



CFA Annual Meeting In Milwaukee July 19-21

CFA's 6th Annual Meeting gets underway Thursday afternoon July 19 in Milwaukee. Host is the Center for Consumer Affairs, University of Wisconsin Extension which is directed by CFA President Helen Nelson.

Plans include Thursday afternoon workshops followed by a banquet with speaker Lee White. He's CFA's Energy Policy Task Force Chairman and former head of the Federal Power Commission. Sen. Gaylord Nelson (D-Wis) is

the Friday luncheon speaker. Subcommittee policy hearings for developing, revising or affirming CFA policy resolutions are also in the works for Friday. The subcommittees and chairmen are:

- WAGE-PRICE CONTROLS, Jacob Clayman, Industrial Union Division, AFL-CIO
- COMMUNICATIONS, Warren Braren, Consumers Union
- CONSUMER EDUCATION, Thomas Brooks, S. Illinois University (see page 4)

EPTF LOBBYING FOR MANDATORY FUEL ALLOCATIONS

The fuel shortage on the farms and in the cities is becoming so critical, says Lee White, that Congress must impose a mandatory allocation program.

The voluntary plan adopted by President Nixon has not worked effectively, says the CFA Energy Policy Task Force chairman, and the prospects for it working any better in the future are "mighty slim."

Arguing for enforced allocations to prevent unfair burdens resulting from shortages, White likes to quote a statement attributed to Al Capone: "You can get further with a kind word and a gun than you can with a kind word alone."

Shortages checked by the EPTF involve independent gas stations, farmers and cities.

So far, 900 independent gas stations have been forced to close because of inadequate supplies; nearly 1800 across the country are in imminent danger of closing. Greenbelt Consumer Services, a metropolitan Washington CFA affiliate, is among those in trouble. Greenbelt's Coop President Eric Waldbaum says B-P advised a complete cut-off of supplies by July 9 while B-P-owned stations would continue getting full allocations. After press coverage of Greenbelt's protest, B-P revised the cut to 80% for May but even that has not been met.

As for food, in February at a White House meeting, farm leaders warned that falling agricultural productions and correspondingly rising prices would result unless supplies were guaranteed. Recognizing that Nixon's voluntary program is supposed to give first priority to supplies needed for food production, the Task Force undertook a limited survey in late May. The Indiana Farm Bureau Coop Assn., for example, is unable to obtain adequate supplies of crude from the majors which previously have supplied it, and

consequently it has unused refinery capacity. The same story, according to EPTF sources, is told in Illinois, Ohio and throughout the Midwest. On top of this, an upsurge of fuel requirements may occur in the next few months because of late planting due to an unusually wet season this year.

Checking with the National League of Cities discloses additionally severe problems. "In a recent discussion with a petroleum executive," says White, "I asked how he thought the industry could stand the public criticism that resulted when cities across the country were told that

(see page 11)

MIND-BOGGLING RATE HIKES

Former FPC Chairman Lee White is demanding congressional review of a Federal Power Commission decision for "unconscionable" rate increases for three major natural gas producers. "...another outrageous act...that can only be a blow to consumers across the country unless overturned by the courts." The FPC decision gives Texaco, Tenneco and Belco a 73% rate increase over prices set 2 years ago in which the parties at that time agreed to a 6-year moratorium on further increases. White charges that these increases will cost consumers hundreds of millions each year. "The Commission," he says, "in an apparent state of shock, has abandoned the consumer."

Inside

CONSUMERS & THEIR CARS

Why Congress must pass a tough warranty bill

To bat (again) for fair credit billing

In Senate testimony for fair credit billing practices, CFA Counsel Gladys Kessler proposes:

- making credit card issuers share liability for shoddy or undelivered merchandise that's been paid for by credit card
- permitting credit card customers to withhold payment for defective goods
- prohibiting retroactive finance charges
- requiring that finance charges be computed by a single, standardized adjusted balance system
- including with billing statements some form of identification of the goods or services purchased to prevent charges from stolen cards or mistakes
- disclosure of consumer billing rights on monthly statements rather than a minimum semi-annual disclosure
- requiring creditors to acknowledge disputes and correct mistakes in the same period of time consumers are required to pay their bills
- no limit on class action recovery
- prohibiting minimum finance charges
- abolition of the holder in due course doctrine whereby neither the third party creditor who requires payment nor the original seller have obligations for purchases that don't work right

At issue are two bills: S. 914 by Sen. William Proxmire (D-Wis) and S. 1630 by Sens. John Sparkman (D-Ala) and William Brock (R-Tenn). Last year's fair credit billing legislation of Proxmire's (stronger than S. 914 and endorsed by CFA) was so weakened by banking interests the Senator and CFA repudiated the final version. It did not clear the Congress.

FTC Food Survey Rapped By H.E.L.P.

Federal Trade Commission sources say a final decision to carry out a proposed retail food price survey is in the offing. About 50 substantive comments, mainly from industry, are being reviewed. Among the few consumer groups to react, though, is Housewives Elect Lower Prices

"Now the FTC proposes to conduct surveys to expose unfair pricing and advertising policies of chain stores with the stated goal of protecting the consumer," says HELP President Alberta Slavin. "The consumer needs other help-- he needs stores where he can shop, he needs the government to control inflationary food prices, he needs meaningful price controls, not platitudes, from a government that prefers to export vast quantities of food commodities to meet balance of trade deficits while blaming the American consumer for consuming too much food and driving prices higher."

