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consumer federation of america

Washington, D.C.

January-February 1976

consumer assembly 76

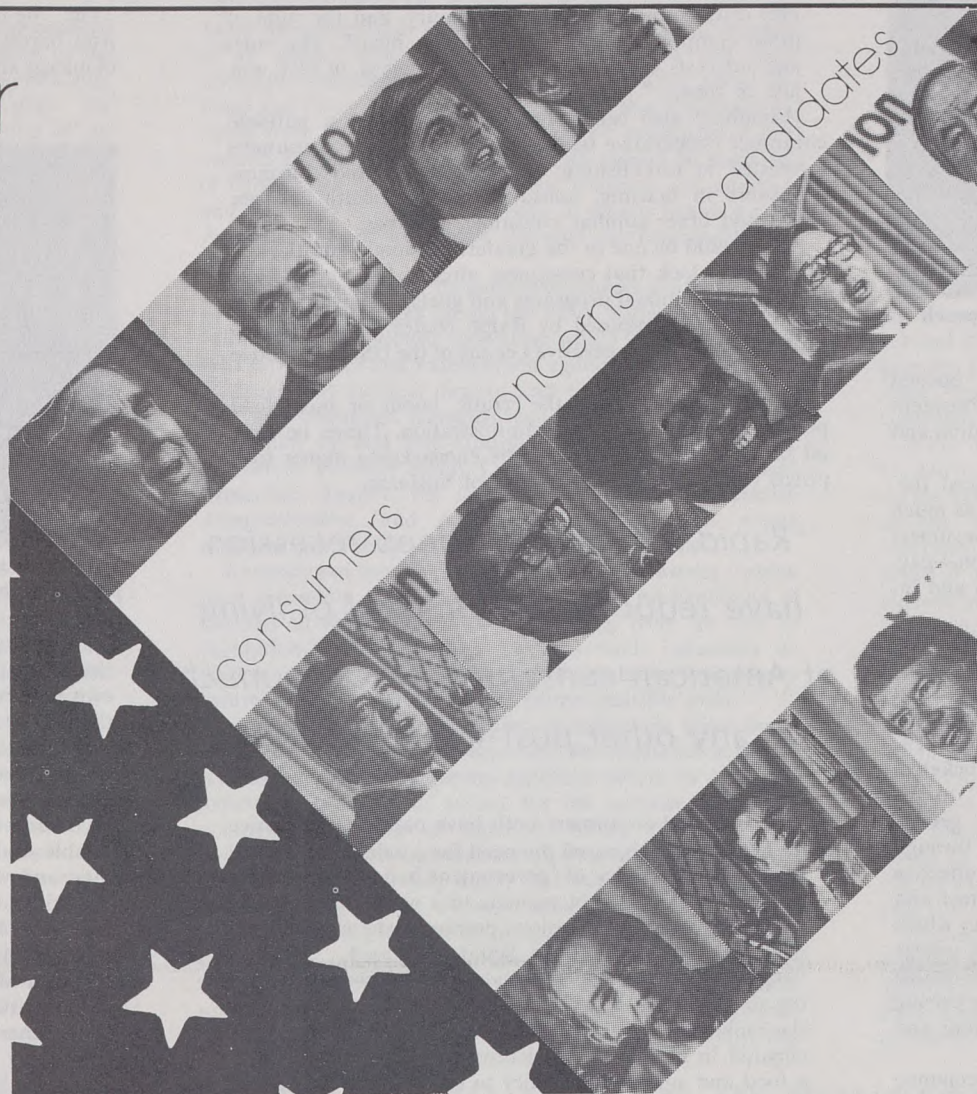
The record breaking turnout of consumers and presidential candidates at Consumer Assembly '76 was a graphic demonstration of the new political clout consumers can wield in this election year.

Six presidential candidates, in addition to Senators Hubert Humphrey, Edward Kennedy, Treasury Secretary William Simon and Ralph Nader were on hand to detail the major ills of the American consumer and to offer their individual remedies. Each speaker recognized the anger and frustration of American consumers and attempted to turn that anger to his advantage.

From the candidates came an abundance of promises. Most democrats endorsed CFA's priority issues: the creation of a consumer protection agency; trust busting and anti-oligopoly legislation; the demise of government price fixing by the transportation agencies; improved national health services. (Highlights of the positions taken by all candidates are excerpted on the chart on pages 4 and 5.)

Only Secretary Simon, speaking for President Ford, drew any strong negative reaction from the Assembly when he praised the Administration's new Consumer Representation Plans and said they would do more for consumers than an independent agency.

The audience of over 500, for the most part applauded the candidates in all the



right places but reserved any real enthusiasm for the non-candidates, Humphrey, Kennedy and Nader, who were able to rally the audience much more than any of the announced contenders.

Delegates also attended workshops on a variety of practical problems. Perhaps the

most important part of the meeting was the contacts the consumer leaders made with their colleagues. In this field where most battles are lonely and most victories are hard-fought, it is extremely important to have associates to share them with—to learn from as well as to teach.

Consumers win surprise victory on natural gas

In a dramatic last minute step away from full scale deregulation of new natural gas prices, the House this month adopted a compromise formula that would increase federal control over what is charged by the nation's largest gas producing companies while phasing out regulation for independents.

The 205-201 decision, which went against the Ford Administration's position as well as previous action by the Senate in favor of deregulation, was a close but stunning victory for Consumer Federation of America's Energy Policy Task Force and its member coalition of labor unions, farm groups, public power systems and rural electric coops.

The compromise plan, introduced by Rep. Neal Smith (D-Iowa), less than 24 hours before the decisive vote, would save consumers billions of dollars over the next ten years. Natural gas is not only the basic fuel for 40 million U.S. households, but also an important element in thousands of commercial products—from fertilizer to textiles, automobiles to glass.

Since the Smith formula is drastically different from the Senate and Administration approaches, it is difficult to tell what will happen next. Administration strategists probably will try for another vote on the House floor, hoping to reverse this month's action. Or, most likely, the House and Senate bills could be handed over to a conference committee that would try to reconcile the differences; the result of such a conference could well be stalemate with no action at all on gas pricing this year.

One thing is already clear, however; the successful effort on behalf of Rep. Smith's compromise plan in the House averted what had been considered certain action in favor of the broad deregulation plan advocated by the Administration and the oil and gas industry. On a procedural test vote only 48 hours earlier, opponents of deregulation had been trounced 230-184. After more than 20 years of lobbying against federal pricing regulation, the gas industry had seemed to have victory within its grasp.

Arrayed in support of the deregulation bill sponsored by Rep. Bob Krueger (D-Texas), were virtually all of the House Republicans, Democrats from the South and Southwest, where most of the nation's natural gas is produced, and a number of northern and midwestern democrats who feared continuing price controls might lead

(Continued on pg. 8)

Dr. Lee Richardson elected CFA president



Dr. Lee Richardson was unanimously elected CFA President at the Federation's annual meeting on January 24.

By a unanimous vote of delegates to CFA's Annual Meeting on January 24, Dr. Lee Richardson was elected president of Consumer Federation of America for 1976.

Dr. Richardson, who was an active member of the board of directors of Consumer Federation for four years, was also the first president of the Louisiana Consumers League. He is a professor of marketing at Louisiana State University and has been chairperson of the Department of Marketing since August, 1975.

A frequent witness before Congressional committees on matters of finance, banking and economics, Dr. Richardson recently completed a two-year leave of absence in Washington. He was the first director of the Office of Consumer Affairs in the Federal Energy Administration until September 1974, when he resigned because of the way consumers were excluded from top-level decision making process within FEA.

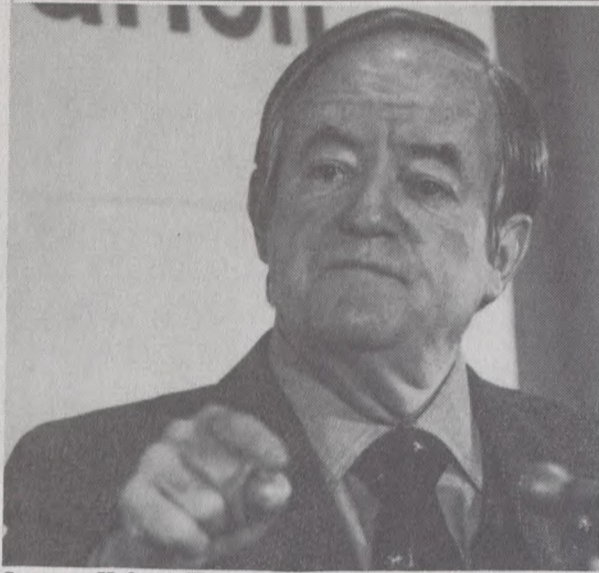
Prior to that, he served as Director of Education and Finance at the Office of Consumer Affairs in the Department of Health, Education and Welfare. He has also taught marketing at Colorado, Pennsylvania and Southern Universities.

