



# consumer news and comment

July 1973

CONSUMER FEDERATION OF AMERICA

WASHINGTON DC

## STEIN OPPOSES "ANOTHER PHASE 3"

Encouraging words by the President's top economic advisor, especially in the face of predicted food shortages, rising interest rates, and continued escalation of the cost of living:

"We're not going to go through another Phase 3. We just can't let that happen."

Herbert Stein  
New York Times  
June 16, 1973

Stein, chairman of the President's Council of Economic Advisers, went on to say, according to the Times, that Phase 4 will have more mandatory features than Phase 3 and be more comprehensive than Phase 2. He leaves open the possibility that some price ceilings will remain after the current freeze ends.

Meanwhile, consumers are getting bleak news on several fronts:

- While Department of Agriculture officials say food prices may increase another 13% this year, the consumer-oriented Community Nutrition Institute figures the total 1973 food price increase over 1972 levels will be 14 to 17%.

- A little-noticed USDA decision stops publication of a monthly

"plentiful foods" list because, in part, food is not as plentiful as before. Associated Press reports that beef was last on this list in 1967. This month's plentiful list features depression foods: dry beans, oats, cornmeal and grits.

- Too plentiful, apparently, is chicken. Unable to withstand a 28¢ per chicken loss due to uncontrolled, rising feed prices, growers are killing supplies by the thousands, maybe millions.

- Other reports using Bureau of Labor Statistics show that between

1952 and 1972, food costs rose 61.2% and the cost of a home, including purchase price, mortgage interest, maintenance and property taxes, increased 91.7%.

### democratic policy

Just before President Nixon announced the Phase 3 freeze, Senate Democrats endorsed a 90-day freeze on prices, profits, wages, salaries, rents and interest rate policy. Sen. Walter Mondale (D-Minn) persuaded the caucus to also go on record favoring long-range economic policies that are decided "in consultation with Congress, labor, farmers, business and consumers."

### phase 4 criteria

Washington Post columnist Hobart Rowen says Phase 4 must meet certain criteria if it is to work over a long period:

- (1) Establish mandatory controls on big unions as well as big industry;
- (2) Establish what former Pay Board member Arnold Weber calls "clear and unambiguous standards" so that everyone knows what is expected of him;
- (3) Establish a stiff requirement for pre-notification of projected (contuned, p.2)



Consumer Federation of America  
Washington DC • July 1973

## New FTC member: voice from the past

President Nixon's man to fill a vacancy on the Federal Trade Commission has come right out in opposing class action, the abolition of holder-in-due course while straddling a host of other issues.

"If the consumer has sustained a small financial loss," says Mayo Thompson, "perhaps, his best remedy would be to not buy that product again and encourage his friends and associates to do likewise."

Mayo Thompson is a Houston maritime attorney and a self-described conservative.

In written responses to questions by the Senate Commerce Committee before he was confirmed last month, Thompson said he was unsure about the need for counter advertising, corrective ads, and an independent consumer protection agency. He also opposes abolition of the holder-in-due course credit doctrine. He

does say advertisers should have to prove their claims, he wants FTC to be cautious about intervening in matters outside the agency, and he promises independence.

Thompson's views on class action, though, follow:

"Existing rules of Federal Civil Procedure now provide for certain types of class actions. It has long been a shortcoming of our judicial system that small claims cost too much to recover. I do not condone consumers being "cheated" in connection with relatively small sums, or any sum, for that matter, but I must confess that I can see where class actions of this type could produce abundant abuses. Some lawyers might well seize upon such an opportunity to create more problems than would be solved. For every wrong, there should be a just remedy, but, as I have stated, the cure could well be more severe than the disease.

Our Federal courts are already substantially overburdened. If a consumer has sustained a small financial loss, perhaps, his best remedy would be to not buy that product again and encourage his friends and associates to do likewise. If, however, the product produces harm apart from a financial loss, then such a consumer already has redress in the courts under a 'products liability' theory. I am not persuaded that small financial losses, and I do not quarrel with the principle involved, justify class actions of the type inquired about in this question."

Washington consumer representatives look toward the filling of Mary Gardiner Jones' seat on the FTC as an opportunity for a consumer-oriented appointment. Ms. Jones term ends September 25.

ANNUAL MEETING AGENDA, P. 3

## FDA antacid policy on alka selzer bludgeoned a bit

• At Senate hearings several gastroenterologists have charged that aspirin antacid products may be a health hazard to people with stomach ulcers and gastric bleeding.