Ms. Slavin, experienced in collecting data in conjunction with marketing, advertising and pricing practices, believes the FTC goal is narrow. "If the FTC has funds to conduct surveys or collect data," she says, "I suggest that it undertake a study to see what is needed in the way of federal assistance to encourage retail markets to make a commitment to economically depressed urban areas... It would also be valuable to the consumer," she says, "if the FTC took a close look at marketing practices engaged in by manufacturers and retail store owners. What kind of price incentives are offered to keep a name brand on the same shelf with a private label brand when the private label brand is exactly the same item in a different package?... Why can't the FTC expose the efforts of retail chain stores to kill the returnable beverage container by dictating to the bottler the kind of package he will permit..." Ms. Slavin also takes strong exception to FTC's survey methodology. A basic flaw is, she says, to permit store managers to "correct" any "inaccurate prices" before the surveyor leaves the store.

Public loses meat standard test

The U.S. Supreme Court's refusal to hear Michigan's appeal for reinstatement of the state's strict meatpacking requirements may be a "victory" for the U.S. Department of Agriculture, but not for the public.

That's Rep. Charles Chamberlain's opinion. The Michigan 6th District Republican also says the Court's decision not to hear the appeal will affect meat standards in California, Connecticut, Maryland, Massachusetts, Nevada and New York.

"It is the contention of the USDA that States cannot enforce meat packaging laws that are tougher than Federal regulations, and this has now been upheld," says Chamberlain. "While this may be a victory for a universal implementation of Federal meatpacking regulations, it is not a victory for Michigan consumers who will no longer be protected by Michigan's strict law against using such offal as hearts, stomachs, snouts, spleens, bladders, tongues, and the variety of unwholesome by-products which packers put into hotdogs and similar items."

Chamberlain believes the only recourse for consumers is in Congress. He proposes enactment of a "catch-up-with-Michigan hotdogs" bill (HR 372) and is asking hearings by House Agriculture Committee members in view of the Court's action. His legislation is an amendment of the federal meat inspection act. It specifically provides for the exclusion of certain byproducts in meats.

Chamberlain says his goal is to "see to it that all consumers have the same high standards that we have in Michigan. For the State of Michigan to have to lower its standards to come into compliance with existing Federal standards would be a gross injustice to consumers everywhere."



FOR DISTINGUISHED PUBLIC SERVICE

Evelyn Dubrow, Int'l Ladies Garment Workers Union; Gordon Cole, Int'l Assn. of Machinists & Aerospace Workers; Sen. Warren Magnuson (D-Wash); and Helen Nelson, CFA President.



FOR DISTINGUISHED CONSUMER SERVICE. Shelby Southard (l), Cooperative League of the USA and Miles Kirkpatrick.



Sen. Quentin Burdick (D-ND) (l) and Alex Radin, American Public Power Association.



Martin Agronsky (r) mingled with guests.

CFA Distinguished Awards Dinner

In honor of

*Honorable Warren G. Magnuson
United States Senator from Washington*

and

*Miles W. Kirkpatrick, Esquire
Former Chairman of the United States
Federal Trade Commission*

Monday, May 7, 1973



John J. McManus (l) AFL-CIO Community Services, Mrs. McManus and Ralph Nader.



Dr. Thomas Venables, National Rural Electric Cooperative Assn. and Sen. Frank Moss (D-Utah).

Petty's Oil Letter

Pol. No. 2,285

Washington, D.C.

April 28, 1973

Dear Sir:

The lines are forming here — for and against decontrol of wellhead prices for natural gas — and this battle promises to be a real beaut before all the smoke clears away on Capitol Hill.

But, present indications are that the "consumer" groups are better prepared, and have done a better job of organizing and planning against the gas bill than the industry has, so far, to get it passed.

Twelve consumer groups have been brought together under the Consumer Federation of America umbrella to fight gas decontrol and have set up an energy task force, headed by Lee White, former chairman of the FPC, to carry their lobbying battle to Congress.

White, it must be said, is articulate and smart. He has a good grasp of energy issues. He is familiar with some basic underlying economic factors surrounding the energy industries. He is not shy and, from having worked on the Hill for some years, knows the ropes as well as anyone in a legislative battle.

He will argue that control of federal regulation of wellhead based on costs, plus the return on capital.



COLLINS

-- Excerpt from The Oil Daily, an industry newspaper, 4/30/73

From page 1 . . .

- CREDIT, Alan Neigher, Connecticut Consumers Assn.
- ENERGY & NATURAL RESOURCES, Alex Radin, American Public Power Assn.
- FOOD & MARKETING, Mary Gullberg, Berkeley Coop
- HEALTH, DRUGS & MEDICAL, Paul Wagner, United Auto Workers
- HOUSING, Harold Ostroff, United Housing Foundation
- LOW INCOME CONSUMER, Agnes Bryant, Consumer Research Advisory Council
- TRANSPORTATION, Shelby Southard, Cooperative League of the USA
- ENVIRONMENT, Don Willner, past CFA President, Oregon State Senator
- TAXATION, James Webster
- INSURANCE, Esther Shapiro, Michigan Credit Union League
- OTHER AREAS OF CONCERN, Robert Partridge, National Rural Electric Association
- SPECIAL RESOLUTIONS, Gordon Cole, Int'l Assn. of Machinists & Aerospace Workers

The annual business meeting where policy resolutions are adopted and officers and board members elected follows Saturday, July 21. Adjournment is expected late in the day. Chairman of the 1973 Annual Meeting Program Committee is Dr. Currin V. Shields, President of the Arizona Consumers Council and member of CFA's Board of Directors and Executive Committee and Chairman of the Policy Committee. He may be contacted for further details at 6480 Camino de Michael, Tucson 85718.