The annual meeting re-elected Kenneth Kovack, legislative representative of the United Steelworkers of America as secretary-treasurer and advanced Ellen Haas,

legislative chairman of the Maryland Citizens Consumer Council, to vice president to fill the vacancy created by the resignation of Solomon Harge, executive director of the Consumer Protection Association of Cleveland.

Re-elected as vice presidents were Warren Braren, associate director of Consumers Union; Jacob Clayman, secretary-treasurer of the Industrial Union Department of the AFL-CIO; Fred Cowan, past director of Arkansas Consumer Research; William Matson, president of the Pennsylvania League for Consumer Protection; Arnold Mayer, legislative director of the Amalgamated Meatcutters and Butcher Workmen, Kay Pachtner, executive director of Consumer Action in California and Alex Radin, general manager of the American Public Power Association.

CFA also welcomes several new faces to the board of directors. They are Stephen Brobeck, coordinator of Cleveland Consumer Action; Ann Brown, chairman of the Consumer Affairs Committee of the D.C. Chapter of the Americans for Democratic Action; Hildred J. Drew, coordinator of the Consumer Affairs Department of the United Auto Workers; Robert J. Harper, president of the Montana Consumer Affairs Council, Inc. and Dan McCurry of the Chicago Consumer Coalition.



Senator Hubert Humphrey gives a rousing speech to Consumer Assembly '76.

Senator Hubert Humphrey enthusiastically opened Consumer Assembly '76 with a fiery attack on President Ford's inability to handle the twin problems of inflation and recession.

"Rapid inflation and deep recession have reduced the standard of living of American consumers twice as much as any other post-war recession," he said. "Consumers have taken a severe beating from every direction—paying higher prices for what they buy, while wages and income have lagged far behind."

To illustrate his charge, the Minnesota Democrat cited statistics which demonstrate that in the past three years, consumer prices have risen 28% while the take home pay of the average worker has decreased 5.4%. All simultaneously, retail food prices have gone up 18%, fuel has soared 32%, and housing and medical care expenses have skyrocketed.

Humphrey outlined several "creative solutions" to the inflation-recession treadmill. These included getting consumers involved in helping themselves through consumer cooperatives and giving them more effective representation when decisions affecting their interest and way of life are made. He also advocated a food policy which gives fair treatment to farmers and consumers; an energy policy which will provide an adequate supply at a reasonable price; a program designed to encourage competitive pricing and to restore industry to higher levels of production; and major attack on waste.

"Most of all," he noted, "We need a national economic policy."

Reiterating his support for the establishment of a Consumer Protection Agency, Humphrey called for more consumer self-help.

"One of the most important items on the consumer agenda is to make it possible for most consumers to become involved in helping themselves," he said.

Humphrey blasts Ford for "inflation—recession"

"This is happening through the growing effectiveness of state and local consumer organizations and by recent Congressional endorsement of an Agency for Consumer Advocacy. This legislation strikes a good balance between the public's right to know about products or services which may endanger their health or safety or which may cause substantial economic injury, and the right of those complained against also to be heard. The voice and interests of consumers must be heard in fact, not just in theory."

Humphrey also called for the creation of a national consumer cooperative bank which would serve consumers interested in establishing or expanding sound business endeavors in housing, consumer goods, health services, credit and other similar consumer activities.

"This could be one to the greatest economic additions to the forward look that consumers already have brought to many of our national programs and goals," he prophesied. This bank was proposed by Ralph Nader and is strongly supported by the Cooperative League of the USA, an active CFA member.

Humphrey condemned the erratic "boom or bust" food policies advocated by this Administration. These, he said, pit farmers against consumers by encouraging higher food prices while driving farmers out of business.

"Rapid inflation and deep recession have reduced the standard of living of American consumers twice as much as any other post-war recession."

"Farmers and consumers both have paid a higher price because we have ignored the need for a balanced national food policy. A policy of 'government hands-off' as some advocate, simply is not realistic in a world where state-controlled trading operations dominate the export business of many nations," the Senator charged.

"How many times are our producers and consumers going to be burned by volatile markets before we come to the realization that some basic structural changes have occurred in the world's agricultural system and we need a food and agricultural policy to reflect these changes?" he asked.

As an alternative, he called for a food policy with objectives such as price and income protection for producers; adequate production to meet domestic and international needs; and the establishment of a reserve program to provide market stability during periods of shortage and surplus.

Turning to the energy field, Humphrey denounced "the free enterprise buccaners of this Administration". He denounced the OPEC-dictated price as contrived, artificial and established by an international cartel with no justification other than that provided by naked monopoly power.

"Yet," he noted, "the debates rarely focus on that fact. And hardly anyone talks about you—about the impact of energy shortages and soaring prices to the consumer."



Senator Humphrey chats with Jake Clayman, CFA vice president, before addressing the consumer meeting.

"Oil decontrol was proposed in your name with claims that it would reduce imports. But the Administration's own data reveals that imports would be reduced by less than 10 percent by 1980. And this, had it come to pass, would have cost you at least \$12 billion in higher oil prices on top of the estimated \$40 billion in higher energy costs you already are paying. According to projections by the Joint Economic Committee, you would have faced double digit inflation this winter and watched 150,000 men and women join the ranks of the unemployed."

"Specific authority already vested in the President resulted in a 20 percent increase in oil exploration without total decontrol."

"Instead of taking more money out of your pocket, we need to establish a reliable oil and energy supply to achieve energy independence," he demanded.

Humphrey also called for a good sized emergency oil reserve, a massive solar energy program, the development of energy-saving automobiles, appliances and machines; and a solution to the problems of transporting natural gas.

In conclusion, Humphrey congratulated consumers on their many advances in the past decade, but urged them to get involved and do more now. "Your voice is as vital as it ever has been. Use it wisely, but most of all, use it," he emphasized.



June Kraft, formerly of the National Rural Electric Cooperative Association and Leroy Schecher, CFA Board member pose with the plaque awarded to June for her help with last year's "Beef-In."

Senator Phil Hart and June Kraeft honored by CFA

CFA depends heavily upon the concern and dedication of individual consumer advocates, elected or not, to work relentlessly to further its cause.

Two such individuals, Senator Philip A. Hart (D-Mich.), and June Kraeft, have, as a result of their invaluable contributions, merited special acknowledgement.

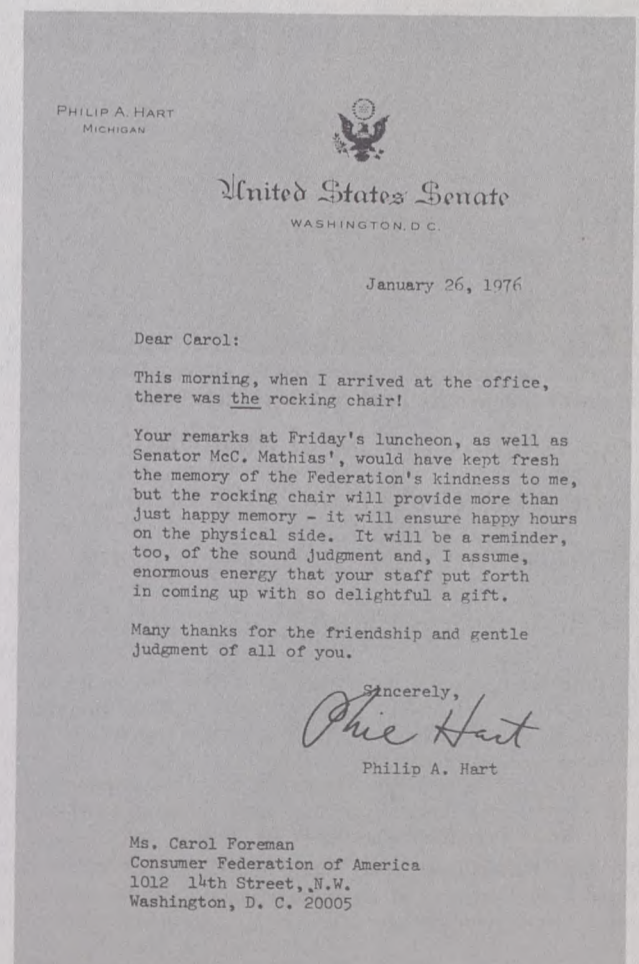
At Consumer Assembly, CFA proudly presented Senator Hart with an antique rocking chair, inscribed with an Irish poem.

