



# consumer news and comment

APRIL 1973

CONSUMER FEDERATION OF AMERICA

WASHINGTON DC

## Consumer Message

# ROLLBACKS, CONTROLS & ENFORCEMENT, SAY STATE LEADERS

When Barbara Shuttleworth, Eileen Hoats, Esther Shapiro and Lynn Jordan rested their case for fair price policies, not a single member of the House Banking & Currency Committee where they were appearing with CFA Exec. Dir. Erma Angevine defended President Nixon's Phase III program.

That was three days before and probably a factor in the ceiling on red meat announced by the White House. Committee reaction to the consumer panel was sufficiently alarming to warrant an immediate, next-day Administration "briefing" for Republicans feared to have left the fold.

The House is considering rollback legislation to extend President Nixon's authority to control prices and wages. It would give the President 60 days to come up with a program of mandated controls. The Senate-approved extension of the economic stabilization act includes--over strong Administration objection--mandatory rent controls for areas with 5.5% vacancy rates.

### New York

Eileen Hoats, New York Consumer Assembly legislative representative, describes Phase II "the biggest fraud ever perpetrated on the American consumer" and Phase III, she says, is totally "meaningless" with "prices completely out of control." (In fact, each consumer panelist, without knowledge of the upcoming meat ceiling, indicated any action keeping prices at today's levels is a sham. All agreed on the need for immediate relief and clear-cut direction for the future.) Ms. Hoats rejects one Administration suggestion that consumers fight food prices by making out shopping lists and using slide rules. Congress, she says, must mandate and enforce across-the-board controls to protect consumers against huge increases in food, utilities, clothing, transportation and other necessary goods and services.

### Connecticut

Ms. Shuttleworth's "disgust" over rising food prices came to a head, she says, when her food bill jumped \$10. The same day she spotted a newspaper cartoon showing a lady in the supermarket asking the butcher if she could put a steak on layaway. She persuaded Connecticut's



Shuttleworth  
CONNECTICUT

Hoats  
NEW YORK

Shapiro  
MICHIGAN

Jordan  
VIRGINIA

Junior Federation of Womens Clubs to sponsor a "non-meat buying week" this month that figures in the national boycott. Policies that make "hamburger a luxury" ought to be reverse, she says.

### Virginia

Virginia Citizens Consumer Council President Lynn Jordan proposes: putting a stronger consumer counsel function in the Cost of Living Council which now administers economic stabilization programs; making more information available to the public; letting consumers monitor negotiations between industry and COLC; requiring a "public defender" advocate for consumers at all COLC hearings; giving consumers more input on advisory committees; having consumers present during labor-management negotiations; unit pricing and posting of octane ratings to aid price comparisons.

### Michigan

Esther Shapiro is President of Consumer Alliance of Michigan, a member of CFA's Board of Directors and consumer specialist for the Michigan Credit Union League. She's particularly concerned about the plight of senior citizens on fixed pensions and low income families. "Obesity and diabetes are common medical problems for the aged," she says. "They are

(Continued on page 2)

## Forwards & Backwards On Rx Advertising

Nevada is the first of over thirty states to repeal prohibitions on Rx drug price advertising without litigation.

Consumers League of Nevada led the fight to overcome the opposition's many excuses and outright distortions for keeping a ban.

As insurance against losing the ban, pharmacists "waved around" a letter allegedly from the Food & Drug Administration stating FDA opposition to Rx price ads. CLN President Pat van Betten quickly obtained the full FDA text. Read during floor debate (and clearly stating no opposition), it destroyed the credibility of the opposition. The repeal measure passed March 29. It has the Governor's support. It is in the form of a statute allowing open market competition in Rx drugs.

In Nevada and elsewhere the opposition claims Rx price advertising encourages pill-popping and fosters drug abuse.