In highly dramatic terms, a University of Pennsylvania professor told the Senate subcommittee that he has seen 18 patients in that many months who suffered from gastrointestinal hemorrhage caused by aspirin preparations. In five cases, he said, the product was Alka Selzer, made by Miles Laboratory. He and the other doctors agreed that plans to relabel Alka Selzer, to warn consumers, is inadequate. They contend these warnings and instructions are widely ignored. The Pennsylvania doctor says Alka Selzer is often overused by people with serious underlying disorders, and if there's bleeding, Alka Selzer will make it worse.

• Sen. Gaylord Nelson (D-Wis) also sees Alka Selzer as irrational for antacid use alone and says it should not be labeled or marketed for this use.

• CFA urges a ban on Alka Selzer until Miles reformulates the product without aspirin, but CFA wants immediate adoption of final antacid regulations.

• The consumer liaison to the FDA antacid panel denies charges that the panel knuckled under to pressure from Miles for its decision to allow one fixed combination product (the analgesic/antacid combination) as generally safe and effective.

"... some of the expert panel members felt strongly from the beginning," says Ms. Annette Dickenson, that a significant proportion of the target population does in fact have a headache and acid indigestion at the same time, and that as long as the label clearly stated that the product was to be used only by people with concurrent symptoms, there was no justification for banning the combination." That's the position under consideration at FDA as eventually adopted by the panel. Ms. Dickenson doesn't say it is

right; she is merely defending the integrity of the panel. Ms. Dickenson served as a non-voting member of the antacid group on recommendation of several Washington consumer activists and organizations participating in a liaison program coordinated by CFA. A consumer representative is assigned each of the drug reviews.

Both Ms. Dickenson and CFA recommend that another panel be established to consider inactive ingredients in all over-the-counter drugs.

(A special over-the-counter drug review panel on antacids is recommending that FDA permit continued marketing of aspirin antacid products, including Alka Selzer. Antacids are among several dozen non-Rx remedies never before thoroughly scrutinized or regulated by the government. FDA's program to set efficacy and safety standards for over-the-counter drugs was started 18 months ago. Numerous other reports and recommendations on other types of preparation will be considered in the months ahead.)

## 800% increase

Thirteen Kansas municipals have been curtailed on sue of natural gas. According to the League of Municipalities of Kansas, if they are able to buy oil for their generating stations, it will increase operating costs by 800%.

## PHASE 4, fr p. 1

price increases by all but the smallest of companies;

(4) Set up an enforcement system that really will work, even if this means creating a sizeable bureaucracy. We have more to fear as a nation from an uncontrolled inflation than a few more thousands on the federal payroll.

## state action

New York Gov. Nelson Rockefeller is setting up a special state commission on living costs and the economy. It will deal with complaints about price increases and shortages of supplies, and could conceivably recommend state regulatory and legislative remedies. New York Consumer Assembly is urging Rockefeller to include organized consumers on the 4-member commission, scheduled to get off the ground at a special session of the legislature later this month.

## Grain Deal Cost In Millions & Millions

Last year's Soviet grain deal, according to Rep. Benjamin Blackburn (R-Ga), cost U.S. consumers at least \$300-million.

In recent testimony on Administration trade legislation, though, Blackburn adds up many additional millions consumers will pay for--if they haven't already:

"According to the figures supplied by the Comptroller General, Elmer B. Staats, the massive grain sales to the Soviet Union raised domestic prices of wheat from about \$1.63 per bushel in July of 1972, to \$2.49 a bushel in September of the same year. CBS News has computed the total cost to the American consumers for the 9-month period starting July, 1972, and according to these figures, the total costs to the consumer for the purchase of bread and other flour-based products as a result of the Soviet wheat deal, will be at least \$300 million, and that is a conservative estimate.

"As far as beef and pork (and beef and pork-based products) are concerned, the additional costs to the American consumers will have to absorb during the same 9-month period is \$1.2 billion in order to eat the amount of meat that he has

been consuming. However, the actual increase in food prices imperatively adds an additional 12 per cent to the combined figure of \$1.5 billion.

"The cost of feed grain plays a large role in determining the price of poultry, eggs, and dairy products. The increase in those prices vary from 12 to 25 per cent, and that adds--for the 9-month period--an additional cost to the consumer of about \$800 million."