We are the music makers,
And we are the dreamers of dreams,
Yet, we are the movers and shakers,
Of the world for ever it seems.

It served, we hope, as a token of deep appreciation on behalf of all consumers, for his untiring efforts throughout the past twenty years as a most courageous leader and articulate spokesman.

It was June Kraeft who organized the successful and educational "Beef-In," when, last December, forty-seven head of cattle were brought from South Dakota and placed on the Mall in protest.

Having worked steadfastly on her campaign to bring farmers and consumers together, Ms. Kraeft was presented at Consumer Assembly with a plaque. A gift from the Meat Promoters of South Dakota and Montana, CFA, and the Grand Electric Company, the plaque, in its small way, served as a symbol of our gratitude to this vibrant and most outstanding consumer advocate.



PHILIP A. HART
MICHIGAN



United States Senate
WASHINGTON, D. C.

January 26, 1976

Dear Carol:

This morning, when I arrived at the office, there was the rocking chair!

Your remarks at Friday's luncheon, as well as Senator McC. Mathias', would have kept fresh the memory of the Federation's kindness to me, but the rocking chair will provide more than just happy memory - it will ensure happy hours on the physical side. It will be a reminder, too, of the sound judgment and, I assume, enormous energy that your staff put forth in coming up with so delightful a gift.

Many thanks for the friendship and gentle judgment of all of you.

Sincerely,
Phil Hart

Philip A. Hart

Ms. Carol Foreman
Consumer Federation of America
1012 14th Street, N.W.
Washington, D. C. 20005

Kennedy slams Ford budget and health plans

One day after President Ford presented his budget message to the country, Sen. Edward Kennedy vigorously denounced it as inhuman and deceptive. In a rousing keynote address which was enthusiastically received by the consumer audience, Kennedy renewed his support of the Consumer Protection Agency as the number one consumer priority, urged regulatory reform where such reform would enhance competition and attacked many Ford administration priorities.

Kennedy's impassioned and partially extemporaneous speech paid special attention to the health problems of the nation's elderly which, he charged, would be significantly increased by President Ford's proposed plan for catastrophic health insurance, offered in the guise of an improvement of the current Medicare program.

Kennedy urged prompt enactment of the Consumer Protection Agency legislation which has passed both Houses and, if necessary, an override of the President's threatened veto. Condemning Ford's alternative "consumer representation plans" as "a counterfeit concoction...which could not have passed the deceptive packaging and false labeling tests

"Consumers may not know what input and thruput are all about, but they know a putdown when they see it."

of the Federal Trade Commission," Kennedy urged consumers to retaliate in November against those officials who continue to pay only lip service to the public interest. "Consumers may not know what input and thruput are all about, but they know a putdown when they see it," he quipped.

Kennedy went into considerable detail in expounding his views on the urgent need for regulatory reform. He differentiated between industries in which too much regulation is harming the consumer interest and those which need stronger and more effective regulation in order to properly protect consumers. He cited numerous examples of situations in which regulation has served to squelch competition and keep prices for consumers artificially high. The Civil Aeronautics Board was criticized from both an economic and environmental standpoint because "prices for flights regulated by the CAB were nearly twice as high as prices for comparable flights in areas that the CAB does not cover...(and) high air fares are compounded by excessive

scheduling that produces half-empty jumbo jets burning precious fuel and clogging airport terminals." Kennedy offered similar criticism of the Interstate Commerce Commission and called for deregulation of both airlines and trucking.

At the same time, Kennedy condemned those who raise the shibboleth of "big government" without distinguishing those areas where government involvement is critical to the "life and health of the American people." The Food and Drug Administration in particular was given as an example of an agency which needs tighter regulation and more adequate enforcement. "When you are talking about the Food and Drug Administration, the fact that hundreds are dying from misuse of drugs, inadequate preclearance procedures for medical devices, the health impact on hundreds of hyperactive children of artificial coloring and additives and what that is meaning in terms of decent health for the American people, we cannot abandon our responsibility in these areas."

Acknowledging that its current resources are inadequate to the enormous tasks facing the FDA, Kennedy has, as a "first step", introduced legislation which would separate it into two distinct and independent agencies, one in the area of drugs and medical devices and the other dealing with food and cosmetics. Kennedy also called for more effective regulation by and full funding of such agencies as the Consumer Product Safety Commission, the Environment Protection Agency, the Occupational Safety and Health Administration, and other regulatory agencies whose concerns are the health of the American public.

Kennedy put into a third category those industries "which have monopoly control and where there is no likelihood of benefits to the public interest resulting from an end to regulation." This category includes such industries as electric utilities, for which the goal of regulation would be to insure adequate service at the lowest possible price.

Noting that regulatory reform is useless in some areas until more basic changes occur with the regulated industry, Kennedy called for vigorous antitrust action in both the legislative and judicial arenas for the purpose of forcing competition in the oil industry. Citing the results of investigations by the Administrative Practice and Procedure Subcommittee, Kennedy stated that increased regulation of the oil giants by the Federal Energy Administration is irrelevant "until after (the oil companies) undergo structural changes to become more competitive"...Regulation designed to protect the consumer and small business wound up hurting them and rewarding the major oil companies." Kennedy called for citizen action to help speed up the



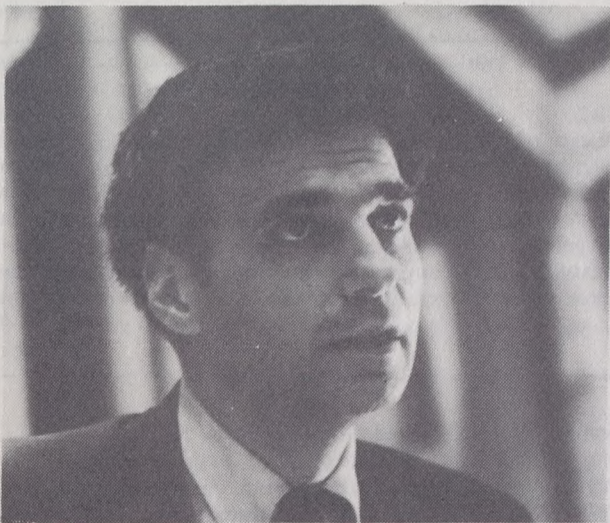
Senator Edward Kennedy emotionally declares President Ford's catastrophic health plan a catastrophe at Thursday's luncheon.

enactment of legislation which will require horizontal and vertical divestiture by the major oil companies, naming as grievous ills not only their massive economic power but also their involvement in under-the-table politics which continues to distort the making of public policy.

While Kennedy was strong and hardhitting throughout his delivery, he became positively impassioned when he took up the subject of national health insurance and specifically of the President's proposals for catastrophic health insurance for the elderly. Kennedy charged that the fine print of the President's proposal would result in senior citizens actually paying an additional \$2.2-billion into the health care system, which would in turn provide a rebate of only \$500 million in the form of insurance against catastrophic illness. He further charged that, contrary to the impression left by the President's nationally broadcast message, "only one out of a hundred persons now on Medicare would get any benefit at all. The net result is to drain almost \$2 billion entirely out of Medicare—not to help the elderly against serious illness, but to help the President with his serious budget problems. In effect the President is trying to balance the Federal budget on the backs of the elderly who are sick...it's unconscionable—it's intolerable—and it's a fraud on the American senior citizens."

In conclusion Kennedy urged the audience of consumer activists to continue knocking on the doors of the regulatory agencies, the Cabinet and the Congress. "Keep pounding in 1976 and then we'll serve the interests of the American consumer." Judging by the pounding applause, they will.