In Maryland, where the outlook for total reform is dim, pharmacists are relying on legislators' sympathy for the "small businessman" to prevent consumer relief. If any bill passes, it's more likely to be a price posting statute similar to Boston's ineffective posting ordinance.

Industry resistance keeps the central issues cloudy. Claims of low profits and miraculous "patient services" --record keeping--that are claimed to prevent injury, death and drug misuse tend to drown out facts.

CFA's collection of opponents' arguments include:

- the small businessman, unable to afford Madison Avenue advertising agencies, will be run out of business by chain and discount advertisers;
- the "corporate giants" will lure consumers to their stores for drugs at rock-bottom prices and also get their business for non-drug items... when the small stores "fold" the chains and discounters will raise prices;
- the small druggist will be forced to buy in larger volume, subjecting patients to old and possibly adulterated drugs;
- the big companies will advertise drugs which are "unavailable" when the customer arrives, but, again, the consumer will be tempted with low-cost non-drugs just long enough to close down the corner druggist.

Over this din, the courts and consumers are reminding legislators of existing antitrust, advertising and drug laws which can be enforced to more directly resolve industry's fears.

Rep. Benjamin S. Rosenthal (D-NY), sponsor of federal Rx price reform legislation, recently

## PRICES, from page 1

not helped by a diet of rice and gravy...low income families are caught in the same bind. They don't have to boycott beef--they can't afford it.

"We are not amused by the kind of economic double talk aired last week, when the COLC told us things were looking good because, even though prices would still go up, the rate of increase would go down."

## CFA

CFA is urging the House of Representatives to require a balance of consumers, urban and rural workers, retailers and manufacturers and processors in any agency designated to administer price-wage restraints.

"Congress may prefer," says CFA, "to provide for an Economic Stabilization Commission, named by the President and subject to Senate confirmation. An agency responsible to the President and the Congress and with a trigger (based on the Consumer Price Index) to set it in motion would give a sense of planning and direction which we do not now have."

Enforcement, says Mrs. Angevine, "is where we feel the Administration's attempts at economic stabilization have failed most miserably." The Committee was given CFA's long-standing set of recommendations for more effectively dealing with inflation.

## On Executive Privilege

Former Supreme Court Justice Arthur Goldberg has told a Joint Committee on Congressional Operations that President Nixon waived executive privilege when he declared no knowledge of political espionage in the Watergate case. Argues Goldberg: "There is no privilege for matters that go beyond the relationship between the President and his staff."

issued new studies revealing that American consumers are being overcharged \$1-billion a year for prescription drugs. The excess, he says, is "because of prohibitions on retail advertising, over-protective patent laws, exorbitant promotional expenditures by industry and unreasonable markups."

Rosenthal's study, together with the Federal Trade Commission's placement of drugs and medicines at the top of the "most profitable rate of return industries" and government findings of "pure profits" on individual prescriptions of at least 75¢ tend to support this excerpt shared by Carleton College researcher Larry Slesinger:

"The only one who benefits from cut-throat prescription price advertising is the consumer." So says an official of Jay Drug Stores (Ohio).

# LEE WHITE HEADS CFA ENERGY PROJECT

In its first major program expansion, CFA has named Lee C. White, former Federal Power Commission chairman and counsel to Presidents Kennedy and Johnson, head of the Federation's newly established Energy Policy Task Force.

"It is the purpose of this Task Force to offer to the public, to the Administration and to the Congress, data, recommendations and approaches to those problems which we believe will be constructive and take into account the interest of the consumer," says White.

"We believe there is a proper and important role in the national debates and discussions of our energy problems to be played by organizations which have large memberships directly interested and involved in what decisions are reached on national energy policy."