NEW CPS AGENCY SAYS NO TO INDUSTRY

The four new consumer product safety agency commissioners--appointed by the President and approved by the Senate in May--are down to business.

Two decisions are already on record.

First, American Home Products has gotten a flat no on a request to postpone the July 10 effective date for child-proofing oven cleaner aerosol containers. The Poison Prevention Packaging Act (1970) requires certain household substances be repackaged to reduce injuries to children under 5. Until the safety agency went into operation, the PPPA was an FDA program.

Second, the mattress industry almost but not quite got the same treatment. Exempting small manufacturers, the nation's mattress makers must by June 7 market only those products resistant to cigarette and other small flame sources. While small companies--estimated as producing a small percentage of mattresses--are being given another six months to comply with the new flammability regulations, in the interim they must prominently label their products to the effect that federal flammability standards are not met.

Legislation creating the Consumer Product Safety Commission was the only substantive consumer bill to clear Congress and the White House in 1972. President Nixon "reluctantly" signed it just before the election and did not name commissioners until this spring. There is still one vacancy. Sens. Warren Magnuson (D-Wash) and Frank Moss (D-Utah) with Rep. John Moss (D-Ca)--all principal sponsors of the safety law--are urging the White House to name a recognized consumer leader as the fifth commissioner. None of those already named, they say, has "career experience in determining and meeting the needs and desires of consumers."

The four commissioners are:

Chairman Richard O. Simpson, a top government official in fabric flammability work, former Acting Assistant Secretary of Commerce for Science and Technology, holding the dual role of Deputy Assistant Secretary for Product Standards, and prior to 1969, with Rucker Co. of Oakland and Pacific Ordinance & Electronics of San Francisco;

Laurence M. Kushner, with the Bureau of Standards since 1948, serving as Deputy Director in 1969 and Acting Director in 1972;

Barbara Hackman Franklin, former White House aide responsible for recruiting women to government, and prior to 1971 an assistant VP of the First National Bank (NY) and Manager of Environmental Analysis for Singer Co.;

Constance Newman, former Deputy Director for VISTA, and from 1969 to 1971 an assistant to HEW Secretary.

NEW CAR OWNERS SING THE BLUES TO CFA

Consumers tell CFA they are trying harder and not succeeding in getting their money's worth out of warrantied products that won't work right.

By far the largest number of warranty complaints are sent CFA by frustrated auto owners. They arrive with every mail delivery.

Special Report
Consumers & Their Cars
Page 5-8

Hopes High For Warranty Bills In '73

SENATE--S. 356 reported by Senate Commerce Committee and ready for action by the full Senate as soon as the Banking, Housing & Urban Affairs Committee completes June hearings and its review. The bill was referred to Banking because one section removes present exemption of banks and financial institutions from jurisdiction of Federal Trade Commission, giving FTC authority over unfair or deceptive banking practices. Deadline for Banking to report the bill is July 10.

HOUSE---H. R. 7917 in House Interstate & Foreign Commerce subcommittee; hearings complete; mark-up sessions began May 21.

The Senate has logged two previous votes on warranty legislation with overwhelming support--unanimous in 1970 and 72-2 in 1972. It's never reached a House vote.

AWARDS

The most physically fit auto owners (they walk a lot) -- VEGA
 The tow-truck driver's best friend-- DART
 Car with loudest speedometer -- PLYMOUTH.
 Most likely to leave you hanging over a cliff (sudden transmission loss)--NOVA
 "Defects are normal" department--ALL CARS
 Car not to follow in middle lane of any highway (motor dies, steering locks, wheels lock, car becomes unguided missile)--BUICK
 Car-owners that spend the most and still lose--MERCEDES & PORSCHE

Individuals with seemingly insurmountable problems involving both US and foreign models tell about recurring malfunctions, repeated trips to repair shops where work is done poorly if at all. They tell of endless letter-writing efforts to dealers, customer representatives, manufacturers, politicians, attorneys general, government offices of all kinds, the media, public interest firms--all in the hope that somebody can help. Some hire lawyers. May are demanding full refunds for their "lemons." Most are wising up to the enormous gap between advertised claims and actual performance. A number are relating the warranty problem to absence of corporate accountability.

To one letter-writer, an apt description of warranty is "bunkum." The auto itself may be "junk," "garbage," "my no-deposit, no-return throwaway," "lemon"--anything but "extra care in engineering," "you'll never let go," "something to believe in," "a better idea" or any of the other familiar Madison Avenue refrains.

Because both Senate and House warranty bills under consideration this year contain "lemon" clauses, if adopted, most of the victimized consumers known to CFA could expect relief. The Senate bill gives the purchaser the right to demand and receive replacement of a product if repair is required "an unreasonable number of times during the warranty period." The FTC is authorized to establish by regulation what is in fact "an unreasonable number of times" for different categories of consumer products. Under the House version, if a dealer does not fix a warrantied item in two attempts, the consumer can choose replacement or refund.

In four months CFA has received 357 complaint letters about cars. These come from 35 states and the District of Columbia. At 213, the greatest number involve US models with 116 about foreign makes. Twenty-eight concern trucks, vans or campers. A closer breakdown of the 213 complaints about US makes follows:

Chevy leads

CHEVROLET--Most frequent complaints in 61 letters involve transmissions, fuel systems, air conditioning and heating, interior, brakes, body, paint, leaks and rattles. More than half Chevy complaints are about Vega and major problems with transmissions. (see page 8)

AS CONSUMERS TELL IT

I have been waiting since the middle of February 1973 for parts ordered for my car. . . regarding the noise in my steering, the service manager states that they have had 2 or 3 other Cougars with the same problem but that he does not know how to correct the problem since the factory has not issue a "fix."