Nader calls for citizen power in government



Ralph Nader explains the urgent need for check-offs and a Consumer's Cooperative Bank to Friday's luncheon guests.

"The utilities are legal monopolies; they have a guaranteed profit. What in the world are they going to give the consumer in return?"

Consumer Assembly's Friday luncheon featured a determined Ralph Nader who outlined a program of structural changes needed to bring citizen power into the corporate and governmental processes.

Nader began by reviewing the past goals of the consumer movement which have largely centered around passing legislation to establish standards for health, safety and non-discrimination. He then explained that these successes

are usually thwarted because the regulatory agencies which administer them are controlled by special interest lobbyists who block consumer access and input.

In the future, consumer legislation should focus on "awarding legitimate power to citizens in their impact on government," he stressed.

His first proposals for increasing this power include the enactment of a broad civil service accountability statute to provide aggrieved consumers the right to challenge the tenure of offending civil servants.

"For too many government officials in Washington, the only way you lose your job is to do your job and it is not surprising that the converse tends to be true—the only way to keep your job is to not do your job," he charged.

An important corollary to obtaining civil service accountability must be the provision of attorneys fees and legal costs to overcome the economic barriers that have so long prevented effective citizen redress.

Nader then explained that the Consumer Protection Agency bill is an integral part of effective citizen participation. This independent agency can petition and challenge other regulatory agencies and departments with the critical right to resort to the courts for judicial review.

"It's a very important internal check, important generator of data, important framer of issues and important bastion inside the Executive Branch for consumer forces around the country to rally around and support," he emphasized.

The major helpmate to the CPA bill should be the empowerment of state attorneys general with the *patria* function, which will allow them to represent citizens of their state in actions to recover damages as a result of antitrust and other claims.

Nader then detailed a second category of proposals designed to give consumers initiatory rights of action toward corporations, so they don't have to go through labyrinthian paths via 16 different bureaucracies in order to reach large corporations.

He noted that the Supreme Court has virtually repudiated the possibility of effective consumer class actions suits by making them exorbitantly expensive. Consumer class

actions bills have also been stalled in Congress because of the likelihood of Presidential vetoes.

Nader then launched into a lengthy defense of the consumer check-off concept. Initially, this will begin with utility companies putting a check-off box on each customer's monthly bill so that he or she will have the option of making a voluntary contribution to a state-wide residential utility consumers action group to represent consumers before utility companies in all legal arenas.

"Now watch the application of this," he said half-jokingly. "Check-off systems on installment loan contracts; check-off systems on your insurance policy; check-off systems on warranties; check-off systems for the post office and my favorite one for radio and television viewer's and listeners' consumer action group. The beauty of this concept, of course, is that it solves the problem of raising funds."

Next, Nader stressed that "even if consumers are given these rights, there remains a deeper political and economic infrastructure that is needed, because when the battle really gets raging, it tends to become a contention between who's got the most economic muscle in an organized sense. This is where the consumer cooperative bank comes in."

Nader detailed the major abandonment of retail food markets by investor-owned corporations such as A&P's closing 1200 supermarkets over the past year. He stressed that a proper consumer cooperative organization could fill that vacuum and similar ones in apparel, health, housing and communications.

Nader concluded the presentation of his consumer platform for 1976 with an appeal for Consumer Assembly delegates to "Make every effort to take these issues and place them before the candidates."

"The educational level of many of the candidates on consumer programs is not very impressive at all," he said sadly. Our job, then according to the nation's foremost consumer advocate, is to elevate this level of understanding, get commitments from everyone who seeks to hold office, and finally, elect someone who is at the very least "a non-veto prone President."

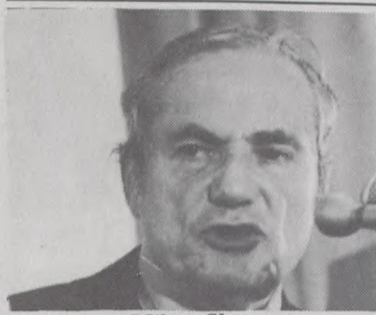
Be a wise consumer—comparison shopping

Candidates

Consumer Agency

Energy/Anti-trust

Food



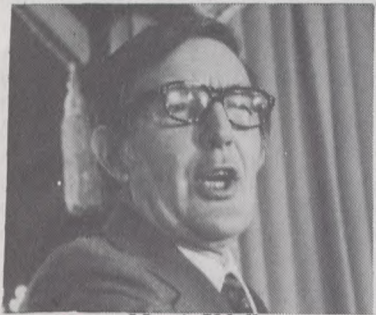
Milton Shapp

I pledge to you today my support for the creation of a federal consumer protection agency that will have the power to bring legal action against companies which violate established business and advertising standards; that will have sufficient funds for effective public awareness programs so that consumers can fully understand matters of product safety and warranties; and that will help to insure that individual consumers have a means of protecting their rights.



William Simon
(for President Ford)

I must tell you that I feel Consumer Representation Plans and the reform of government functioning they are leading to, are more meaningful than any new Federal Agency for Consumer Advocacy. I can only agree with President Ford when he stated: "I do not believe that we need yet another Federal bureaucracy in Washington, with its attendant cost of \$60 million for the first three years and hundreds of additional Federal employees, in order to achieve better consumer representation and protection in government. At a time when we are trying to cut down on both the size and the cost of government, it would be unsound to add another layer of bureaucracy instead of improving the underlying structure."



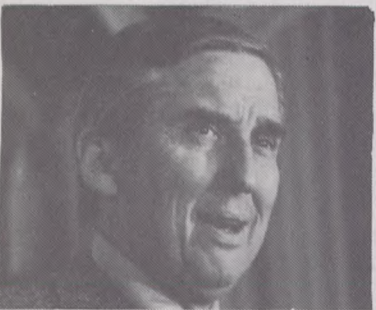
Morris Udall

Certainly in a Udall administration we will have a tough, active consumer protection agency. Actually, the President loves consumers so much that instead of one CPA he is creating 17 separate consumers' offices in the executive departments.



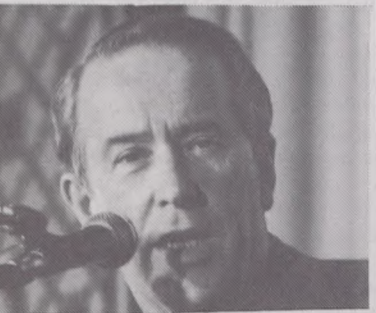
Fred Harris

A Consumer Protection Agency is clearly necessary and long overdue. The fundamental issue is privilege. Will our government start protecting the interests of the average citizen or continue to protect the interests of the super-rich and the giant corporations.



Lloyd Bentsen

Consumerism has caught on in this country and if you don't believe me, ask President Ford. The reaction to his scheme to name so-called "consumer advisers" to government agencies and departments in lieu of a CPA should convince him that American consumers are tired of politicians trying to meet concerns with token actions.



Henry Jackson

I have been a co-sponsor of legislation to create a CPA three times. It will be vetoed unless Gerry gets a signal from some other places—it depends on what primary he's running in.



Jimmy Carter

I endorse the idea of a separate consumer agency within government to support the voice of the consumer.

One of the most glaring examples of Federal ineptitude is that we still have no national energy policy. The major oil companies have gained monopolistic powers which not only work to the detriment of individual consumers but against the national interest as well. We must create greater competition in industries such as energy research and development, and we must stop the situation in which we find ourselves today when the government does not know the amount of our natural gas shortages because the oil companies are the only people who supply the government with figures.

We have aimed at increasing and improving the antitrust activities in the Department of Justice. If there is concentration in these industries, the Justice Department is looking at them and of course that is their area and I'm opposed to anything that takes away price competition in the marketplace. Breaking up the oil companies is presently in the Justice Department and any remarks that I make would be obviously inappropriate. But if there is any monopoly or oligopoly that is anti price competitive, this Administration is going to be on the same side of it as you are. Many of our major industries are so concentrated that there is simply no meaningful price or quality competition.

If, as I am convinced, a sane energy policy is a keystone to our nation's health, reform of our archaic regulatory system should be a top national priority. Any national utility reform should begin with some help for consumers, in the form of lifeline rates guaranteeing a subsistence amount of power—on the order of 400 kilowatt hours a month—at the minimum unit rate charged any consumer.