The Task Force will be made up of consumer-interest organizations which are members of CFA as well as other groups which share the consumer's stake in adequate supplies of energy at

reasonable cost. Besides CFA, others participating include: American Public Gas Assn, American Public Power Assn, Consumers Educational & Protective Assn. Int'l, Cooperative League of the US, Industrial Union Dept. AFL-CIO, National Farmers Organization, National Farmers Union, National League of Cities, National Rural Electric Cooperative Assn, New Populist Action, and US Conference of Mayors. While all of the supporting groups may not "necessarily subscribe to each of the specific positions enunciated by the Task Force," says White, there is "complete agreement" on the basic thrusts of Task Force goals.

Prior to holding the FPC chairmanship from March 1966 to July 1969, White was an attorney for Tennessee Valley Authority, and held various positions on the staffs of Sens. John F. Kennedy and John Sherman Cooper and the Senate Small Business Committee. He was campaign manager for Sargent Shriver in 1972 and practices law in Washington, D.C.

## ENERGY POLICY GOALS

- promotion and implementation of energy-conserving measures and of the wise and efficient use of energy
- consolidation within the federal government of responsibilities in the field of energy policy and implementation
- vastly increased government expenditures for energy research and development
- tougher anti-trust enforcement to prevent monopoly of energy sources
- tighter controls over the development of publicly-owned fuel reserves
- formation of a federal fuels corporation
- federal and state plant-siting programs for oil refineries and associated facilities
- extension of FPC authority to include intra-state as well as interstate sales of natural gas
- elimination or reduction of financial incentives to oil companies to explore for new foreign oil and gas at the expense of domestic resources development
- continuation of the 2% REA loan program for rural electric cooperatives serving sparsely settled areas and whose financial situation requires loans at 2% interest
- retention of federal control over the well-head price of natural gas
- elimination of the oil import quota system, to be replaced by a tariff system if necessary
- federal regulation that will have as a primary objective consumer protection
- appointment of consumer-oriented members to federal regulatory agencies
- establishment of consumers counsels

## CFA STAFF

Executive Director: Erma Angevine, on board since CFA opened for business in 1968.

Information Director: Judy Jackson, formerly with Ralph Nader's Health Research Group where she concentrated on legislative and regulatory actions

about food, drugs, cosmetics and product safety. A U. of Illinois law school graduate, Ms. Jackson joined CFA the middle of March. She will serve as CFA's principal press contact.

Publications & Editor of Consumer News & Comment: Martha Robinson who was Information Director for almost two years.

Coordinator, Energy Policy Task Force: Ellen Berman who is full-time staff under EPTF Chairman Lee C. White.

# Long Road Ahead

Supporters of legislation to give consumers full representation in federal affairs--and in state business if officially sought--continue predicting that Congress will this year finally pass an independent consumer protection bill.

After all, Senate hearings are almost complete, and it's only April. House Government Operations Chm. Chet Holifield (D-Ca) is talking about hearings later this month.

## The bad news

- Senate hearings have been dominated and slowed to a snail's pace by Sen. James Allen (D-Ala), who, with North Carolina Democrat Sam Ervin, successfully filibustered the CPA to death in 1972. Allen's endless badgering of pro-CPA witnesses, baiting them with at least one red herring a minute, is as disruptive as he would have Congress believe the proposed agency will be.

- Sen. Ervin is too busy with freedom of the press issues and the Watergate to join Allen's talk-a-thon, but he is collecting from the various federal agencies and departments their views on how a CPA would adversely affect them. Allen and Ervin used a similar tactic last year. The Department of Agriculture's response implying CPA control over farmers' pet programs, for example, was skillfully manipulated to instill fear and to organize farm opposition to CPA legislation.