There is no doubt in my mind that the crack in the block was a casting defect that existed in the car when made and when I bought. Your corporation holds out to the public that it has the best product in the market and encourages it to invest a large sum of money... from what you write, you would say that if a latent defect develops shortly after the warranty period has expired-- "Mr. Car Owner it is your tough luck."

I bought a 1973 Valiant. . . At this time I have 1300 miles on my car and it has been serviced for leaks, rattles, shimmeys, electrical problems, rewiring the engine twice, and rounding the brake drums. Altogether it has been in the garage 10 times in 2 months.

From the day the car was new, not a month passed without a trip to the dealership (for wheel, axle, engine and transmission problems) . . . When my car was 30 months old (3000 miles), I complained to the dealer of slippage from 1st to 2nd, and slippage with downshifting from 3rd to 2nd. I was assured many times by him, and later. . . by the factory representative, the shifting was normal. . . my guarantee was now expired. . . the transmission failed at 15,000 miles. . . Total repair costs were \$363.

. . . Less than 3 months later the seat broke again, while my husband was on the Expressway. . . the mechanic told me, "It's probably going to happen again." I asked why. . . He said, "The person diving the car is getting in the car the wrong way." I did not know that you had to get into a car a special way.

We were traveling on the Northwest Tollway at the usual speed limit, 65 to 70 mph, when we heard a slight knocking noise and within a 10th of a second the motor died, the brakes locked, and the steering locked, thus rendering the car as an unguided missile. At the same time we heard an explosion resulting in large quantities of gray, thick, opaque smoke, covering the entire highway. All of the traffic when observing our distress, moved out of our way and the car, which had been in the right hand lane, abruptly stopped in a ditch on the left embankment. . . Since the car was 22 months old and had a mileage of 22,000, it was felt that the Buick Division was no longer responsible and according to the Warranty, the \$6800 car was guaranteed to last only one year or 12,000 miles.

Car stalls while in motion with loss of all power and cannot be restarted for at least 30 minutes. . . When I suggested there was a need to find the cause of this problem (burning up 3 sets of points) rather than just servicing the symptoms, the service rep replied, "Look, lady, don't tell me how to do my job."

While being driven by my daughter (a 1973 Nova) lost a pin holding the transmission linkage together. As a result, the front wheels of the car went over the edge of a cliff at Point Judith, RI and endangered the lives of three people. Out of pocket costs for the above series of events is in excess of \$150. . . The car, still under warranty, was repaired at no cost. It has since come to my attention that another person has had a similar fault occur, nearly causing an accident in traffic. On this basis, it would appear that a design or assembly fault exists in this automobile.

The oil filter was loose...rubber was hanging off around a door and tailgate...constant ticking sound in my instrument panel...windshield smeared terribly in rain and snow... the front seat was constantly coming loose on the passenger side...front hub cap came off...something loose under the car banged loudly each time we hit a bump...at night the battery discharged badly...

Relief for len

Tired of using vacation leave to visit a repair shop. . . enough and being told, "nothing is wrong with the so-called warrantye

Under Senate legislation (S. 356), in order to be deemed a warranty for a consumer product must at a minimum be a warranty -- within a reasonable time and without a warranty -- "reasonable time." But the bill flatly "demand and receive replacement" of a product if it fails a certain number of times during warranty, with the FTC deeming a "reasonable" number of times.

Under House legislation, a "two-bite" clause gets a consumer two trips to get a warranted product fixed and it still allows for a refund or replacement.

Warranties

Both S. 356 and H. R. 7917 cover tangible personal property normally used for family or household purposes-- consumer products costing more than \$5

Both bills would substantially limit the common practice of sellers of using very limited express warranties to disclaim implied warranties thereby reducing consumer rights. S. 356 gives full protection by making express and implied warranties completely independent of each other; H. R. 7917 generally prohibits this practice but contains a loophole providing that an express warranty can be used to limit duration of an implied warranty to the duration of the express warranty if the limitation is "conscionable" and is "prominently displayed" on the face of the express warranty.

Glass actions

S. 356 has a less effective class action provision than H. R. 7917 by requiring each consumer in a class action to have a minimum \$10,000 claim. The less restrictive House provision requires plaintiffs' aggregate claim to be a minimum \$10,000. (CFA's position is that consumers should not have to shop around for others with similar claims in order to use the federal courts, and that there should be no dollar limit on consumer class actions)

Both bills give the FTC authority to seek a federal court injunction to enforce warranties. S. 356 authorizes temporary restraining orders or preliminary injunctions; H. R. 7917 authorizes temporary or permanent injunctive relief.

NO-COST REPAIR BILL PASSED

A repair-at-no-cost bill has been approved by the Interstate & Foreign Commerce Committee. S. 356 to require remedy of safety-related defects at no cost is discretionary with the manufacturer. Consumers' pocketbooks and safety can be seen in last year. That's more than were built in 1972.