Privilege keeps utility bills and fuel and oil and gas prices too high. We ought to prohibit utilities from granting a promotional or decreasing rate to large commercial and industrial users. We ought to realize the problem in fuel prices is monopoly pricing. Of course we ought to break up these monopolistic oil companies, not by waiting until we have to go through the courts, but by breaking up their horizontal and vertical integration by legislation. We need a TVA-like public energy corporation. We need price controls on monopolistic industries.

The place to take care of stifling competition of any monopolistic practices is not ours to debate on the floor of the U.S. Senate but through action by the Antitrust Division of the Justice Department. We must try to develop and encourage the development of new oil. You're not going to get this until you take some of the risk out. What you should do is establish an FHA approach to financing explorations where you guarantee up to 80% of the loan.

The election of Senator Durkin showed Gerry Ford that he doesn't want to be running in a primary in the state of New Hampshire when the price of heating oil has doubled, so he signed my energy bill. No one can tell me your going to get more oil by charging higher and higher prices. The prices have quadrupled and the production is going down. To deregulate the price of natural gas would be the greatest catastrophe of all. They are trying to scare the working people by saying if they don't take the lid off, there will be no gas at all and they'll be out of jobs. That's the scare us to death technique and it is out of order.

The Federal Energy Administration has been prostituted. It has become almost identical with the major oil companies. I do not favor complete divestiture of the oil companies' ability to vertically integrate. I think if you divide it up into many tiny sectors it would work to the extreme disadvantage of consumers because I think prices would escalate. I would favor divestiture at the wholesale and retail level to enhance competition. On horizontal integration we ought to take much more bold action. Horizontal integration should be prohibited almost completely. I am in favor of deregulation of new gas and the continued regulation of old gas for approximately the next five years. I oppose the deregulation of old oil, but natural gas is a different proposition.

It's about time allows the mid the consumer Agriculture, n asked what K Agriculture. TH

The housewife g wandering thro At 1974's inflati \$10 would triple 7%, the bill for Administration' trends (which ar in governmenta distracted econo regulations whic of private activi personal consum savings and inv

In a Udall admi restore real c industries, such In 1972 Americ Now they are ab situations. They ought to be nat and supermark National Comm anticompetitive The rip-off is ta

The farmers' sh straight year wh for the third stra food processors year. We ought primarily respon begin to regulat Agriculture wh boardrooms. An we do.

There is no re private research food hazards an vetoed the farm farm bill that v allowed more far see the day when its food...I've do know that I wou should be some in the range of farming).

I would oppose such operations benefits from th aspect of a corpo a useful purpos

We need full pro system not to ex food supplies. V We have a very regarding food. problem (and th major goals.

shop for a candidate before you vote

Food/Farm Policy

...out time that we end the cartel-type system of distribution that the middleman to reap the greatest profits at the expense of consumer and the farmer. What we need is a Secretary of Agriculture, not a Secretary of Agri-business. A few weeks ago, I was asked what kind of person I would appoint as Secretary of Agriculture. The answer is simple: a farmer.

...usewife going to the supermarket must sometimes feel she is walking through a minefield, with prices exploding on every side. The 1974's inflation rate of 12%, the bill for a bag of groceries costing \$10 would triple in 10 years—to \$31. Even at today's inflation rate of 7% the bill for that bag of groceries would double in 10 years. The Administration's effort seeks to halt three ominous economic policy (which are hurting the consumer). First, the enormous growth of government spending which has both fueled inflation and retarded economic recovery, the pyramiding of federal rules and regulations which have hamstrung the operation of growing segments of the economy, and third, economic policies which have promoted excessive consumption and government spending at the expense of savings and investment.

...dall administration we will have a vigorous antitrust program to restore real competitive enterprise in our concentrated basic industries, such as food.

...2 American food prices were lower than the world food prices. They are about the same and the impact is different in those two countries. They are trying to divide the farmers and consumers. They are not to be natural allies. A study I made showed that middlemen and supermarket chains collect 2/3 of the American food dollar. The Federal Commission on Food Marketing in 1966 reorganized the industry to the competitive effects of excessive concentration in the food industry. The price-off is taking place in the marketing and processing sectors.

...farmers' share of the food dollar has gone down for the third year while consumers' prices at the marketplace have gone up for the third straight year. But look in the middle. The profits of most processors and middlemen have gone up for the third straight year. We ought to have price controls in the monopolistic industries which are primarily responsible for our problems until we get competition to help regulate the prices naturally. We need to put in a Secretary of Agriculture who is more comfortable in the fields than in corporate boardrooms. And we must not let a few grain companies decide what

...is no reason why government agencies should lag behind private research groups and consumer organizations in discovering hazards and alerting the public...It was this Administration that passed the farm bill that CFA supported, and that I supported—a bill that would have added stability to our farm system and allowed more family farms to produce with confidence. I never want to see a day when this nation must depend on the corporate farm for its food...I've done nothing to favor corporate farming but I don't want to deny them total access to the field. (There should be some limitation prohibiting corporations with somewhere in the range of \$1 million in non-farm assets from engaging in agriculture.)

...d oppose corporate farming beyond a certain size and prohibit operations where it relates to public lands or the receipt of any subsidies from the government. I would not necessarily rule out every form of a corporate type farm. For example, some cooperatives serve a public purpose. What I want is competition.

...d full production, adequate reserves and a stable price support program that does not exceed production costs. We need predictability about prices. Wild fluctuations hurt farmers and consumers both. We have a very serious monopolistic arrangement in this country in the marketing of food. The farmers and consumers suffer. Correcting that situation (and the grain inspection scandals) would be among my top priorities.

Other Issues

- Strengthen the authority and support of the Food and Drug Administration and the Occupational Health and Safety Administration.
- Endorsed anti-inflation gardens and direct farmer-to-consumer markets.
- Urged adoption of global policies to relieve hunger and starvation.
- Called Full Employment the number one consumer issue of 1976.
- Urged total revamping of the Federal Budget.

- Denounced excessive government spending and overregulation.
- Stressed that "the complexity and the cost of natural policies such as those mandatory equal employment procedures, job safety, environmental protection and proliferating reporting requirements are not only strait-jacketing our private enterprise economy, but are taking tens of billions of dollars out of consumers' pockets every year."

- Called for an efficient workable system of no-fault automobile insurance.
- Made the right to decent health care a priority issue.
- "In the name of regulatory reform, the President has promised to get government off the back of American business. By this, he apparently means to put flammable pajamas back onto the backs of American children; carcinogenic chemicals into the bloodstream of American workers; unsanitary food on American dinner tables; and the visible hand of concentrated Big Business into the pockets of American consumers."

- Called for passage of the Hart Industrial Reorganization Act which takes a lot of discretion out of whether or not you enforce the anti-trust laws by automatically triggering action based on shares in the market.
- Made a commitment to full employment, "We have been misdirected in this country that we have to have some unemployment."
- Called for financing of consumer cooperatives.

- Said farm exports are critical to the U.S. balance of payments position, pointing out that the \$24 billion in farm exports in 1974 almost balanced out the \$25 billion this country paid to foreign countries for oil imports.
- Urged review of the waste and inefficiency of food distribution systems and reform of the Interstate Commerce Commission and the railroads.
- Supported more funds for research into methods of increasing agricultural production.

- Urged adoption of a national health insurance plan, immediate extension of Medicare to cover all prescription drugs, dental care, eyeglass and hearing aid; provision of federal malpractice re-insurance to assure malpractice insurance to physicians at reasonable rates.
- Favored check-off on utility bills to help defray consumers' expenses of litigation.
- Supported a Federal Oil and Gas Corporation to provide a yardstick for energy costs. Urged creation of a National Energy Mobilization Board.
- Urged full employment by converting unemployment checks into jobs.

- Proposed a "code of ethics" for the federal government including an all-inclusive "Sunshine Law" which would open meetings of federal boards, commissions and regulatory agencies; a prohibition on gifts of value to public officials; a proposal that the attorney general and his assistants be barred from any political activity and be given complete independence.
- Proposed that legislation be passed to restrict the employment of any member of a regulatory agency by the industry being regulated.
- Supported minimum warranties, full product labeling, and "truth-in-advertising" measures.

Panelists

David Weiman and Elinor Guggenheimer ponder Milton Shapp's remarks.