- President Nixon opposes new agencies. Past White House positions on the CPA concept have shifted from housing consumer advocacy functions in the Justice Department, in the Federal Trade Commission, or as a last resort, in an

## No-Fault Correction

The March newsletter erred in describing various no-fault proposals before Congress. UMVARA is not the same as the Camelback plan. UMVARA (Uniform Motor Vehicle Accident Reparations Act), drafted by the National Conference of Commissioners on Uniform State Laws, is the source of many provisions in S.354, the National No-Fault Motor Vehicle Insurance Act sponsored by Sen. Warren Magnuson and endorsed by CFA. The Camelback plan, an inadequate state program being supported by the majority of the insurance industry in 10 target states, is the threat to S.354, an effective national no-fault bill.

independent agency--one made as weak as possible. If there is a more recent Administration view, it probably involves the President's latest preference to bury consumer protection in the Department of Health, Education & Welfare. In his Human Resources State of the Union Message--the new umbrella for health, education, welfare and consumer programs--Nixon reveals no program or goals for consumers. Whereas in 1970 he enunciated a bill of consumer rights and in 1971 he changed the name of Virginia Knauer's office of consumer affairs, this year he simply announced removal of Knauer's office to HEW.

- Industry opposition is warming up. Seemingly taking the lead this year, National Assn. of Manufacturers is asking nearly 200 of the nation's biggest businesses to oppose the CPA. Grocery Manufacturers of America says it's still opposed. In 1972, GMA organized a nationwide business lobby to help defeat the CPA.

- The bill does not have clear sailing in the House of Representatives. Holifield's committee must report out a bill, and he is personally committed to his 1971 legislation. A bitter fight to strengthen that measure in committee and on the floor resulted in what appears to be a permanent rift between Holifield and Ralph Nader. Convinced his bill was the strongest measure that could pass the House two years ago, Holifield opposed strengthening amendments. Rep. Benjamin Rosenthal (D-NY) and Nader repudiated Holifield's bill as worse than nothing. Efforts to amend the bill, therefore,

were decided more on loyalty for or against Nader than on their merits. The field is still burning, smoldering by Nader's association with his recent campaign.

## The good news

- Senate strategists are planning a full-fledged filibuster from an early start, thus ensuring an adjournment buster usually won't occur.

- The bill has picked up support. In addition to sponsors like Sens. A. M. B. (D-Conn), Charles Perlmutter (D-NY), Jacob Javits (R-NY), Warren Magnuson (D-Wa), Frank Moss (D-Utah) and Marjorie Holtzman (D-NY), who once scored a 100% voting record.

- The Senate hearing operation of Commerce Department Operations subcommittee is fairly easy Commerce Department approval, this is one area that is air tight, to avoid a bottleneck in Government. Due to Chm. Ervin's CPA and his heavy schedule matters. If Commerce okays the bill, Government has 45 days in which to act or yield further right.

## Distortions

Pretending wide-eyed administrative and political. Sen. Allen paints the

## CFA DRUMS UP GRASSROOTS

Pledging another "24-hour-a-day" effort to secure passage of tough, independent consumer protection agency legislation, CFA Exec. Dir. Erma Angevine is stump-ing the states for grassroots support.

With the bill simmering on Capitol Hill, she's been persuasive in stopping a policy proposal putting National Rural Electric Cooperative Assn. on record opposing the CPA. In March she won over National Farmers Union, on the brink of a policy turn-about.

Before groups in North Montana, CFA has argued party advocate" to create influence in government.

"The CPA is an advocate, not a judge," says Magnuson. As an advocate, the CPA has the right to overrule other agencies to alter another's priority. The CPA has the right to get information and to plead the consumers' case.

# ad For Consumer Agency

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powerful regulatory agency intended by its backers as the arbitor in such wide-ranging and complex issues as the Alaska pipeline, deregulation of natural gas, trade negotiations, labor disputes and television repair. The deceptively naive Allen implies it is better management and entirely possible to make existing government agencies shape up instead of having a CPA.

### Some perspective

Pennsylvania Insurance Commissioner Herbert Denenberg, former FPC Chm. Lee White, Betty Furness and others emphasize three things to justify the need for a CPA now: (1) the existing heavy influence of business and industry in government decision-making; (2) the under representation of consumers despite valiant efforts by individuals and private groups; and (3) lack of White House concern for or interest in the consumer. Sen. Ribicoff illustrates the need for a CPA by asking:

--In August, 1972, when the FPC set an optional pricing rule for new supplies of natural gas which may result in higher prices to consumers, who spoke for consumers?

