

NEWS FROM CFA

CONSUMER FEDERATION OF AMERICA

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NOVEMBER-DECEMBER 1971

CFA IN ACTION

- **REALLY ORANGE JUICE?** It's hard to know, says CFA, in urging the Food & Drug Administration to prohibit use of misleading names of diluted juice drinks, require drink producers to list prominently the actual percentage of orange juice in juice drinks, and require that all ingredients in the drinks be listed on the label. In addition, CFA is joining with Consumer Coop of Berkeley in calling for prohibition of artificial color in orange beverages.
- **A CONSUMER PROTECTION AGENCY THIS YEAR?** Probably not, according to CFA Exec. Dir. Erma Angevine, although Senate hearings have been held. The outlook is good, however, for a bill in the next session of Congress. "The strongest possible consumer protection agency is required because nobody in government works full time for the people," says Mrs. Angevine. "Laws already on the books fail to be implemented because under the existing system business and industry dominate regulatory agency decisions -- decisions which affect the daily lives of all citizens. Yet it is the taxes paid by these unrepresented citizens which finance the existing system . . . We want a stronger law than Congress is considering."
- CFA recommends four ways the pending Senate bill can be improved. It should provide: (1) participation by the CPA in all formal or informal government proceedings; (2) specific authority for the CPA to seek judicial review in the courts if a government agency refuses to initiate actions or inadequately implements laws; (3) CFA involvement in the internal operations of agencies; and (4) authority for CPA intervention in judicial proceedings even though another federal agency may already be a party to the dispute.
- **PHOSPHATES IN HOT DOGS?** That's what the Dept. of Agriculture proposes. In opposing the addition of sodium acid pyrophosphates in frankfurters, weiners, vienna, bologna, garlic bologna and knockwurst, CFA protests that "the immediate and long-range danger of chemicals...is largely unknown and uncontrolled." In further response to the proposed regulation, the Federation states: "...we cannot conceive of the federal government condoning the use of anything in food that is not absolutely essential. It does not make sense to abandon a natural curing process and depend on chemicals to speed up the manufacture of these products in the absence of clear proof of safety and better quality." (Comments on the regulation are due Jan. 1. Address letters to: Hearing Clerk, USDA, Washington, D.C. 20250)
- **PRODUCT SAFETY UNDER FDA?** Under no circumstances. In House testimony Dec. 1, CFA pressed for enactment of product safety legislation and called for "a new agency, with considerable independence of the Executive Branch, to administer and enforce a comprehensive safety program." Says CFA: "Entrusting these functions to the discredited hands of HEW's Food & Drug Administration, as the Administration proposes, would be a slap in the face of consumers." CFA recommends elimination of "the present piecemeal approach to product safety" and transfer of authority over flammable fabrics, hazardous substances, radiation products and poison prevention packaging to the new agency. Other "musts" include an in-house consumer advocate, statutory advisory council, pre-market product clearance and legal authority for consumers to bring suit to enforce safety standards.

• PRICE ENFORCEMENT? In a petition to Price Commission Chairman Dean C. Jackson on the eve of Phase II, CFA pressed for incorporation of the Federation's economic policy guidelines presented to President Nixon last September. Price enforcement policies should, said CFA, encompass all consumer goods and services including utilities. (Sen. Lee Metcalf, D-Mont, is now seeking legislation to restore the August 15 freeze on public utilities grossing \$10-million or more annually and to make utility increases subject to consumer challenge--administratively or in the courts. Metcalf estimates the public may be paying up to \$4-billion for higher gas, phone and electric rates in the next 6 months unless the utility freeze is restored.) CFA further told Jackson there is an "absolute necessity for price enforcement through postings, government inspection and clear avenues for consumer redress against price cheats." Policy recommendations developed by CFA member groups were forwarded to the Price Commission.

• TOUGH WARRANTY BILL PASSES. Round-the-clock efforts by CFA Exec. Dir. Erma Angevine to expand the powers of the Federal Trade Commission have contributed to Senate passage of the Warranty-FTC Improvement bill. After defeating a number of weakening amendments, the Senate passed it 76-2. House hearings have been held but action is not expected until next session of Congress. "Giving the FTC the authority to go to court to get back money lost due to fraud and deception is the key provision in this legislation," says Mrs. Angevine. The bill calls for written warranty standards for consumer products costing more than \$5, defines federal content standards for full warranties, gives the FTC greater authority to deal with unfair practices through preliminary injunctions and the power to initiate actions in district courts, and applies civil penalties for knowing violations.