Lee White, Arnold Mayer and Lee Richardson listen to Secretary Simon before questioning him on policy matters.



A pensive Lola Redford readies her questions for Morris Udall.



Panelists Mark Green and Ellen Haas listen attentively.



Ed Rothschild and William Burhop prepare to question Lloyd Bentsen.



Solomon Harge likes what he hears!



Andy Driscoll, Alex Radin and Joan Claybrook critique Jimmy Carter's consumer platform.



Strategy-Oriented workshops cover varied topics

In response to the specific need and concerns of state and local consumer group representatives and consumer protection officials at Consumer Assembly, eight strategy oriented workshops were conducted. With the help of well-informed, experienced panelists, topics ranging from successful fundraising tactics to effective consumer complaint resolution were comprehensively reviewed. In order to provide both a national and local perspective, panelists were selected from both Washington, D.C. based public interest organizations and grassroots consumer group as well as federal, state and local government officials.



Rep. Anthony Moffett (D-Conn) teaches effective techniques to a workshop on organizing for Political Power.

Consumer Education: Reaching the People. State and city consumer protection officials presented innovative consumer education programs, and discussed the urgent need for programs that are both interesting and informative. In addition, new federal funds available to local consumer groups and school districts for consumer education were analyzed. Panelists agreed that consumers are often simply not aware of their legal rights, and need basic information and tools. Also discussed was the need for strong consumer education programs for elderly and low-income citizens.

Organizing for Political Power: 1976. Changing consumer priorities and the urgent need for more consumer participation in the political process were the major topics analyzed by the panel of grassroots and national consumer activists. Based on their experiences in organizing consumers, participants agreed that aggressive consumer education was the key to success—once consumers know their rights and their avenues of recourse, things will start to happen. Ideas on lobbying techniques, influencing national politics and candidate surveys were presented as well as the influence of industry on policy making.

Utility Intervention: Power Through Litigation and Citizen Action. In this workshop, successful and unsuccessful organizing and litigation strategies were exchanged among participants. The question of utility reform and how consumers can most aggressively participate in the reform process was discussed in terms of political and financial realities. Progressive rate structures, consumer representation in rate increase proceedings, and organizing citizens to demand high quality/low cost utility service were debated by panelists and workshop participants. Groups were urged to exchange information and research in order to facilitate participation.

FTC—Focus on Advertising. Representatives from the Federal Trade Commission discussed in depth various questions concerning advertising reform and mandatory disclosure of information. In response to consumer group demands for financial support in Trade Rule Regulation hearings, FTC officials explained the agency's new program of providing financial assistance to groups representing interests which would otherwise be unrepresented. Pending FTC regulation such as reform in nutritional advertising and funeral home practices were discussed as well as the formal rule making process.

FTC: Other Consumer Priorities. FTC representatives and the Consumer Union spokesperson's discussion centered largely on the Magnuson-Moss Act which has facilitated substantial reforms in FTC rulemaking. The effects of this act on product warranties were described, and a synopsis of major warranty issues regarding product portability was presented. In addition, a Consumers Union film entitled "Kicking Tires is Not Enough" was shown and the most frequent deceptive practices were explained.

Food: Working for Better Quality and Lower Prices. A discussion on the development and success of consumer cooperatives and buying clubs across the country dominated this workshop. In addition, representatives from local groups presented various methods for achieving supermarket reform including direct negotiations with store managers, petition drives, and supplying the media with startling survey results. The poor quality of the much-touted American diet, resulting substantially from the practices of the agri-business industries, and the need to educate and organize consumer were discussed at length.

Effective Consumer Complaint Handling. Participants agreed that the best way to handle complaints is to involve the complainant in the resolution process. State and local consumer protection officials discussed various mechanisms, including formal written correspondence between the office and the merchant, and the presentation of facts in direct legal confrontations. Due to increased consumer awareness, government and city offices face tremendous workloads and are searching for quicker, more efficient arbitration processes. Local consumer groups discussed their arbitration process which includes sending a letter to the merchant, having a delegation from the complaint resolution committee personally meet with the merchant, and finally staging an "educational picket" if the merchant fails to cooperate. Panelists agreed that complaint resolution is an excellent tool for making consumers aware of their rights.



New York Public Utilities Commissioner Ed Berlin teaches utility reform to a full house of consumers.

Fundraising: \$\$\$ for Action. In order to make local consumer groups a legitimate force in shaping public policy, panelists agreed that they must secure stable funding bases. On the question of fundraising, various group leaders suggested using the direct-mail and door-to-door canvassing approaches. Both reach a wide cross-section of the public and can potentially raise thousands of dollars. Fundraising tactics for small, single-issue oriented groups were also discussed in detail including obtaining small foundation grants, membership drives, raffles and personal appeal through public service announcements. Publications based on in-depth surveys or "how to" guides were also noted as good fundraisers. In addition, many groups are exploring the possibility of using the check-off system to finance utility or supermarket reform.

Caveat



Beech Nut

In one of the less subtle "public service" efforts by a major U.S. corporation, the Baker-Beech Nut Company has sent out 760,000 "letters to mother" warning of the great danger to infants inherent in the home-preparation of baby foods. The December mass mailing, which included "cents-off" coupons for Beech Nut baby food products, has brought an angry response from informed parents, doctors, consumers affairs offices and public interest organizations. Consumer Federation of America has co-signed a letter with Center for Science in the Public Interest and Consumer Union petitioning the FTC to force Beech Nut to send out a corrective mailing reflecting the gross inaccuracies in the original letter.

Complaints about the Beech Nut letter center around several points: representation of the rare disease methemoglobinemia as a significant danger to infants who are fed home-prepared foods; claims of extensive nutrient losses in home made baby food; and in the allegation that home-prepared baby food incurs dangerous risk of bacterial contamination.

Allegedly basing their medical claims on a syndicated nutrition column by Dr. Jean Mayer of Harvard, the Beech Nut letter creates the impression that methemoglobinemia can readily be caused by the use of home made baby foods. Methemoglobinemia is a condition which can result from excessive consumption of foods that are heavy in nitrates, which are converted by the body to nitrites, which in turn can hinder red blood cells in transporting oxygen. "With too much methemoglobin, baby's skin turns blue and asphyxiation could result," the letter states.

What has so angered public and private citizens is what the letter did not state: That there has been only one recorded case of methemoglobinemia in the United States involving an infant and homemade baby food. That case, according to research by the Consumer Affairs Unit for the City of Syracuse, involved excessive consumption by a two week old infant of "carrot juice made from carrots grown in a peat-muck area of the Everglades." It is clear from the

evidence offered by physicians and nutritionists that methemoglobinemia does not constitute a significant risk to American infants and that what little risk does exist could easily be countered by an educational campaign aimed at the parents of young infants.

The American Academy of Pediatrics has issued a statement deploring "scare tactics used either by industry or any other group and indeed is concerned here that some material from scientific publications has been taken out of context." The use of scare tactics is especially deplorable given the unique susceptibility of concerned new mothers and the traditional fears engendered by that situation.

Without offering additional evidence to back its claims, Beech Nut continues to stand by its original letter while fighting challenges by local groups on jurisdictional grounds. In response to complaints by Syracuse area parents, the Syracuse Consumer Affairs Unit has charged Beech Nut with making false and misleading advertising statements "as an unconscionable attempt to enhance company profits through fear tactics." Beech Nut contends that Syracuse lacks jurisdiction in this matter because "Beech Nut has no offices or sales representatives in the area." To this argument Director of the Syracuse Consumer Affairs Unit Roberta Wielosznski retorts, "The company characterizes its actions as 'mere solicitation', not as 'doing business'. The flyer is anything but 'mere', although the company's support for it may be."

The Beech Nut flyer also claims that homemade baby foods are not sterile, creating a "significant risk of bacterial contamination and resulting food poisoning." There is considerable evidence, however, that homemade baby foods are not only safe but are frequently preferable to commercial foods both on economic and nutritional grounds. Consumers Union in a September 1975 report on baby foods concluded that "homemade baby foods are better for babies than the commercial variety."

Beech Nut further claimed that nutrients are lost when baby foods are prepared at home. When pressed to document this finding, they admitted having based their claim on a University of California study which was done in 1949, and acknowledged that it is uncertain that commercial baby foods are prepared now in the same way they were in 1949. The University of California has undertaken a search for the study but to date has been unable to locate it.