Blackburn says the direct subsidy for the Soviet grain deal has cost taxpayers more than \$300 million, and that, so far, the subsidy for transportation of grain amounts to over \$400 million, also a figure used by CBS.

## more filth in food

Rep. John Melcher (D-Mont) has released a secret May 1972 report by the Agriculture Department showing that 38 out of 88 meat and poultry plants checked were operating under unsanitary to filthy conditions.

# CFA ANNUAL MEETING

## MILWAUKEE - JULY 19-21

### THURSDAY, JULY 19

10 am Registration  
to Displays  
3 pm Exhibits

Noon Luncheon Meeting  
to of Presidents of  
2 pm Affiliated Organizations  
Speaker: Colston Warne,  
President, Consumers  
Union

2 pm Program Discussion  
to Leaders and Panelists  
3 pm Meeting

3 pm Opening General Session

3:30 pm Workshops  
to Session 1  
5 pm

6 pm Reception

7:30 pm Dinner Meeting  
to Speaker: Lee White, Chm.  
9:30 pm Energy Policy Task Force

10 pm Credentials, Rules and  
to Nominating Committee  
10:30 pm Meetings

### FRIDAY, JULY 20

8 am Registration  
to  
5 pm

9 am Workshops Resume  
to Session 2  
10:30 am

10:30 am Coffee Break

11 am Workshops Resume  
to Session 3  
12:30 pm

12:30 pm Luncheon Meeting  
to Speaker: Betty Furness,  
2 pm Commissioner of  
Consumer Affairs, NYC

2:30 pm Policy Subcommittee  
to Hearings  
5:30 pm

5:30 pm Policy Subcommittee  
to Work Sessions  
7 pm

8 pm Policy Committee  
to Subcommittee Reports  
10 pm

10 pm Policy Committee  
Work Session

### SATURDAY, JULY 21

8 am Final Registration (To  
to Vote, delegates must  
9:15 am register no later than  
9:15 am)

9:15 am Credentials Committee  
to Meeting  
9:45 am

9:45 am Coffee Break  
10 am Annual Business Meet-  
to ing: Rules & Creden-  
Noon tial Committee Reports,  
Officers' Reports,  
Exec. Director's Re-  
port, Policy Committee  
Report

Noon Luncheon Recess  
to  
2 pm

2 pm Action on Policy Resolu-  
until tions; By-Laws Commit-  
Adjourn- tee Report; Nominating  
ment Committee Report; Elec-  
tion of Officers & Board  
Members

### SUNDAY, JULY 22

9 am Board of Directors  
Meeting  
Noon Luncheon Recess  
1 pm

1 pm Board of Directors  
to Meeting  
3 pm

### WORKSHOPS

Series A -- BUILDING YOUR ORGANIZATION

Session 1: Recruitment & Identifying Issues (Discussion Leaders: Marjorie Shields, Lynn Jordan, Kay Pachtner)  
Thursday, July 19  
3:30 pm to 5 pm

Session 2: Finance & Organization (Discussion Leaders: Currin Shields, Soloman Harge, Doris Behre)  
Friday, July 20  
9 am to 10:30 am

Session 3: Communication with Members (Discussion leaders: Patricia van Betten, Don Rothenberg, Sharon Stark)  
Friday, July 20  
11 am to 12:30 pm

Series B -- SERVING YOUR MEMBERS THROUGH CONSUMER ACTION

Session 1: Dealing with Government (Discussion Leaders: Michael Morris, Eileen Hoats, Don Wilner)  
Thursday, July 19  
3:30 pm to 5 pm

Session 2: Economic Action (Discussion Leaders: William Fasse, Sue Hester, Jan Chakowsky)  
Friday, July 20  
9 am to 10:30 am

Session 3: Complaint Handling (Discussion Leaders: R. David Pittle, Agnes Bryant, Robert Myers)  
Friday, July 20  
11 am to 12:30 pm

### RESERVATIONS AND HOUSING

Robert T. Seay, Conference Coordinator, U. of Wisconsin-Milwaukee, 3400 N. Maryland Avenue, Sandburg Hall, Milwaukee, Wis 53201, 414-963-4070.