--In December, 1972, when the CAB ordered the eventual cancellation of youth and family fares, who spoke for consumers?

--In February, 1973, with the price of beef at record high levels, and the Department of Agriculture advised turkey farmers to reduce production in the latter half of 1973, to assure "reasonable prices" to consumers, who spoke for consumers?

consumer views. It's a way to get consumer opinion into decision-making."

To the charge that the CPA will break the Administration budget, Mrs. Angevine estimates that it would add about \$15-million to the budget--only 7¢ for protecting each of 210 million Americans, she says. That's equivalent to 30 helicopters, or one-sixth of a destroyer, or the cost of less than five miles of typical superhighway.

### Guts of bill

The past chief of FTC's Bureau of Consumer Protection under Commission Chm. Miles Kirkpatrick makes plain the importance consumers must give the section of the bill dealing with CPA authority. If the CPA is limited to intervention in formal proceedings, says Robert Pitofsky, consumers will be cut out of 90% of the FTC's decision-making. Pitofsky told the Senate that "an extraordinary imbalance" exists between the pressures, advice and arguments that the average bureaucrat receives from business compared to consumer representatives. Consumers are there on the big issues, he says, but as the issues become "more technical and as the questions are slightly less visible", the "ratio of business lobbying as compared to consumer lobbying is on the order of 100 to 1."

### History

The concept of formalizing consumer representation in federal affairs was first advanced by the late Sen. Estes Kefauver in 1961. Variations of his idea have been under consideration ever since. In 1970 the Senate passed a bill 74-4. Not enough votes could be mustered in House Rules Committee, however, to even get a bill reported for full House consideration. The House finally passed 344-44 a watered-down bill (Holifield's) in October 1971. The Senate failed to move quickly enough. Action was delayed until late 1972 when a strong measure --comparable to 1973's S.707 now before the Senate--died in filibuster just before adjournment and the election.

#### CFA CALENDAR

May 6. All day Board of Directors meeting in Washington DC.

May 7. 3rd Annual Distinguished Service Awards Dinner. Mayflower Hotel. Washington DC (See Page 7)

July 19-21. CFA Annual Meeting, Milwaukee, Wis.

## Prices - - - BEEF \$ BOYCOTT \$

- Except for mandatory rent controls, the Senate has rejected a six month across-the-board freeze as well as legislation to freeze interest rates and food prices. Also killed during voting on extension of the President's authority to administer economic controls were amendments to put ceilings on all farm products, require the big U.S. corporations to pre-notify federal authorities of major price increases, revoke presidential authority if he impounds more than 5% of funds authorized for an existing program, and limit to 7.5% profits of a company whose employees' wages are under control.
- Less than a week before the ceiling was put on meat prices, Agriculture Secretary Earl Butz told reporters Nixon also opposed a ceiling. Those who want ceilings put on food prices, he said, are "damn fools."
- January Agriculture Department figures show that from \$1.22 per pound choice beef, the farmer gets 82 cents, the processor 7 cents and the retailer 32 cents.
- Protesting the Administration's advice to consumers to buy cheaper cuts of meat and to eat fish instead, National Consumers United (Evanston, Ill) is demanding that President Nixon "practice what you preach." NCU proposes "before asking individual consumers to cut back on expensive meat cuts (therefore, all meat) that the Federal government...cut back on its own consumption. We suggest," says NCU, "that you immediately eliminate meat from luncheon menus in all employee cafeterias (not including welfare programs) and military installations beginning with the Executive Office Building, the House and Senate cafeterias, and the White House."
- Rep. Benjamin Rosenthal (D-NY) proposes a 5-point program to provide relief from high food prices: additional boycotts if necessary; freezing meat prices at December 1972 levels; establishment of a special congressional committee to recommend long range solutions to high food costs; repeal of the Meat Import Quota Act; and temporary suspension or restriction on exportation from the US of scarce food commodities. Individuals associated with the following groups--all CFA member groups--are listed among supporters of Rosenthal's program: VIRGINIA CITIZENS CONSUMER COUNCIL, WISCONSIN CONSUMERS LEAGUE, CONSUMER RESEARCH ADVISORY COUNCIL (Detroit), PENNSYLVANIA LEAGUE FOR CONSUMER PROTECTION, PHILADELPHIA CONSUMER EDUCATION & PROTECTIVE ASSN, INC, TEXAS CONSUMER ASSN, and NEW YORK CONSUMER ASSEMBLY. Other members who have advised CFA of boycott support are OREGON CONSUMER LEAGUE, ARIZONA CONSUMERS COUNCIL, and ALLIANCE FOR CONSUMER PROTECTION (Pittsburgh).