JUSTICE DEPARTMENT ISSUES
 STARTLING PRO-CONSUMER ADVISORY
 ON DRUG PRICE ADVERTISING

State officials are being advised to eliminate laws prohibiting advertisement of prescription drug prices. That's the Justice Department's response to Osco Drug, Inc., a company now posting prices of 100 most frequently purchased prescription drugs in 176 pharmacies. Osco has stores in 16 states and it's new posting policy is under challenge in some states. Says Justice: "It seems obvious that consumers, faced with a lack of price information, are forced in many cases to make needlessly high expenditures for what to the purchasers are often essential products...the major effect of legislation or regulations prohibiting price advertising of prescription drugs is to reduce retailer incentives to engage in price competition with resulting higher costs to the public."

States with restrictive drug advertising laws are: Florida, Maryland, Michigan, New Jersey, New York, Oklahoma, Texas. Those with restrictive regulations include: Arkansas, Colorado, Connecticut, Georgia, Hawaii, Illinois, Indiana, Iowa, Kansas, Louisiana, Maine, Massachusetts, Minnesota, Nevada, Oregon, Rhode Island, South Dakota, Virginia, Washington, West Virginia, Wisconsin. These states prohibit discount drug price advertising: California, Maryland and New Jersey, Colorado, Louisiana, Maine, Massachusetts, Mississippi, New York and Pennsylvania.

 * "The 'freeze' was never a real freeze except on wages, and, as we *
 * predicted, stores found many ways to get around the regulations. *
 * Actually food prices should have gone down in recent weeks because *
 * prices of farm products did go down in September, including live- *
 * stock prices. Yet our own study of supermarket ads in August *
 * right after the freeze went into effect compared with prices adver- *
 * tised at the end of October shows scores of increases." *
 * --Sidney Margolius, The Machinist, 11/18/71. *

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CFA TO RECOGNIZE 'CONSUMER ENEMIES'--SEND IN YOUR NOMINATIONS

Consumers have plenty of enemies these days, some of whom are speaking regularly and frequently about the organized consumer as a threat to the American system. Belatedly, CFA decided to "honor" the adversaries of the consumer and, at the same time, inject a few laughs into the otherwise dead-pan seriousness of Consumer Assembly '72. The result will be "CFA's Blackouts of 1972--Belated Recognition of the Forces Which Have Labored to Keep the Consumer in the Dark." As a highlight of the luncheon program on Friday, January 28, CFA will present "Questionable Service Awards" to individuals and organizations which have tried to do in the consumer; perhaps to those who call us the "disaster lobby" or "the most serious threat to free enterprise since Lenin." But to do the most effective job, we need your help: Please send in your nominations of the people who have said the nastiest things about us. Time is short, so send your ideas today to: CFA Vice President James C. Webster, in care of American Public Power Association, 2600 Virginia Avenue Northwest, Washington, D. C. 20037.

CONSUMER ASSEMBLY '72 -- January 26-28; CFA
ANNUAL MEETING January 29; Statler Hilton Hotel; Washington, D. C.

CONGRATULATIONS HELEN NELSON

Mrs. Helen Nelson has moved from associate to director of the University of Wisconsin Extension's Center for Consumer Affairs. In the new post, she will conduct education and training programs in health, nutrition, environmental and consumer credit. Mrs. Nelson serves as a CFA vice president, president of Consumer Research Foundation, member of Consumers Union's board of directors, and chairman of the FTC Midwest Regional Office consumer advisory board.

TOUGH MEAT INSPECTION UPHELD

A U.S. District Court judge has ruled that Michigan's stiff meat packaging law covering products like hot dogs and sausages takes precedence over the weaker federal law. Armour, Wilson and Hormel companies' attempt to overturn the state law, says the judge, was motivated solely by "maximization of corporate profits."

LOAN COMPANIES CONVICTED

Convictions, fines and sentences of four finance companies and eight officials in a small loans bribery case have been upheld by Massachusetts' high court. The companies found guilty include Beneficial Finance, Household Finance, Liberty Loan and Local Finance. The charges involved bribery of two state banking officials in connection with setting small loan interest rates.