### REGISTRATION FEES

\$22 -- Delegates, Alternates  
Representatives of CFA  
Affiliates, Representa-  
tives of Government Agen-  
cies, and Invited Guests

\$62 -- Observers, Producers, &  
Industry Representatives

ALL MEETINGS IN UWM  
STUDENT UNION, MIL-  
WAUKEE

## Big legislative gains

"Fantastically successful." That's how NEW YORK CONSUMER ASSEMBLY legislative representative Eileen Hoats sums up the 1973 legislative session in which nearly 30 consumer measures were approved:

No-fault auto insurance; mandatory posting of hotel and motel rates at the registration desk; prohibition of co-signer guaranteeing a loan from applying to any future contracts; abolition of holder-in-due course doctrine on home improvement loans; allowing administrative judges to vacate default judgments in cases where there is evidence that they were fraudulently obtained; restricting venue in consumer credit cases to either the county in which the consumer resides or the county in which the actual transaction was made.

Also passed by both houses:

Billing notices to be mailed 15 days before billing period ends; 30-day inspection of railroads; continued arbitration pilot programs; drug price posting; ban on sale of hazardous toys; certification of auto repairmen; labeling Rx drugs to include name and strength; unit pricing; trial program of state-operated car inspection facilities; ban of certain debt collection practices; deadlines and procedures for solving billing errors; regulation of comprehensive health plans.

Other bills deal with proof of service, credit discrimination, door to door sales, overnight camps, security deposits, jewelry appraisers, open rating insurance plans, warranties, and phosphates.

## CLN ENERGY ACTION

Consumers League of Nevada is following up the CFA Energy Policy Task Force call for reaction, criticism or specific examples to illustrate and strengthen the consumer energy policy.

In a recent report, CLN President Pat Van Betten announced the appointment of Dr. Bernard Malamud, a U. of Nevada economics professor, to be liaison with the task force. CLN's special membership report in May carried full details of task force policy and positions formulated so far. Members are being asked to feed back to Dr. Malamud.

## checking with White House

Even with Congress mustering strength to pass a 2-year funding measure, public broadcasting is still in peril.

Politics is rearing its head again. At a recent public broadcasting advisory committee meeting of national organizations, Henry Loomis, named by President Nixon to head the Corporation for Public Broadcasting, defended the practice of consulting the White House on policy matters. Loomis was challenged by CFA representative Warren Braren of Consumers Union. It was the first public encounter of its kind since the big uproar earlier this year when the Administration attempted to takeover decision-making about public affairs programming. At the same meeting, attempts to broaden membership of the advisory committee to include minorities failed.

President Nixon, opposing 2-year funding as a concept, has already vetoed one Senate-House bill. The Senate now has a \$130-million 2-year bill compared to the House Commerce Committee's \$120-million proposal--reportedly \$10-million less than the Senate's in an attempt to prevent another veto.

Two-year funding is believed to help insulate public broadcasting from politics.

## FTC Demands Proof

Is it true Breck One Dandruff Shampoo "doesn't stop working the day you stop washing. . . keeps working between shampoos to help keep dandruff from coming back... fights dandruff for days"?

The Federal Trade Commission is making the Breck manufacturer document these claims by: submitting the number of days after last use that the shampoo is effective as an anti-dandruff agent; supporting the claim that it doesn't stop working the day after it's used; proving that it prevents dandruff and gelling how it does so; defining "dandruff"; submitting a quantitative list of ingredients; giving full details on all tests, methodology and surveys.

That's just a sample of the FTC shampoo and hair conditioner probe. It covers eleven manufacturers and fifteen different products.

## CONSUMERS & THEIR CARS: W

While Congress inches forward in drafting warranty legislation, new car owners plead for justice.

Those appealing to CFA just last month echo many of the same frustrations of owning and operating cars reported in the June CONSUMER NEWS & COMMENT

The new complaints range from "chirping" engines to transmissions, brake and air conditioning failure, the condition of cars at

Under Senate bill S. 356, warrantied malducts must be repaired or replaced by wtime period. House bill H. R. 7917 has aly stating that after two trips to get a wa still isn't remedied, the consumer can c

## AS CONSUMERS TELL IT

... it has been one month, 23 days and will probably be 2 months since I have had a car... the inconvenience (of repair) is quite bad enough without mentioning the cost.

Since I purchased this car two and one-half months ago, I have been without it for 14 days (in repair).