Lemon-owners?

leave for endless trips to the shop of the same old problems being wrong". . . until warranty expires?

be designated as a "full" warranty, any written minimum make plain the warrantor's responsibility of defective items covered by such without charge. The Federal Trade Commission flatly declares that it is the consumer's right to act if repair is required an unreasonable FTC determining by regulation what is an "unreason-

gets more specific. H.R. 7917 says that after and it still isn't remedied, the consumer can choose

Rulemaking

S. 356 has no provision ensuring FTC effective power to issue trade regulations. H.R. 7917 upholds FTC rule-making authority. (CFA's position is that the FTC already has the power to issue substantive rules. This position is being contested, however, in National Petroleum Refiners Assn v. FTC now pending in DC Court of Appeals. Until upheld, CFA wants legislation to include an effective FTC rulemaking provision.)

Injunctions

Both bills give FTC authority to seek federal court injunctions against unfair and deceptive practices, enabling the agency for the first time to bring immediate halt to such practices. S. 356 authorizes preliminary or permanent injunctions; H.R. 7917 authorizes temporary restraining orders or preliminary injunctions.

Both bills authorize FTC to use its own attorneys in civil cases rather than relying on the Justice Department, viewed by Senate Commerce Committee as "sluggish in the past in enforcing regulatory agency decisions in the federal courts."

Redress

Both bills contain a provision authorizing FTC--after a cease and desist order is made final--to sue in the federal courts to seek specific redress (such as refunds, rescission or reformation of contracts, and actual damages) for consumers injured by deceptive acts or practices. (At present, cease and desist orders have prospective operation only.)

SENATE

by the Senate. House legislation is pending in S. 355 empowers the Secretary of Transportation at no cost to consumers. Under current law, repairer. The potential impact of the bill for the seen in the fact that 12, 000, 000 cars were recalled 1972.

AS CONSUMERS TELL IT

During the period from Feb. 1971 to Feb. 1972, the car was returned to the selling dealer at least 4 times for brake service under the new car warranty. The rear brake linings were replaced, and the rear brake drums were refaced. The braking did not improve... By the end of this first year, the selling dealer became very uncooperative and said that he could no more. His service manager stated, "this model car has rotten disc/drum brakes, so you're stuck with it."

. . . a left front window which would not work five minutes after taking possession, the windshield that allowed water to pour in on the driver's lap. . . water in the tailgate, rear window mechanism inoperable and a bent hood due to a defective hinge. . . Catastrophe struck this summer. . . one hundred miles from home with only 9300 miles on the car the transmission began to tear itself up. . .

I had my car in... twice before within the last year with starter problems and (said) I thought if they had performed their services correctly then, I wouldn't be in this situation now. . . He looked up my record and stated that those times had nothing to do with this particular time and that I would be responsible. . . since my car acted exactly the same way all three times, I find it hard to believe they were not related.

This car had many defects when it came off your production line (noise, squeaks front and rear, radio static, leakage, engine, carb and exhaust problems)... I was told I could have use of the car if I take it without windows... or I can pay to put the windows back in. I did not take them out nor did I ever hear of a customer paying for warranty service. This is a problem that you should assume because you let such a mess get off your production line.

The windshield leaks, the trunk leaks, the transmission doesn't work properly... a miss in the motor since I bought the car. . . The valve cover leaks oil... the rear housing is bent. These are some of the things wrong with the auto since I bought it.

It is a shame that a person has to pay nearly 1/3 of his yearly salary to buy a product which should be reliable and is very unreliable. What has happened to extra care in engineering?

Last March I purchased a new Plymouth Sport Suburban Station Wagon (73). . . The rear back of the front seats constantly fall off and cannot be permanently repaired. One small screw holds the seat (or is supposed to hold the seat in place)... The side windows (all four of them) fall out if you try to open them. The dealer put the windows back and suggested I take the handles off so that nobody will try to open them. I think when you pay well over \$5000 for an automobile it should be built much better than this hunk of junk.

One day while driving home from work the brake line snapped... my husband was again driving home from work when the back of the driver's seat snapped and fell into the rear of the car. . . while my husband was driving out of the parking lot. . . the power steering went out and the warning light came on indicating a serious problem (crankshaft pulley fractured the timing gear cover). . . we now had 14, 000 miles, 2, 000 over the

This "hell on wheels" has been one aggravating nightmare... The car is literally falling apart. In the 18 months that I have had (it): overheated and stalled... never idled properly... had the carburetor and alternator replaced after 8 months use, had two tune-ups... the front left parking light fell out... if I hit a bump of any size, the car will shift itself into neutral. . . top of the stick-shift broke at 6 months... paint is chipping and cracking, sun visor broke in half... inside light will not go on at times unless more than one door is open...

After approximately 20 visits to Westview Dodge (the last two being in the same week for the same problem) I have run out of patience and money. . . I am a very tired Dodge Dart owner. . . From mile 1 to the present 9877 miles I have had nothing but problems with my 1973 Dodge Dart.

. . . after calling their attention to the ping and tapping noises that came from the engine during acceleration, the service manager, who had previously acknowledged the noise and recognized it as an unsolved problem, had the nerve to say that he could no longer hear anything abnormal.

THE PERFECT AUTO

Today's "best buy" auto--according to recent CFA complaint mail--would have these features:

CHRYSLER brakes and water-proofing secrets
 PONTIAC body, paint, tires, steering
 FORD front end, windows, doors
 DODGE trunk, windshield wipers, fuel and exhaust systems
 CHEVY engine and electrical system
 BUICK for fewer rattles, bumps and grinds
 FORD, OLDS, BUICK or PONTIAC seatbelts

If you must have a transmission, try CHRYSLER.

from page 5 . . .

PLYMOUTH--Most frequent complaints in 33 letters involve brakes, transmissions, engines, windows and doors and leaks.