1ST GRAND JURY INDICTMENT OF SUBSCRIBE-BY-MAIL RACKET

A Baltimore, Md., federal grand jury has named International Magazine Service of Mid-Atlantic, Inc., in an indictment charging that thousands of people have been defrauded in a subscribe-by-mail racket operating in a dozen states. The jury cited 25 counts of mail fraud, enticement through phony sweepstakes offers, non-existent surveys and offers of "free" magazines for which customers were billed.

PLASTIC TAX LOSES --
CRACK-DOWN ON UNFAIR CREDIT PRACTICES WINS

The New York Supreme Court has invalidated the City's tax on plastic containers, a levy intended to promote recycling. The City did not impose a tax on containers made of metal, glass, fibre, paper board or combination of those materials, and the singling out of plastics resulted in charges of discrimination against plastics and was upheld by the court. As for NYC's battle against unfair credit practices, the court has turned down challenge of a regulation prohibiting creditors from communicating with a debtor's employer before winning a lawsuit against the debtor.

WANT FLAMMABLE FABRICS INFORMATION?

Call FTC's new toll-free telephone line for information about the names of retailers and customers, regions and cities where located, and other information about flammable products. The new Flammable Fabrics Information Center may be reached M-F, between 9 am and 5 pm (ET), by dialing 800-424-8589. Information can also be obtained by writing: Division of Textiles & Furs, FTC, Washington, D. C. 20580.

SOME IMPROVEMENT IN CEREALS

Modest nutrition improvement has been made in most of the cereals condemned as worthless by Robert B. Choate 15 months ago. Choate says that of the 60 best-sellers, nutritional formulations have changed in about 45.

NO-FAULT AUTO INSURANCE UPDATE

- Massachusetts, Delaware, Florida, Illinois and Oregon have adopted some form of no-fault.
- The Massachusetts insurance commissioner has directed about 120 companies selling in the Bay State to set up a reserve fund so that policy holders can get rebates if it turns out that the insurers are making "excess" profits. He recommends a 27.6% rate cut; the insurance companies go along with an 18.5% reduction.
- 13 states are considering some form of no-fault legislation; 13 others have authorized studies on insurance reform.
- In Canada, Saskatchewan has had a no-fault system for more than 25 years; Puerto Rico's no-fault system is about two years old.
- The proposed federal no-fault plan will be held over for Senate action in the next session of Congress. Sen. Adlai E. Stevenson, III (D-Ill) is proposing a compromise, giving the states two years to comply with federal no-fault standards.

THIS IS FOOD INSPECTION?

According to an October New York Post article, while federal laws forbid interstate sales of any food, drug or cosmetic that is adulterated or misbranded, government regulators follow a guiding principle that can't be found in a law book. Here's how the principle works: Regulators look at, say, the spice processor they regard as the nation's most efficient, and determine that the best he can do is keep the number of whole dead insects in each lot at four. Therefore, four or less is tolerable; more than four is illegal. And, says American Public Health Assn., fresh meat bearing the seal "U.S. Inspected for Wholesomeness" is no assurance it is wholesome. Inspection labels are misleading because federal meat inspectors do not check for salmonella and other common food poisoning bacteria.

On the way to Consumer Assembly '72 . . .

FTC HEARINGS ON UNDELIVERED
MAIL ORDER MERCHANDISE & SERVICES

Last spring CFA petitioned for FTC regulations on undelivered mail order merchandise. Hearings on a proposal requiring full refunds to mail order customers if pre-paid merchandise is not shipped within 21 days are set for January 24-25, Room 532, FTC Bldg., Washington, D.C., immediately preceding CONSUMER ASSEMBLY '72. There are three ways consumers can participate: submission of written statement; oral statement with written statement; or oral statement without written statement. To submit a written statement only or to request time for oral presentation, notify before January 17: Assistant Director for Rules and Guides, Bureau of Consumer Protection, Federal Trade Commission, Washington, DC 20580.

LEAD PAINT PROPOSALS
ANNOUNCED BY FDA

Two proposals to reduce potential exposure of children to lead are pending at the Food & Drug Administration:

1. FDA's proposal banning paint with more than .5% lead from use on children's toys and other articles intended for use by children. Additionally, this proposal requires all household paints containing more than .5% lead or .05% other heavy metals (antimony, arsenic, cadmium, mercury or selenium) to bear a special label, warning against use on surfaces exposed to children;

2. A proposal recommended by Rep. William F. Ryan (D-NY), Joseph A. Page, Georgetown U. Law Center, two students, a writer and one doctor, classifying all paint containing lead (except for irreducible trace amounts) as a banned hazardous substance.