I noticed that when depressed, the accelerator pedal would not return to its normal position when the pedal was released. The only way to slow the car was to take it out of gear and brake. I immediately drove the car around the corner and back into the repair shop. I explained the problem to the gentleman on duty and pointed out a missing part after raising the hood. He then proceeded to tell me that that was the way the car was supposed to operate and that they had received a notice from the factory that the part should be left out. The car, in that condition was a rolling death trap.

The car is now six months old and the seat belts still do not function. . . I have repeatedly called the dealer and the local customer service division and have been repeatedly told that this is a common problem with the '73 Capris and they have not yet begun to ship functional seat belts to the dealers.

I received the truck on the 2nd of May and it seemed to run all right but then a knock developed in the engine, the front hubs and transfer case began leaking, and the clutch went bad. . .

## Why Congress must pass a tough warranty bill

delivery, and recurring breakdowns of all kinds.

Of the 61 complaints logged in June, Chevy leads with 14. Others are: Ford 8; Dodge 7; Lincoln-Mercury 5; American Motors 4; Plymouth 4; Buick 2; Pontiac 2. Dodge, Chevy and Ford share 7 complaints about trucks. In the foreign category, complaints include: Audi 2; Porsche 1; Mercedes 2; Toyota 2; and Volvo 1.

d malfunctioning or defective product by warrantors within a reasonable has a "two-bite" clause specifying a warranted product fixed and it can choose refund or replacement.

T . . . after my fifth visit, I returned the car again, still with the same complaint as on my first trip, that the heater/air conditioner periodically stops completely . . . and will not start again until after the car has sat for a short time. . . I feel that because I tried repeatedly to have the heater/air conditioner serviced before the warranty expired. . . Ford Motor Co should be willing to see that the problem is solved.

\* \* \*

It took less than 1000 miles for my car to develop transmission trouble. After 1900 miles a plate a plate on the rear end housing came loose. . . it took three trips to locate a noisy hum in the drive train which has existed ever since I've had the car. . . At the 3600 mile mark, the voltage regulator failed, causing the battery to completely discharge.

\* \* \*

This car had 41 miles on it as of Monday, May 21, all due to driving back and forth to Briggs Chevrolet. In 6 days I am without a car and forced to miss several classes at college and 2 days work.

\* \* \*

In spite of numerous repairs by Volvo dealers which kept my new vehicle out of commission at least 49 working days or 10 weeks in garage days, there remain many problems which seem unlikely to be repaired prior to the warranty expiration. . . The list of 27 items is appended.

## PRODUCT SAFETY ROLE FOR LOCALS

When it comes to product safety, local action groups, says CFA Information Director Judy Jackson, may have an important role to play.

Enacted in 1972, the Consumer Product Safety Act gives safety standard-setting and enforcement responsibilities to the recently operational Consumer Product Safety Commission. The law covers most consumer products never before regulated. The Commission also has responsibility for previously existing laws dealing with flammable fabrics, hazardous substances and poison prevention packaging.

Ms. Jackson, at a June meeting on the Act sponsored by Commerce Clearinghouse, a publisher of various business law reports, described four ways in which consumers and consumer groups can use the new law.

First, a consumer group could "offer to develop" a safety standard, and seek to have the Commission pay the costs of such development.

Second, consumer groups can petition the Commission to develop safety standards, with the Commission required to explain its reasons if it denies the petition. (In October 1975 consumer groups will be able to appeal such denials to the federal courts.) Consumer groups may also bring federal court actions requiring the Commission to enforce safety standards.

Third, an injured person has a cause of action if he can show he was injured by a knowing violation of a safety standard.

Fourth, local consumer groups may have opportunities to influence state agencies administering important aspects of the new law.

The law says that if a federal standard is in effect and applies to a risk of injury associated with a consumer product, no state can establish or continue a standard or regulation prescribing performance, composition, contents, design, finish, construction, packaging or labeling

of a product dealing with the same risk unless it is identical to the federal standard. States can apply for exemptions if they can show that a proposed state standard is higher than the federal and does not unduly burden interstate commerce, and is required by compelling local condition.

The law also requires the Commission to promote federal-state cooperation. It says the federal government can finance state assistance in data collection, administration and enforcement or commission state employees as investigators and inspectors.

In line with the Nixon Administration's general emphasis, there are indications that the CPSC staff is drafting model state legislation, aimed at state adoption of all CPSC regulations. State agencies would be authorized to do market surveys, petition the federal agency to set safety standards and ban products, conduct inspections, and more.