DODGE--Most frequent complaints in 29 letters involve transmissions, engines, body and paint.

FORD--The Ford tally is incomplete since all complaints received from January to mid-March were forwarded to the new Committee for Constructive Consumerism headed by Henry Ford II. Of the 20 letters received since March 14, most frequent complaints involve transmissions and engines.

BUICK--Most frequent complaints in 18 letters involve engines, transmissions and fuel systems.

PONTIAC--Most frequent complaints in 18 letters involve transmissions, engines and brakes.

LINCOLN-MERCURY--Most frequent complaints in 14 letters involve transmissions.

OLDSMOBILE--Most frequent complaints in 13 letters involve transmissions and fuel systems.

CHRYSLER--Most frequent complaints in 7 letters involve fuel and electrical systems, body, paint, windows and doors.

Transmissions vulnerable

Transmission, engine, brake and fuel problems top the list of complaints about US models. A breakdown of the defects mentioned shows: transmissions 74; engines 44; brakes 40; fuel systems 39; body and paint 29; interior 29; windows and doors 28; front end 25; electrical systems 25; leaks 22; steering 19. Everything from hubcaps that won't stay on to rattles,

noises, overheating, brake noise in the radio are also reported.

According to some consumers, their cars are literally falling apart.

They also complain about body damage, missing or defective equipment on delivery of new cars. Others report instances of new-car prices being jacked up at settlement due to a "mistake," with protests met with, "take it or leave it, buster."

With late models, consumers seem to be getting the word that "nothing can be done" about malfunctions. "The headlights would go wout when you went from dim to high....we were told this was normal for the Skylark," says an Arizona Buick owner.

Service people are likely to tell the new Ford owner whose station wagon stalls in rush hour, freeway traffic, "We can't do anything about it. It's because of your pollution control device."

Consumers also tell CFA that it is futile to appeal a dealer's denial of warranty responsibility. If they can locate a manufacturer's rep, his job all too often is apparently to deny that defects exist or to proclaim them "misuse." Further, the complaint letters indicate that the customer service rep is often as ill-equipped to recommend repair procedures on newer cars as the dealer is in admitting problems even exist.

Foreign makes

Complaints about foreign cars since February include: Volkswagen 28; Volvo 16; Toyota 16; Fiat 12; Mercedes 10; Datsun 7; SAAB 7; Porsche 4; Peugeot 3; Triumph 3; Renault 2; BMW 2; Mazda 2; Audi 2; Honda 1; Austin 1.

Typical from this group is the Maryland Toyota owner. "From September 1971 til January 1973," he says, "I have spent the total of \$770.55 on repairs. May 23, 1972 the cylinder head cracked..." After going to work for a local Toyota dealer, he says, "the great majority" of the TE 21 Corolla Toyotas 1600 have faulty cylinder heads.

Like most consumers--disenchanted, tired, mad, or on foot because their cars don't work right and may be dangerous--he tells CFA other consumers should heed this list of Toyota defects:

Shoulder harnesses too high to be safe to use; seat belts that snap open on quick stops or if you flex your stomach; faulty cylinder heads that crack; bad front wheel alignment; dragging and squealing brakes; too light for highway safety and hard to handle in winds of 30 mph; automatic choke that sticks; expensive replacement parts; poor traction on wet or icy roads; oil filter impossible to change without a rack; if on an open road at high speeds, if one brakes too hard, the car will fishtail and spin.

UNAMERICAN TO URGE RADIO & TV AD REFORM ?

A series of promotional announcements presenting industry arguments against advertising reform are being challenged by Station WMCA of New York, the Office of Communication of United Church of Christ and Consumer Federation of America. The "Radio Free America" spots were prepared by the National Association of Broadcasters and released to US radio stations last February.

The Federal Communications Commission is being asked to rule whether the spots are subject to the Fairness Doctrine thus requiring stations to give time to opposing viewpoints,

EPTF WORKING ON DE-REGULATION PAPER

Watch for this special CFA ENERGY POLICY TASK FORCE report. De-regulation of natural gas prices threatens to become a rugged battleground with consumers, labor and liberal members of Congress, especially from gas-importing states, pitted against this formidable opposition: the Nixon Administration, members of Congress from oil and gas producing states, the giant oligopolistic oil companies (Exxon, Gulf, Mobil, Texaco, Shell, BP, Standard Oil of California, etc), the smaller natural gas producers, interstate natural gas pipeline companies and privately owned distributors.

Committees Axed

It was always the intent of the Federal Advisory Committee law that useless government committees be abolished. It was not the intent of Congress, however, for the Administration to arbitrarily, on a cost basis alone, wipe out advisory groups. Reportedly, HEW is gunning for a 40% cut. Some estimates place cuts at 25% now and more possible after July when the White House budget office looks over the situation.

5 Fulltime T-I-L People

Prodded by Subcommittee Chairman William Proxmire (D-Wis), a member of the Board of Governors of the Federal Reserve system, has conceded that the Fed only assigns five fulltime employees to carry out professional and clerical duties in connection with enforcing the Truth-In-Lending law. All 500 examiners, though, are said to have some training in truth-in-lending.

and whether stations should be required to identify NAB as the source of the announcements.

Petitioners are also asking FCC to rule whether or not stations should log the spots as commercials. If so, stations cannot also claim public service credit for airing them.

The Office of Communication and CFA charge that the NAB announcements are part of a "massive public relations campaign" to combat consumer efforts to reform advertising, "while depriving these groups of an opportunity to explain the argument for regulation of commercials."