Comments are due by January 1. Write to: Hearing Clerk, Dept. of HEW, Rm. 6-88, 5600 Fishers Lane, Rockville, Md. 20852.

NEED PRODUCT INFORMATION?

Uncle Sam's 350-item shopping list of all sorts of goods purchased by the government is available. It contains a listing of product category, manufacturer, brand name and/or model number and specification number. Just write Consumer Product Information, Washington, D.C. 20407. Use the same address to order bulk shipments of GSA's new quarterly publication, Consumer Product Information.

AFTER FOUR YEAR INQUIRY
CONGRESS GETS NEW DRUG LEGISLATION

Sen. Gaylord Nelson (D-Wis) had held many months of hearings to back up an overhaul of the nation's drug laws. His new legislation covers over-the-counter and prescription medicines, delegates regulatory power to the Food & Drug Administration and vests control over advertising and promotional material with the HEW secretary. The bill sets up a drug testing and evaluating center so the government can decide drug quality, safety, and efficacy rather than depend on drug manufacturers. It prohibits human experiments without government approval. It requires registration of all products and authorizes government rejection of new formulations unless they are demonstrably safer or more effective than existing medicines. All marketed drugs would carry the generic name. In addition, the government would prepare and issue a compendium for doctors, listing those drugs found to be safest and most effective.

CONSUMERS ON THE MARCH

- CONSUMER ASSEMBLY OF GREATER NEW YORK Exec. Dir. Don Elberson says the most significant development for his organization in the past 6 months is increased mass media coverage. Activities generating an impressive amount of news coverage include: a successful price freeze monitoring system; aggressive support for state legislation and CFA's consumer package in Congress; public testimony on consumer credit, unit pricing, licensing of TV, radio and auto repair firms, no-fault insurance among others.
- Responding to a survey, CONSUMER FEDERATION OF ILLINOIS members say CFI should give program priority to securing legislation dealing with creation of a state consumer council, health care, the environment, insurance, class action, repair service and regulation, the right to privacy.
- The TEXAS CONSUMER ASSN. is gearing up for increased activity and holds its annual meeting in Houston in December. Members are pushing for city consumer protection agencies in Houston and Corpus Christi, legislation to put the brakes on insurance fraud and deception, enactment of no-fault, and compliance with federal bank and meat inspection laws.
- ALABAMA CONSUMERS ASSN. is protesting but not getting far on price violations. Before October 1, says ACA President John Ripp, Alabama interest rates were 6% add on and 8% simple interest on single payment accounts. Now a new state law authorizes rate increases up to 2½ those levels. "Certainly such increases are indication that your plea for voluntary compliance...is not being generally accepted," ACA told President Nixon. "During a period when emergency methods are being employed to control inflation, such an increase in the price of credit is unconscionable."

ACA is also protesting Blue-Cross-Blue Shield and power company rate hikes. The government's response to ACA's request for a freeze on insurance premiums resulted in an acknowledgment from IRS. In a letter to the President, Ripp charges: "...the price control agencies created by you are either not following through on investigation of complaints or they have established a policy of dealing unilaterally with industries against which complaints are lodged and consumers are denied the opportunities to protect themselves from unreasonable price increases during a period of the so-called Price-Wage Freeze."

- LOUISIANA CONSUMER LEAGUE and VIRGINIA CITIZENS CONSUMER COUNCIL are in the business of questioning candidates and publicizing responses. Says LCL: "Candidates who responded overwhelmingly endorsed earlier positions taken by LCL...1972 may be the year of the Louisiana consumer if this thinking is translated into action at the State Capitol." VCCC went further and rated candidates based on their responses. Henry Howell, a founder and continuing member of VCCC, was elected Lt. Governor of Virginia.
- WASHINGTON COMMITTEE ON CONSUMER INTERESTS is launching its second year with a 4-point legislative program: health care; landlord-tenant relations; foods and nutrition (including unit pricing, open dating, school lunch programs, the freeze, food pricing, food quality); and auto insurance reform. CFA President Don Willner led the speechmaking at WCCI's recent annual meeting.
- WASHINGTON STATE LABOR COUNCIL President Joe Davis is urging the nation's insurance commissioners to support a no-fault auto insurance program which includes certain minimum criteria. Guidelines, according to Davis (a CFA director), include:

