capacity for work and concentration, also during convalescence.”

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