The legal memorandum filed with FCC also charges that "by repeating variations of the slogan, 'Let's keep broadcasting free in America,' the spots leave the listener with the impression that criticism of broadcast advertising and its effects on programming is tantamount to an un-American activity."

Men, women and children talk and sing their way through the announcements, arguing that restrictions on broadcast advertising will endanger the American system of free broadcasting and result in government control of news and other programming.

The Office of Communication and CFA are producing a series of announcements to present the consumer point of view on broadcast regulation and advertising and will offer them to stations.

"We anticipate it will be argued that there is nothing controversial about the advertiser-supported broadcast system," the church agency and Federation state. "However, it is obvious this massive public relations campaign is not being undertaken without substantial business reasons."

Pornographic Interest Rates?

When Blair Shick of National Consumer Law Center recently testified at Senate credit hearings, the dialogue when something like this:

Proxmire: What is a reasonable interest rate ?

Shick : I don't know...but 42% is obscene.

Proxmire: Is 42% pornographic ?

Shick : (a bit flustered) 42% is...yes, pornographic...definitely obscene.

Credit industry bias, charges Angevine

If suddenly adopted by Congress and others, the final report of the National Commission on Consumer Finance would mean, in part, legalized wage garnishment and up to 42% interest rates on small loans.

The report's many deficiencies, including inadequate research to support varied if confusing conclusions, are summarized by CFA Executive Director Erma Angevine in Senate Consumer Credit Subcommittee testimony late last month.

The Commission's endorsement of the concept that availability of credit is an absolute good, she says, signals a "credit industry bias." Mrs. Angevine is urging Congress to avoid basing public policy on the Commission's "confusion" over factors affecting credit availability, and is sharply critical of the recommendation that the proposed independent consumer protection agency include a bureau of consumer credit to issue rules and regulations over credit. "Such a recommendation indicates the Commission's lack of understanding of the concept behind the CPA... We are supporting the creation of an office of consumer advocacy... We do not want that office to be subjected to lobbying pressures from industry it regulates." (The independent consumer protection agency proposed in S. 707 has no regulatory functions at all. The advocacy bill is still in Senate committee; no House action this session.)

OUR CREDIT WORLD

Today's purchases may legally cost:

1% or 2% on a federally-subsidized inner-city house,

to 5% or 6% for a loan on his insurance policy,

to 7-1/2% to 9% for a new house or condominium,

to 9% to 11% for a new car,

to 18% for a boat or appliance or a "mobile home,"

to 22% to 36% and more for a used car or furniture.

That's part of Helen Nelson's testimony on May 17 before the Senate Consumer Credit Subcommittee. Appearing on behalf of the Center for Consumer Affairs, University of Wisconsin Extension, she urged the subcommittee to "concern itself with the ultimate consumer's hire of money for all purposes. This broader view," she says, "can hopefully break our public policy on consumer credit out of the compartmentalized mold that traditional perspective casts it in and thereby promote price and purpose competition."

La. survey finds \$-saving tips on food buying

Baton Rouge consumers, agonizing and trying to economize as food prices surge, have also organized a major food price study of 55 standardized items in 133 stores. Sponsored by the city's Consumer Protection Center, more than 250 volunteers were mobilized from the ranks of the Louisiana Consumers League, League of Women Voters, students, and other groups. This effort, the first since last October for Baton Rouge, should be of real help to consumers. Results show:

- Many independent stores are more successfully fighting inflation than the chains. In the 6 months between surveys, the average inflation rate in Baton Rouge supermarkets measured 11.5%. In contrast, independently-owned stores averaged a much lower 6.7% rate;
- Four independent supermarkets were among the ten lowest-priced stores ranked (from low to high total price on the 55 items). Many other independent meat markets and corner groceries ranked surprisingly low compared to chains. Significantly higher meat prices in chains than in independents apparently caused the results, in addition to the difference in inflation rates. When the stores are ranked according to totals of the 47 non-meat items, chain supermarkets tended to have lower prices than the independents. A Kroger's, for example, ranked lowest-priced when meat was excluded, although the same store placed only tenth with meat included in the total.

Baton Rouge consumers are, therefore, being advised by the CPC to save money by (1) buying meats at a lower-priced independent, and (2) buying all other groceries at stores ranking low for the 47 non-meat items.

The survey also shows that lower-priced stores are clustered in the suburbs and on well-traveled streets. Stores with prices higher than the median are concentrated in low-income areas, strongly suggesting that the poor in this community do pay more for food.

The survey was coordinated by Len Vincent of the CPC staff. He ran three training and planning sessions for the volunteers before they set off in pairs to complete the 2-day survey covering about two-thirds of the city's grocery stores. No convenience markets were included.

Saccharin=Cancer?

Although there is evidence that saccharin does cause cancer in some animals, conflicting tests have led to more tests before Food & Drug Administration will consider a ban; hence, current recommended restrictions are extended.

Administration-slanted news sets off congressional counter attack

The Nixon Administration is under increasing fire for what critics regard as abuse and illegal use of government information and news.

One of the bluntest grievances is leveled by Rep. William Moorhead (D-Pa). "This administration," he says, "has turned our system of government backward, back down the path which leads to an all powerful political leader--call him president, dictator or king--who arrogates unto himself the right to know and against the elected representatives of the people whether in a Parliament or a Congress."