continued

- WASHINGTON STATE LABOR COUNCIL continued full coverage for and prompt payment of all medical and hospital costs; at least 85% coverage for wage loss up to \$1000 a month with optional coverage available for people with higher incomes; coverage for loss of personal services when the victim is not a wage-earner but upon whom others are dependent for care; a mandatory schedule of awards, based on income, for permanent, partial disabilities; full compensation for economic losses due to property damage, recovery of general damages and economic losses to pedestrians or passengers not members of the car-owning family; rehabilitation of accident victims; a system of arbitration for resolution of differences between policy holders and insurers; auto insurance as the primary insurance coverage unless another type of policy such as accident and health stipulates it is the primary recovery source.
- TENNESSEE CONSUMER ALLIANCE'S first market basket survey of 61 stores in 12 different cities came off with one hitch. When a surveyor encountered a super-market manager who "took away his survey sheet and 'requested' that he not take any more prices," the surveyor went on to other stores. On a second try, however, the manager "not only again ejected me from the store," says the surveyor, "but he gathered his stockboys at the door to threaten me on my way out about what would happen to me should I return. I wonder what he had to hide."
- NYC CONSUMER AFFAIRS COMMISSIONER Bess Myerson will try to uncover the hidden costs that advertisers bury in small print and footnotes. New regulations prohibit, for example, auto ads which do not disclose additional charges for all the optional features shown in picture advertising. Other examples include: shoe ads for people with large-size feet which do not state there are added charges for certain sizes; and floor covering ads giving per room prices without stating additional charges for certain size rooms.
- THE BAY AREA (CALIF) CONSUMER PROTECTION COORDINATING COMMITTEE reports most consumer complaints about services concern loss of money, inconvenience, inability to have an item repaired within a reasonable time, and failure of manufacturers to live up to warranties and guarantees. Complaints involve auto and TV repair, computer dating services, vocational or educational schools, vacuums, movers, banking, refrigerators, trailers, furniture.
- ASSN. OF CALIFORNIA CONSUMERS carries on fight against UCCC. On behalf of the Assn., Richard A. Elbrecht has opposed enactment of the Uniform Consumer Credit Code in testimony before the state's UCCC advisory commission. Elbrecht, senior staff attorney at the National Consumer Law Center in Boston, says the code has 13 major defects: (1) inadequate provision for private enforcement; (2) undue complexity; (3) preservation of the "holder-in-due-course doctrine"; (4) preservation of the false distinction between sale and loan credit; (5) unreasonably high interest rate ceilings; (6) limitation of scope to those who extend credit and exclusion of financially interested parties; (7) meagre coverage of debt collection practices; (8) meagre regulation of repossession practices; (9) preservation of the deficiency judgment; (10) inadequate regulation of contract terms; (11) no provisions on unfair venue or other unfair court procedures; (12) unduly limited administrative powers; and (13) unjustified complexity and bulk through attempt to supplant Truth in Lending.

AROUND AND ABOUT CAPITOL HILL

Measures to eliminate projected doctor and nurse shortages--the Health Manpower and Nurse Training Acts--have been signed into law by President Nixon . . . Over a hundred witnesses have appeared before the House Ways & Means Committee to propose some form of health insurance . . . Special legislation sponsored by Sen. Warren G. Magnuson (D-Wash) to exempt El Paso Natural Gas Co., from antitrust laws is opposed by the Justice Dept. . . Sen. Richard S. Sweiker (R-Pa) is seeking a federal law to require labeling of nutritional value on all packaged and canned foods. . . The Senate has passed an auto repair bill setting federal standards for more crash resistance to reduce consumers' \$30-billion annual car repair bill . . . Rep. Ella T. Grasso (D-Conn) is co-sponsor of legislation to require registration and testing of new chemical substances before they are marketed. Why? "From turkeys and eggs to laundry detergents," says Rep. Grasso, "the American public is being subjected to great anxiety and potential physical harm as the government continues to discover new dangerous implications of untested, unregistered toxic substances." . . . Rep. Joseph Minish (D-NJ) wants to create an independent food-safety administration, consolidating food inspection and related responsibilities of the FDA and USDA . . . Sen. Wm. Proxmire (D-Wis) has introduced a bill to cut costs added to the purchase price of a house, requiring lenders to absorb part of the cost of title search and any title insurance required as a condition for granting home loans . . . Charging that the FTC has received over 100 complaints alleging violation of a 3-month old rule, Rep. Ben Rosenthal (D-NY) is demanding that the agency enforce its requirement that food stores stock adequate quantities of advertised products . . . Sen. Philip A. Hart (D-Mich) proposes once again legislation to take doctors generally out of the business of selling things they prescribe . . . Water pollution legislation undergoes hearings in December at the call of the House Public Works Committee . . . Rep. Fred B. Rooney (D-Pa) says FDA's failure to protect consumers against propellant gas in aerosol containers is "intolerable" . . . Rep. William Ryan (D-NY) and Ralph Nader are urging that FDA take hexachlorophene products off the open market.