A state agency should be more accessible to local consumer groups than a federal agency. If not, a group's response against unsafe products could be various forms of direct action--picketing, boycotting.

Instead of settling for identical standards at the state level, Ms. Jackson recommends that local groups seek stronger state regulations. In addition, they should be prepared to demand access to data from companies likely to claim tougher standards are an "undue burden" on interstate commerce.

She suggests that groups conduct their own investigations and surveys to determine the accident problems related to various products.

A local group trying to monitor and otherwise become involved in safety standard-setting and enforcement should also include on its agenda pursuit of information--systematic attempts to secure access to government and corporate information.

## COURT GIVES GO-AHEAD FOR DRUG REMOVAL

The Supreme Court's June 18 decision sustaining the U.S. Food and Drug Administration's removal of ineffective Rx drugs on a comprehensive basis is being interpreted as clearing the way for similar approaches to nonprescription medicines, food additives, labeling, etc. Industry wanted the Court to support a case-by-

case method. But FDA is under a previous court order to rid the market of ineffective drugs in four years, and, according to Supreme Court Justice William O. Douglas, the individual case approach might require 3500 individual hearings. Each would undoubtedly last several weeks at least.

## POLLUTION STOPPER: TAXATION

A sulfur emissions tax is being proposed as a strong economic incentive to stop pollution.

The 1970 Clean Air Act, intended for this purpose, is hung up in government indecision, budget cuts, court orders and other delays. Besides, the Nixon Administration is expected to suggest a 3-year delay in important Clean Air Act provisions.

Chief backer of the sulfur tax remedy is the year-old COALITION TO TAX POLLUTION. This group believes industry would install rather quickly the best possible devices if faced with a 20¢ per pound tax. In 1969, 33.4 million tons of sulfur emissions streamed from the smokestacks of power plants, smelters and other industrial facilities.

Legislation introduced by Wisconsin Democrats Rep. Les Aspin (HR10890) and Sen. William Proxmire (S3057) embodies the Coalition's 4-point plan:

- A target level of 20¢ per pound of sulfur would be reached in 5¢ increments from 1972 to 1975, a figure greater than estimated cost of abatement, but less than the measurable health and property costs of sulfur oxide pollution to society;
- Uniform application of the tax across the country;
- Revenue from the tax would not be earmarked, so that no program is dependent on a lack of pollution control;
- Congress, rather than an agency, would set the level of the tax so the debate is in the open.

The Nixon Administration claims to support the principle of the sulfur tax but only if levied after 1975.

### vaporizer kills 11

FDA has confirmed charges by Nader's Health Research Group that 11 people have died as a result of Pertussin Medicated Vaporizer. Possible hazards in non-Rx aerosol cough sprays manufactured by nearly 20 companies are, as a result of the deaths, under investigation.

The Administration also employs a regional approach exempting industries in areas that meet the Clean Air Act secondary standards. "Environmentalists say that this will encourage polluters to move to regions of cleaner air to avoid paying the tax," says Coalition spokesman Judy Pope.

The Coalition is seeking widespread support for House Ways & Means Committee hearings on the Aspin-Proxmire bills. Consumer letters are needed.

## Disaster decision

Consumers will keep being gouged by household movers because the Interstate Commerce Commission wants it that way. A recent ICC action tells the tale.

The U.S. Department of Transportation had recommended that its sister agency take note of rising consumer problems with movers. DOT proposed regulations including \$25-a-day penalties for late pickups, limiting charges to no more than 10% above an estimate and distribution to consumers comparisons of company estimating practices and overall performance.

ICC rejected the whole idea, settling for more information gathering and leaving the question of dissemination vague.

CFA Exec. Director Erma Angevine calls ICC's decision a "disaster" and disputes the agency's idea that "improvements in statistical reporting" can be a remedy for inaccurate estimating.

## Bottlers' bonanza

Without debate, on voice vote, and with a handful of senators around, the Senate ignored consumers and passed a bill to let soft drink bottlers have exclusive territorial franchises.

Senate action came midway in a nationwide boycott of Coca-Cola and Pepsi soft drinks called by National Consumers Congress in early June.

It's the second consecutive year consumer protests have fallen on deaf ears.