Beech Nut has taken a radical and seemingly insupportable step in mailing out 760,000 letters which have induced unnecessary fear in the minds of countless concerned young parents. It is clear that, in addition to seeing their profits squeezed by the declining birth rate, the baby food manufacturers are apparently also being hurt by the growing consumer awareness of the economic and health advantages of home-prepared baby food. The big three of baby food, Beech Nut, Gerber and Heinz, are proliferating their already extensive product lines to cover every conceivable food combination and even more shelf space in the local supermarket. At the same time, parents are becoming aware in increasing numbers that many of the new infant foods are nutritionally worthless at best, and sometimes even detrimental to future health. Most infant desserts and many of the mixed vegetable or meat combinations contain unnecessarily high percentages of added sugar, starch, or salt, making their appearance and taste more attractive to the adult doing the feeding. Thus, the traditional American health problems of hypertension, obesity and tooth decay are given a headstart in the early molding of infant tastes to adult preferences and bad eating habits. The Center for Science in the Public Interest has published a "White Paper on Infant Feeding Practices" documenting the objectionability, from a nutritional standpoint, of the early introduction to infants of solid food and of the composition of commercial baby foods. After centuries of "Let the buyer beware," the message is changing: Caveat Beech Nut.

SPEAK OUT!

Food Day is coming

by Dr. Michael Jacobson

Center for Science in the Public Interest

Food Day, a national day of action on world and domestic food problems will be held on April 8, 1976. Sponsored by the Center for Science in the Public Interest (CSPI), Food Day and the campaign leading up to it will be a time for Americans—who eat their way through more than \$200 billion worth of food a year—to learn about problems in the food supply, and to get involved in solving them.

The Center recently published a list it dubs the "Terrific Ten". The list honors food activists who have scored concrete successes in formulating food policy for their states, counties or towns. Coming from a broad spectrum of backgrounds and interests, the "Ten" initiated programs in their communities to cut food prices, make fresh, nutritious food more available, and feed the hungry. Projects include direct farmer-to-consumer buying clubs in the inner city (Chicago); a food stamp information "hotline" that was so successful, it blew out phone lines twice (Los Angeles); and a state-wide gardening program utilizing idle land at state institutions (Pennsylvania).

The major food-related problems today are hunger and malnutrition, both global and domestic; the deterioration of the American diet; and the growth of corporate power over the food supply. Food Day will get consumer, anti-poverty, and health groups; students, churches, unions, farmers, and local governments involved in efforts to understand and attack these problems.

Consumers are finally waking up to the injustices in our food systems. For far too long, control over our food supply

has been shared among business executives and government bureaucrats. With hunger a reality for the poor, and food prices soaring for everyone, it's a most appropriate time for citizens to become part of the decision-making process.

"Winning back control of the food supply" is the theme of Food Day '76. Food Day organizers advocate the development of local food policies, that is, comprehensive programs that include full utilization of federal food programs; nutrition education in the schools and community; official support for and coordination of food coops, farmers' markets, and community gardens; and similar projects. Citizens' groups, farmers, nutritionists and local government officials are urged to organize official conferences to formulate responsible food policies, for their city, county and state.

Although Food Day is sponsored by CSPI, local citizens' groups and individuals organize events that reflect the interests and needs of their own communities. Last April, the first Food Day was celebrated across the country with teach-ins, fasts, gardening projects, debates, fund-raising drives, lecture series, farmers' markets, and food stamp "outreach" campaigns.

Building better state and local food policies is the subject of a new resource book published by Center for Science in the Public Interest (CSPI). The book, *From the Ground Up: Building a Grass Roots Food Policy*, lays out a thirteen point platform that can be implemented by cities and states, without waiting for new federal actions.

Subjects covered in the book include nutrition education, food vending machines, food stamps and other federal food

programs, organically grown foods, sales tax on food, food coops, farmers markets, and others. Each chapter includes background on a specific food problem, an outline of successful strategies for change, excerpts of legislation or programs that have actually been adopted in some locale, and a resource list of experienced groups and individuals who can offer technical and tactical advice.

In addition, a special section discusses official state and local food conferences. These conferences, convened mainly under the auspices of local government agencies and citizens' groups, provide a vehicle for airing local food needs and formulating responsible, people-oriented food policies. The manual outlines the format, goals, and achievements (and failures) of six past conferences.

The national Food Day office has prepared a free information packet complete with fact sheets, suggestions, bibliography and a speakers list. For further information, persons interested in organizing Food Day activities should write to Food Day, Washington, D.C. 20036, or call (202) 462-8510.

The Food Day advisory board includes consumer advocate Bess Myerson; Sen. Mark Hatfield (R.-Ore.); social critic Dick Gregory; Frances Lappe, author of *Diet for a Small Planet*; Rep. Ben Rosenthal (D.-N.Y.); Art Simon, director of Bread for the World; and Carol Foreman, Executive Director, Consumer Federation of America.

Food Day is coming. And food activists across the country are organizing to solve the problems in our food system. Don't forget—April 8th—FOOD DAY.

Consumer Action publishes auto insurance guide

Sweeping reforms in the California auto insurance industry were recommended by authors David Davreux and J.B. Moore as they released *Consumer Action's Auto Insurance Guide*. The authors developed their recommendations while doing research for the book, which is the state's first shopper's primer and pricing guide to auto insurance. The two authors said their book will fill a void by fully explaining auto insurance and how to shop for it comparatively; the book also lists over 2,000 sample prices from 16 insurance companies. "Information on shopping for auto insurance is crucial now," Davreux and Moore warned, because insurance companies are raising their rates dramatically.

The California auto insurance industry is one of the most loosely regulated in the nation: the state is one of only a handful without an information filing law for licensed insurance carriers. "It's high time the California Department of Insurance provided helpful information to the public," said the authors. They urged the Department to publish periodic reports on premium prices in meaningful categories, and to provide information about the quality of service offered by different companies: data dealing with insurance refusals, cancellations, speed of claim payments, and the number and amounts of claims actually paid.

Moore and Davreux said that Californians need new legislation to prohibit companies from refusing to insure or renew solely on the basis of age, sex, race, color, creed, or place of residence. Currently, insurance companies in California are only specifically prohibited from refusing insurance on the basis of race, or age in cases of renewal. The authors also recommended that insurance companies be required to supply written explanation of reasons for refusal to rejected applicants.

More importantly, the state is overdue for good no-fault legislation. The Guide points to the following Department of Transportation statistics as ample evidence of the need for such legislation: 45% of seriously injured people do not receive any benefits under the present tort liability system; 60% of people losing \$10,000 or more in wages and medical expenses get no compensation; of those who do collect, 85% receive less than one-half their losses; and, seriously injured victims must wait an average of 16 months before recovering any money from the courts.

In the Guide, Davreux and Moore recommend a full no-fault system in which all benefits would be paid by the victim's own insurance company, regardless of fault. Under such a system, victims and their families would receive prompt and unlimited, but "reasonable" medical payments, and compensation for lost wages or domestic services. "We believe that legislation along the lines of California State Senate Bill 1207 (Beilenson-Song) would be a more civilized alternative to our present liability system," said Davreux and Moore.

Here are some highlights from *Consumer Action's Auto Insurance Guide*:

There are substantial differences in premium prices charged by the 16 companies surveyed in the book. As an example, the survey found that in shopping for 25/50/10

liability insurance, a 24-year-old man living in San Francisco could pay \$216 at one company, \$372 at another, or \$582 at a third. Most consumers can save significant amounts by shopping around.

Surprisingly large differences between prices in different areas were also illustrated in the Guide. City dwellers pay a great deal more than their suburban counterparts. For example, a person in San Francisco pays an average of 60% more for auto insurance than he or she would pay in suburban Santa Clara County for coverage by the same company.

Higher levels of auto insurance protection were found to be quite inexpensive. For instance, married adults can buy several times the minimum liability insurance for only \$20-\$40 extra per year.

The Guide also explains insurance terms and coverages in an understandable manner as well as exploring the subjects of what to do after an accident, how to help recover your losses, and how to determine an appropriate amount of protection.

Note:

Consumer Action's Auto Insurance Guide costs \$3.50 by mail from Consumer Action, 26 Seventh Street, San Francisco, CA 94103. Review copies available on request. CA is a non-profit, citizens group which helps resolve consumer complaints and carries out research on important consumer issues.