UNFAIR BILLING PRACTICES ATTACKED IN PROPOSED LEGISLATION

Hearings on unfair billing practices legislation sponsored by Sen. William Proxmire (D-Wis) have taken aim at a host of inequities. Under the legislation:

- ... Creditors must resolve billing disputes in 30 days or forfeit their right to collect the amount in dispute;
- ... Creditors cannot send out a bad credit report because of a disputed bill unless the consumer gets a copy and the creditor informs any credit reporting agency that the matter is in dispute;
- ... Creditors must mail out billing statements at least 21 days before a finance charge is due;
- ... Creditors operating revolving charge accounts cannot charge interest on funds already paid;
- ... Credit card issuers cannot prohibit merchants from offering discounts to cash buyers;
- ... Consumers have the right to stop payments on credit card purchases if the merchandise is faulty;
- ... Banks are prohibited from attaching the funds in a customer's checking or savings account to satisfy a credit card debt without a court order;
- ... Minimum finance charges on revolving charge accounts are prohibited;
- ... Creditors must identify the merchant and merchandise on computerized billing statements;
- ... Creditors must designate a telephone number to handle billing inquiries;
- ... Consumers cannot be subjected to a finance charge on revolving accounts if they make payments before the end of the billing period;
- ... Excess payments must be promptly refunded or credited to a customer's account.

IDEA EXCHANGE

ON JOB SURVEYING -- One of the big barriers to legislation helping the unemployed is the daily paper with thousands of want ads for jobs. So Maryland's Dept. of Employment & Social Services has done an informal survey of job opportunities advertised by two major metropolitan newspapers. Officials say about 80% of the advertised openings turned out "not available" or never really existed, and that in most cases the ads were promotion schemes or attempts to show company expansion.

ON HAMBURGER SURVEYING -- After Arizona Consumers Council results of a Tucson ground beef survey were released last month, local officials established the maximum fat content of hamburger at 30%. Then Safeway decided to start labeling its ground beef on the basis of fat content. ACC purchased hamburger "off the shelf" in 18 large markets. A Hobart Ground Beef Tester showed wide variation in the fat content of samples. A store tested one day, for example, showed 31% fat compared to 34% and 42% on later days. There was no correlation between price and fat content. In six samples tested, ACC found micro-organism counts 10 to 1000 times the acceptable one-million per gram. Such high counts often are the result of procedures in grinding, handling and storing.

ON SHORTWEIGHT SURVEYING -- NYC inspectors have discovered 51 shortweight violations in a single visit to the meat department of one Manhattan food store. Violations included a picnic ham listed at 6.98 pounds when it actually weighed 4.17 pounds. For this the store was charging \$6.91 instead of \$4.13. On other items, overcharges ranged from 3¢ to \$1.12 on bacon, chicken livers, pork loins and pattyburgers.

IN PASSING

From Los Angeles Times consumer column, "Consumer Advocate"

Q. I've been wondering how carefully pre-packaged meat is weighed and marked. To check accuracy at my neighborhood market the other day, I placed a package of lamb chops on the scale at the checkout counter. The package weighed 4 ounces less than marked. When I complained, the manager said the checkout scale was only supposed to be used for vegetables. What should I have done?

A. A pound of lamb chops, caviar or cabbage should all weigh a pound on any market scale. If it doesn't, make a note of the scale's number and report it to (local weights and measures officials)...Someone will be sent to check the scale and take action if it isn't correct.