## CFA Annual Meeting

**SUMMER MADNESS:** Idlers dream up fictitious legislation with real Capitol names.

Samples: The Butler-Baker-Cook household employes wage bill, the Hunt-Heinz-Pickle-Pepper food-additive bill, the Riegle-King-Staggers election-reform bill, the Bible-Church-Chappell-Bell-Tower prayer amendment. The name of the game: "Stennis, Anyone?" Editor Richard Pence of the Rural Electric Newsletter started it.

Other Washingtonians take up the challenge. Further offerings: The Bray-Cannon noise-control bill, the Ketchum-Young drug offenders bill, the Long-Dole guaranteed-annual-wage bill, the Green-Grasso lawn-conservation bill, the Little-Man-Staggers alcoholic-beverage-control bill for minors.

*A Watergate angle creeps in, with the Howard-Hunt espionage-control bill.*

WALL STREET JOURNAL  
June 22, 1973

She says the agency's rejection "is an incredible failure to recognize the deterrent value of monetary sanctions. Household movers," she says, "like most other businesses, don't get interested in consumer protection until they are hit in the pocketbook for anti-consumer practices. The ICC shows by this decision that its consumer protection pretensions are no more than public relations and that its real concern is not--to borrow an ICC phrase--to be unduly burdensome to the involved motor carriers."

ICC would have quarterly reports by companies so statistics are available on number of shipments transported, shipments over or under-estimated by 10%, shipments picked up or delivered more than 5 days late, those picked up or delivered 1-5 days late, those involving \$50 or more in damage claims, those with claims for costs due to delay, and time to settle losses or damages.

## KING SIZE a NO NO!

In Ruston, La., the local Coca Cola bottler didn't convert to King Size Cokes, and continued bottling only 6 oz sizes, which were the only ones available in Ruston, a sizable town with a university.

When a food chain started importing King Size from Shreveport, about 50 miles away, Ruston Coca Cola brought suit for franchise infringement, and stopped importation.

We certainly don't need more of this kind of stuff. I also see possibility of problems in case certain areas prohibit throw-away bottles, or cans, in conflict with what the local bottler chooses to use.

## Windpower, Sun, Water and Sludge

Some alternative sources of energy. . . as told to CFA Consumer News & Comment

By

Vic Reinemer, Staff Director, Senate Government Operations Subcommittee on Budgeting, Management & Expenditures (former Exec. Secy. to Sen. Lee Metcalf of Montana)

When I was a lad on Lost Creek we got our electricity from the wind. We had bolted a wooden propeller onto a car generator, mounted on a platform and hooked to a single storage battery. I ran a line into the house and, above Mom's sink, dangled a single bulb. It didn't light up as much as her face but, by golly, it worked.

Later on Dad bought a wind electric plant from the Jacobs brothers, who lived about 20 miles north of us, in the Vida country. Admiral Byrd had used one of their plants in Antarctica in 1933, so we were in high style. The Jacobs plant, with its banks of storage batteries in our basement, provided sufficient electricity for the house until John Vejtasa, Jewett Hofland, Dad and a few others got the McCone Electric Co-op organized. Then electricity generated by hydropower, at nearby Fort Peck Dam, came in through REA central station service.

Now that more persons are questioning the frenzied depletion of fossil fuels and uranium, and their mounting costs and pollution, windpower is receiving more serious attention. Last month I attended a windpower workshop in Washington, sponsored by the National Science Foundation and the National Aeronautics and Space Administration.

One of the Jacobs brothers-- Marcellus-- spoke there, and was properly recognized as a prophet even though he turned to other business years ago because the public had lost interest in windpower. But now-- even though government and industry support is minimal-- there are dozens of persons working the wind.

They include middle-aged professors such as Bill Heronemus from the University of Massachusetts. He proposes large wind

units off New England's coast. They would by electrolysis produce hydrogen which would be piped onshore for consumption in power plants at competitive costs. There is Henry Clews of Maine, who has found a market for Swiss- and Australian-built wind plants, similar to the Jacobs' machines. And Montana's Fred Davison who would mount airfoils on cars scooting around a track.

As in other areas of alternative energy source research, foreign countries may be getting ahead of us in windpower research. Canadians, Frenchmen, Englishmen, and Germans shared their experiences at the workshop.

The Federal power agencies, especially the Corps of Engineers and Bureau of Reclamation, are looking for ways to justify their continued existence within an Administration which puts faith in the investor-owned utilities and the fossil and nuclear resources they control. I can not think of a better mission for Federal power agencies than development of windpower and other alternate energy sources.