Moorhead leads a House subcommittee drafting amendments to the 7-year-old freedom of information law, a statute the Administration for one reason or the other refuses to honor. Applicants for information have been required, for example, to know file numbers or exact titles of information and even then may not get a response for 6 months. The central idea of the Moorhead-backed proposals is to prevent any more foot-dragging.

On another front, Rep. Torbert Macdonald (D-Mass), opposing the marketing of "partisan propaganda" as objective news, "is demanding a General Accounting Office investigation of the packaging of slanted government information into radio items taped for broadcast around the country. There is no assurance these are clearly identified as government reports. Macdonald is asking the Federal Communications Commission to monitor broadcasters for an indication of government news management. He wants the National Association of Broadcasters to warn station managers against use of government news without identification.

It's easy for the short-staffed radio station to fill up on government reports that can be used as complete news items or as inserts in local wrap-ups. The newsman simply dials direct to any one of a dozen Washington numbers linked to "spotmaster" or "codaphone" recordings. On a given day he can tape reports ranging from dull outlooks for cotton to political claims of HEW Secretary Casper Weinberger on domestic spending cuts.

The reports are prepared under the direction of government information bosses named by the President and

supervised by White House communications officials.

For the price of a direct dial call, broadcasters and others can hear what the government mill is producing: Agriculture 202-488-8358, 202-447-2545; Commerce 202-393-4100; HEW 202-783-4414; FDA 202-443-3324; Interior 202-343-3121.

According to sources at CFA affiliate Farmers Union, another tactic used by the Department of Agriculture is to permit government extension agents in the field to serve and be listed as "farm directors" of stations.

Still another sore point is use of tax money by the White House office of communication in publishing a "Battle of the Budget" kit. It was distributed to public information offices in the various agencies and departments with orders that it be used to blame Congress for spending and in killing 15 separate legislative items opposed by the White House. A Nader law suit has extracted recall of the kits, but not before--reports Washington Post columnist Mike Causey--A Department of Commerce publication, Commerce Daily, had already carried anti-congressional material about spending and legislation lifted straight from the kit. All

this in the face of federal statute prohibiting government agencies from lobbying.

Meanwhile, depending on one's point of view, Administration muscle gets credit for hamstringing if not taking over public affairs programming by public broadcasters. In trying to vest programming control in the presidentially-appointed Corporation for Public Broadcasting rather than in local station management, public broadcasting is unable to qualify for continued funding from Ford Foundation. This money has in the past made possible a number of probing news programs regarded by the White House as anti-Nixon Administration.

Still in the mill are two startling legislative proposals by Nixon. One permits criminal prosecution of reporters who publish the contents of any government report or any "national defense information" without government permission. Just as alien to prevailing law and practice is another proposal making it a crime for reporters to knowingly print information "relating to" national defense. Presumably this precludes coverage of US-Russia talks, Cambodia bombings or White House operatives who get caught burglarizing private offices.



consumer federation of america

FROM PAGE 1

major petroleum companies would not bid on their requirements for transit system fuel requirements, for fuel requirements for electric generating facilities and for municipal vehicle fleets. When bids were finally wrangled out of them, the price increases of 40%, 90%, etc., were almost scandalous. His answer, "says White, "was that this is a 'seller's market;' that petroleum companies are free enterprise; that they have had inadequate earnings in the past..."

White is lobbying Congress for a mandatory fuel allocation program. He thinks making failure to comply an unfair trade practice under the Federal Trade Commission should be coupled with a more straightforward solution requiring each major integrated petroleum company to submit a monthly report. It would show 4 columns for last year's sales for the month, this year's sales, the difference between the two in volumes and the difference in percentage. A more direct authority than FTC, says White, must implement a mandatory program.

— **CFA Annual Meeting** —

Consumers on the March

NATIONAL RURAL ELECTRIC COOP ASSN.

General Manager Robert D. Partridge hails the new REA legislation passed by the Senate 93-3 and the House 363-25 and signed by the President as a "smashing victory" under the circumstances--having long-standing 2% loans all but wiped out by White House edict Dec. 1972.

COOPERATIVE LEAGUE OF THE USA

Legislative Rep Shelby Southard (also CFA director and transportation chairman) has once again testified before the Senate Commerce Aviation Subcommittee urging more low-cost charter flights and beyond the U. S.

CONSUMERS LEAGUE OF NEW JERSEY

"milk dating watch" following changes in the state's milk dating law has turned up: dates past which it is illegal to sell milk are not always legible; the display case thermometer--needed to see if temperature doesn't exceed 45F--is hard to find. Watchers report finding more home-delivered milk older than expected, difficulty in keeping low fat or skim milk as well as homogenized, half and half and cream having a tendency to sour. They report incidents of sour, warm or frozen milk being distributed at schools.

BUCKS COUNTY CONSUMER ORGANIZATION

(Pa) is piloting a home maintenance "services and skills" project whereby BCCO members swap small jobs involving everything from plumbing to silk screening and auto repair. A system of "credits" is supposed to keep services equitable.

MISSOURI ASSN OF CONSUMERS argues of

for an independent federal consumer protection agency to help curtail "waste and excesses" caused by monopolistic capitalization. Citing congressional sources, the Assn. itemizes waste on over-priced and falsely advertised goods, poor and unnecessary services, at possibly 40% of all consumer spending--or \$45-billion a year.

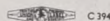
WASHINGTON COMMITTEE ON CONSUMER

INTERESTS lists among consumer gains at the state legislature measures requiring one consumer rep on the board of pharmacy, open dating on perishables with 30 days or less shelf life, flame resistant children's nightwear in sizes 7-14.



consumer federation of america

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