CLASS ACTION
IN ILLINOIS

Illinois Attorney General William J. Scott hails as "historic" the U.S. Supreme Court's ruling upholding the right of his office to represent consumers as a class and to collect damages for them. The ruling involves an antitrust conspiracy case against five drug manufacturers for alleged price-fixing. As a result of the court action, Illinois consumers and hospitals will share in a \$4.5 million settlement.

FROM THE CFA MAILBOX . . .
WHAT'S A LEGITIMATE PRICE INCREASE?

"A store in our vicinity has increased the price of a three pound jar of honey from the price freeze price of 98¢ to \$1.41. This to me is a large increase and not supposed to be increased like this." --from Illinois.

"My problem is that the taxes and the insurance plus the mortgage I pay every month. I cannot make ends meet. . . Taxes are being raised every year. Why don't the taxes freeze like everything else? Can I raise (rental property rates) so that I can meet the cost of taxes that are raised?" --from Pennsylvania.

"My safe deposit box...is to be renewed in November. My statement was approximately 30% higher than last year. When I questioned them, they said, 'We raised our prices last spring.' Is this legal?" --from Maryland.

"I bought a can of Fisher's party peanuts from Skaggs Albertson's here in College Station on October 15, 1971 for 59¢ (not on special) and I bought another can on October 30, 1971 for 79¢." --from Texas.

"I have always paid \$3.19 a gallon for Chianti wine. . .since three weeks ago it has gone up to \$3.49. Could not get the manager (it seems like he is never available at any time) so saw the assistant manager and he told me that the wine has always been \$3.49 a gallon. . .since a month ago (flour) has gone up to \$1.64. . .can you imagine lettuce from 19¢ a pound to 39¢!" --from Oregon.

A LOOK AT HEALTH EXPENDITURES
AND THE COST OF LIVING

From the U.S. Department of Labor on November 19 came news that the consumer price index rose a mere 0.2 percent in October. The small rise, said Labor, reflects a "slower pace" increase in hospital costs among other services and cited declining health insurance "due to the annual retained earnings adjustment."

From HEW on the same date came this news: "The Nation's health bill amounted to \$75.0 billion in fiscal year 1971, representing 7.4 percent of gross national product (GNP). The continuous rise in the health proportion of GNP--it was 7.1 percent in fiscal year 1970--is the result of the slowdown in the general economy along with the continued increase in health spending. A rising level of unemployment and spiraling prices led to a curtailment of overall consumer expenditures, but not a corresponding reduction in spending for medical care."(Underscoring added)

CORPORATIONS & CONGLOMERATES
DEVELOP INTO HOT CAMPAIGN ISSUES

Note these indicators, says Cooperative News Service reporter Jay Richter: (1) Senate Monopoly Subcommittee hearings on "corporate secrecy"; (2) House and Senate hearings on "farmer bargaining" legislation to require large food handlers and processors to bargain on price and conditions of sale with bonafide representatives of farmers; (3) Senate Migratory Labor Subcommittee hearings tracing the history of land-holding patterns in the U.S.; (4) new legislation prohibiting a corporation or conglomerate from engaging directly or indirectly in farming or to "control...agricultural production through ownership or leasing of land for agricultural purposes."

BITS & PIECES

FTC has decided Zerex's can-punching commercials showing anti-leak qualities are not deceptive but says the company may have knowingly marketed an anti-freeze product despite evidence it could damage cooling systems...Also, FTC's probe of the auto, energy, drug and electrical machinery industries is off the ground. . . U.S. Traffic Safety Chief Douglas Toms says Congress ought to amend the law so government can order automakers to recall defective cars. . . Missouri's Auto Club reports faulty motor mounts of cars of all makes and models built since 1965 . . . 43% of vehicles checked during NYC's Clean Air Week flunked carbon monoxide emission tests . . . Swift & Co. finally decided against trying to decontaminate 50,000 turkeys to use in frozen foods . . . American Health Foundation is recommending top-to-bottom overhaul of food marketing to make more low-cholesterol foods available . . . CAB's Consumer Affairs directors says he's won about \$100,000 in refunds and penalties for consumers--by using "moral suasion."