Help the census takers

The decennial census is a major national undertaking, and census data are widely used in many important government, private, and community programs. You have an important stake in the decennial census, both as a member of CFA and as an American citizen.

The Census Bureau is now actively working on plans for the 1980 census and important decisions have to be made in the relatively near future. For example, the full content of the basic census questionnaire must be determined by the spring of 1977 so that further preparatory steps can be accomplished successfully.

Although there are many constraints on the census in terms of what and how much information can be collected and tabulated, the Bureau believes that it is very important to obtain and review the recommendations of as wide a range of users and potential users of decennial census data as possible. The Census Bureau is therefore anxious to have the ideas of the members of CFA.

If you have any suggestions, questions, or comments on the 1980 census, please send them to:

Director
U.S. Bureau of the Census
Washington, D.C. 20233

Anti-ACP Poll Proven Slanted

Consumer Federation of America applauds the report of the Executive Council of the American Association for Public Opinion Research (AAPOR) which has upheld CFA's charges that a recent poll was slanted to show that most Americans are opposed to the creation of a consumer advocacy agency.

The investigation resulted from specific charges brought by Carol Tucker Foreman, CFA's executive director, that a national survey conducted by the Opinion Research Corporation for the Business Roundtable in July, 1975 "verges on fraud" and was "slanted" against consumer advocacy.

The poll was widely used by opponents of the consumer advocacy bill, during floor debate in the House and Senate to show that most Americans did not want the new agency to be established.

The AAPOR Committee, however, concluded that "Opinion Research Corporation" did make interpretations which do not appear to be supported by the data made public, and in doing so acted contrary to the standards called for in the AAPOR code. The questions used in the survey had some degree of bias in the direction of obtaining an anti-consumer advocacy or anti-bureaucratic response..."

The Committee, however, failed to find deliberate intent to bias.

"It is heartening that a professional association which has the potential to influence public policy has the courage to police itself in this manner," noted Ms. Foreman. "It is really too bad that the poll was criticized so long after the bill passed both Houses of Congress, but at least its bias will be established if opponents try to use it during an override vote if President Ford vetoes it. Other associations and industry's will be wise to follow AAPOR's enlightened example toward demanding high ethical standards and integrity."

The Consumer Protection Agency, the subject of the controversial poll, is currently awaiting a House-Senate Conference.

New Nader report

Ralph Nader's Corporate Accountability Research Group has released a 600 page report, "Constitutionalizing the Corporation," which called for the federal chartering of giant corporations as a way to make them "more democratic, efficient and law-abiding." The report took parts of five years to prepare and was written by Ralph Nader, Mark Green and Joel Seligman. It is available for \$25 by writing to: Corporate Accountability Research Group, 1832 M Street, N.W., Suite 101, Washington, D.C. 20036.

Legislative Wrap Up

BYINGTON NOMINATION

In response to requests that the hearing dates be changed in order to insure consumer representation, the Consumer Protection Subcommittee of the Senate Commerce Committee, has scheduled hearings regarding the confirmation of S. John Byington as chairman of the U.S. Consumer Product Safety Committee, for March 1.

CFA will be testifying against the nomination. The position should be filled by an independent, staunch consumer advocate with knowledge and expertise in the field of consumer protection. Especially desirable would be expertise in the area of product safety standards. A representative of the President, advocating the Administration's stance, Mr Byington does not fulfill these criteria.

We urge all interested consumers to voice their disapproval of this nomination and to aid us in our attempt to block his appointment.

FOOD INDUSTRY ANTI-TRUST

Espousing CFA's approval of H.R. 9182, the Food Industry Anti-Trust Reports Act of 1975, Carol Foreman testified on February 4 before the Monopolies and Commercial Law Subcommittee of the House Judiciary Committee.

"The government is doing a deplorably bad job of determining if anti-trust exemptions, anti-competitive regulations, monopolistic practices and industry structures are contributing causes of excessive food prices and an even worse job devising remedies if they are contributing factors," she charged.

Believing that H.R. 9182 could serve to remedy some of the present inadequacies, Ms. Foreman reacted especially favorably to Section 6 of the bill, dealing with a new use of Line of Business data.

CFA did however propose several additions to the bill:

1. The USDA should be required to implement an affirmative action program of information about the state of competition in the food industry.

2. The Economic Research Service and the Statistics Reporting Service should be required to examine data on the organization and performance of major commodity subsectors; costs and returns; price spreads; and several price indexes.

CLAYTON ANTI-TRUST

Speaking on behalf of CFA, Kathleen O'Reilly, Legislative Director, testified before the Senate Subcommittee on Anti-Trust and Monopoly on February 5, in favor of S. 2028, a bill to amend the Clayton Act by prohibiting government agencies and departments from taking any action which is inconsistent with the antitrust laws.

Citing numerous examples of government actions which foster monopoly power to the detriment of the consuming

public, she emphasized ICC policies which allow rate fixing by trucking companies and Milk-Marketing policies which result in consumer overcharge of between 500 million and a billion dollars a year.

CFA is particularly enthusiastic about that part of the bill which would award attorney's fees to private complainants who prevail in actions brought under the Act (including consumer and public interest groups).

Consumer Candidis



CONSUMER REPRESENTATION PLANS

CFA's Executive Director, Carol Foreman, testified on February 23, before the House Government Operations Committee, when they began consideration of President Ford's proposed Consumer Representation Plans.

Developed as a cloak for the President's stand against the Consumer Protection Agency Bill, they purport to be responsive to consumer interests. In effect however, they fail to insure adequate consumer representation before any government agency makes a decision concerning their health, safety or general economic security.

Creating more bureaucratic problems without granting any substantial legal rights, the plans are abstract and do not, in any capacity, further the consumer cause.

National Gas (Continued from pg 1)

to severe gas shortages and hence to serious new unemployment problems, though predicted shortages of natural gas never materialized.

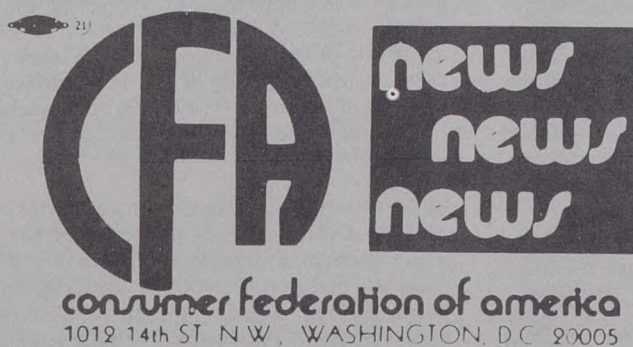
It was these "swing" Democrats who were the primary targets for the Energy Policy Task Force and its allies. On February 3, after failing to stop the Krueger bill on procedural grounds, the coalition of anti-deregulation forces sought a compromise plan that would appeal to the vital swing votes.

The Smith approach seemed to offer the best hope. By retaining Federal Power Commission control over prices charged by major companies, it would shield consumers from the most severe effects of deregulation while encouraging independents to step up their search for new gas supplies. At the same time, the Smith plan would extend federal price control over the intrastate market as well as the interstate market, ending the present day incentive for producers to divert new gas away from interstate pipelines in favor of local markets where prices are several times higher.

Task Force member groups immediately organized a major effort to gain support for the Smith plan.

By mid afternoon of February 5, consumer and labor tacticians working in the ornate marble halls just outside the House chamber decided that support for Smith's proposal was at its peak. A majority vote favoring Smith was far from assured, they decided, but the gas industry had begun counterattacking; it was now or never.

Crowding the corridor outside the House chamber, opponents of deregulation could only catch glimpses of the electronic tallyboard that recorded the 15 minute long rollcall. as in a basketball game, the lead changed repeatedly as the bells signalling a floor vote brought more and more Congressmen scurrying from the elevators, past the gauntlet of lobbyists and into the House chamber. When the final crack of the Speaker's gavel signalled the end of the voting and the tallyboard's orange numerals settled on 205-201, a rare burst of cheerleading and applause swept the crowd waiting in the corridors. In a city where most major decisions are reached privately, far in advance of official actions, it had been a singular piece of drama and temporarily, at least, a great victory for consumers.



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