Those agencies are expert at generating hydropower which, like the wind, is superior to fossil fuels and nuclear power from both an environmental and operating viewpoint. The Federal agencies could also develop production of power from sludge and the sun, and eventually market it as they now sell water power.

(SW)<sub>2</sub> -- sun, water, sludge and wind-- could be the formula for an energy program that would bring the Federal power program out of the doldrums, while helping reduce pollution, monopoly and the spiralling cost of essential electricity.

## Tire substitution gyps

National Highway Traffic Safety Administration warns new car owners and purchasers to beware of undersized tires being installed by dealers. This is likely to occur when purchasers request substitution for those supplied by the auto-

makers. Undersized tires can result in premature wear and blow-outs. "Dealers can be penalized (for substituting inadequate tires)," says NHTSA, "whether the violation is an innocent error or price gouging."

**Senate Rejected '27 ICC Nominee**

The Senate's Wednesday rejection of a presidential nominee to a regulatory agency has a precedent.

On Jan. 24, 1927, the Senate turned down, 48 to 28, President Coolidge's nomination of Cyrus E. Woods, a Pennsylvania Republican, to the Interstate Commerce Commission.

In rejecting, 49 to 44, the Nixon nomination of Robert H. Morris to the Federal Power Commission, senators contended that the nominee was too close to oil and gas interests.

**Washington Post**

**June 15**

**NONABSORBABLE**

The Alza Corporation in California is reportedly trying to devise ways to make chemical food additives safe. In other words, nonabsorbable.

(See WALL STREET JOURNAL, June 18, 1973)

**FUNDLESS**

Only the Senate can restore funds for Virginia Knauer's \$1.1 million Office of Consumer Affairs. The budget was voted down by the House of Representatives (along with a \$1.3 million pollution council) when Iowa Republican H. R. Gross raised a point of order. He cited the illegality of appropriating funds for programs unauthorized by law. Both programs are creatures of the President, existing under executive orders.

**MAIL ORDER BUGGING DEVICES FOR SALE**

A Los Angeles firm, obviously piggy-backing Watergate, has opened a direct mail advertising campaign featuring sale of room bugs, ultrasonic bug jammers, telephone scramblers, bumper beepers, listening lamps, body beepers, shotgun mikes and more.

The company, Toolco Electronics, describes its bugging equipment as "some of the most exotic" ever made, available for the "first" but "limited" time "due to a pending law, that if put into effect, will restrict the sale of even plans for these devices."

CFA learned about Toolco's money-making scheme from an alarmed consumer whose son received the advertisement. "It seems to me," she says, "that Toolco Electronics is engaged in what I think of as a borderline operation... if nothing else, then at least an operation which is in poor taste at this particular time of the Watergate investigation."

**CORRECTION!**

Insurers responsible for misleading health insurance advertisements in New York will, in the future, have to publish corrective statements approved by the state insurance department.

The new regulation was recommended by NEW YORK CONSUMER ASSEMBLY. New York's decision to combat fraud in health and accident insurance ads with corrective statements may be a "first" for state regulators.

"If this country's youth is going to emulate certain Washington 'Pro's' through the selfish business interest evidenced by the attempted sale of bugging device schematics at a time when the practice of bugging on high official levels is so much in the public limelight, then this country is in bigger trouble than we dare imagine."

A "drop-in telephone transmitter" costs \$5. For \$4, Toolco offers an "in-line telephone transmitter" that "connects anywhere on the line or inside the telephone".

The most expensive item, an infinity transmitter at \$10 connects inside the telephone instrument. It permits the caller to dial anywhere in the USA and listen to all conversation in the room where the unit is installed. It costs \$3 for a body beeper and \$6 for a similar device used for tailing automobiles.

**THE WINNERS**

The May Chicago meeting of the National Consumer Congress, formed by those active in the April meat boycott, ended with plans for regional organizing sessions and election of these national officers:

- Ellen Zawel, Rockland County, New York, NCC President;
- Jan Alfar, Utah Consumers Council, Vice President
- Jan Schakowski, National Consumers United, Vice President
- Marge Milner, Concerned Consumers of Dade County (Fla), Secretary
- Sandy DeMent, Nader's Citizen Action Group, Washington DC, Treasurer



**consumer federation of america**

1012 14th ST. N.W., WASHINGTON, D.C. 20005

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**CFA Annual Meeting  
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