CURRENT CONSUMER ISSUES IN NATION'S STATEHOUSES

In addition to the following analysis of consumer legislation prepared by Lever Brothers, it is being reported that over 100 proposals restricting non-returnables are under consideration by state and local governments:

- Control of phosphate level and other detergent contents proposed in 35 states and over 60 counties and municipalities with regulation enacted in 7 states, 8 counties, 56 municipalities;
- Regulation of games, contests, promotions and lotteries proposed in 24 states;
- False advertising and deceptive practices attacked in 57 bills in 19 states;
- Trading stamp targeted in 39 bills in 15 states;
- Packaging, labeling, weights and measures the aim of 46 bills in 17 states;
- New or expanded consumer protection agencies proposed in 113 bills in 23 states;
- Unit pricing considered in 18 states with laws enacted in NYC, Massachusetts, Maryland and Connecticut;
- Open dating proposals introduced in 20 states with laws enacted in NYC and Dade County, Florida.

ROUNDUP FROM FDA

Says the Food & Drug Administration in recent weeks: enzyme-based products may be better than phosphate detergents . . . "mood" drug manufacturers should stop using exaggerated ad claims . . . about 9-million Vitamin C pills have been recalled in the past 6 months because of mislabeling . . . regulations are in the works requiring reduction of radiation exposure to patients and operators during x-ray exams . . . although 47,000 cans have already been eaten, 20,000 cans of spoiled Fancy Dungeness crab meat (coded DCWI and a number) are being recalled . . . because research links large amounts of hexachlorophene to convulsions and paralysis in children and lab rats, action against this commonly-used anti-bacterial agent may be considered . . . toys may be safer than ever, but some banned products may still be for sale . . . consumers should not eat LeRoitelet brand Camembert or Brie cheese--the 4 and 8 ounce packs are being recalled . . . drug manufacturers are being directed to warn against use by pregnant women of the drug stilbestrol (DES) . . . review of over-the-counter drug effectiveness is being launched . . . contending a lack of authority to require full ingredient labeling of all food products, FDA is refusing to approve petitions from about 5000 consumers . . . agency standards (voluntary) for frozen dinners are based on a balance of 4.6 grams of protein per 100 calories.

DECEMBER TRUTH IN PACKAGING
CONFERENCE IN MILWAUKEE

The Center for Consumer Affairs of the U. of Wisconsin and the Community Nutrition Institute of Washington are sponsors of a conference on the status of unit pricing, open dating, nutritional, ingredient and grade labeling. Participants are expected to focus especially on anticipated FDA regulation of nutritional labeling and pending federal legislation for open dating . . . Sidelights -- An 18-month food stability study by Rutgers U. concludes that open dating disadvantages outweigh consumer advantages . . . Giant Food, Inc., is now providing full ingredient listings on the labels of private-brand laundry products and has introduced two new laundry detergents. One is phosphate-free; the other is a low-phosphate (5.6%) detergent . . . Six Spokane stores have voluntarily adopted unit pricing . . . Supermarket officials in Maryland say unit pricing is a success, has not increased grocery prices and the state's new law can easily be implemented. Unfortunately, they add, the system apparently isn't being used by a majority of shoppers.

OLDER CITIZENS
SET CONSUMER GOALS

Some 268 delegates to the White House Conference on Aging met all morning December 1 to describe their consumer concerns and to draw up a statement of priorities for consumer action, pointing out who they felt was responsible.

Their statement put responsibility on business and industry as well as voluntary and government agencies "to create an equitable, economical, accessible, and attractive marketplace for the older consumer."

Turning their attention to legislation, they called for:

- an independent consumer agency with "authority to serve as an advocate of the consumer, both as an individual and as a class, in proceedings before federal agencies, officials, and courts."
- "the right to sue as a class."
- an independent consumer product safety agency with "undiluted responsibility for preventing consumers from being exposed to unsafe goods, drugs, cosmetics and other consumer products."
- Health insurance legislation "requiring more stringent regulations regarding private health insurance."
- "passage of laws at the federal and/or state level providing for no fault automobile insurance to replace the present inadequate auto reparations system."
- a model law to regulate hearing aids, physical therapeutic devices and appliances
- unit pricing "in print that is easily read and understood" and open-code dating of packaged goods
- prohibition of laws forbidding the advertising of prescription drug prices
- a 3-day cooling off period to cancel a contract
- abolishment of holder-in-due course laws
- reform of land sales regulations

In addition, the consumer concerns session called for FDA to require all food manufacturers to give percentage labels of contents, "vitamin content, and caloric count."

They also asked for the Federal government to "establish a Senior Savings Bond so the elderly could invest in savings free from the uncertainties of inflation"; and rent control "for the protection of consumers of shelter as long as we are in a period of inflation."

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