## True? False? PRODUCT SAFETY GAME

- \_\_\_ In 1972 Congress passed and the President signed ("reluctantly") a law to create a new Consumer Product Safety Commission to set and enforce minimum safety standards for commonly-used household items.
- \_\_\_ There is no telephone listing for this Commission. It's work is coordinated, however, by Presidential Assistant David J. Wimer.
- \_\_\_ Nobody will confirm that the President intends for Richard Simpson to be Commission Chairman. But Simpson allegedly no longer has an office at his old post in the Department of Commerce and he's working full time on CPSC business --in private.
- \_\_\_ President Nixon plans to envoke executive privilege so Simpson, Barbara Franklin, Constance Newman, Lawrence Kushner and George Dobrea (other Commissioners picked by the President but not officially named) won't have to be confirmed by the Senate.
- \_\_\_ For nonchairman Simpson, on April 1, U.S. tax dollars began paying for his lease of a black 1973 Chrysler New Yorker Brougham, list price \$7000.
- \_\_\_ It's taken the White House over five months to fill Commission slots because (a) GOP candidates had to pledge to clear statements and decisions with the Administration, (b) not very many were without potential conflicts-of-interest, and (c) many candidates rejected the law's prohibition on accepting jobs with companies regulated by CPSC less than a year after leaving the agency.

## HOTDOG BY-PRODUCTS OK WITH USDA

The Agriculture Department's plan to permit continued use of by-products in frankfurters--ostensibly to prevent price increases--is being challenged by CFA and Nader's Center for Study of Responsive Law.

"The claim that a ban on by-products will raise the price of cooked sausages and other processed meat products is exaggerated," say these groups.

A recent study by the Michigan Department of Agriculture in February reveals that hotdogs without by-products cost an average 87.1 cents a pound while those with by-products cost an average 89.2 cents a pound. "In other words," contend the consumerists, "the more nutritious hotdog actually cost 2 cents a pound cheaper."

One company's weiners made with beef lips, pork stomachs, beef tripe and pork spleens costs 89 cents a pound, according to the Michigan studies. The same company produces a weiner with no by-products for 79 cents a pound.

## Consumers challenge 1 year FTC term

Everette MacIntyre is under increasing fire from consumers challenging his "independence" from White House influence. In a petition protesting his position as Federal Trade Commission Commissioner, CFA, Consumers Union, Federation of Homemakers and Georgetown U's Institute for Public Interest Representation say MacIntyre "is not independent of undue influence from the President" since he is reappointed on a year-to-year basis and therefore has not been confirmed by the Senate since 1968. Since reaching age 70 in 1971, MacIntyre has been appointed to the Commission for one-year terms. "Year by year appointments," argue the consumers, "maximize a President's possible influence over a supposedly independent decision-maker."

## ENERGY CAPSULES

- Led by Sen. Henry M. Jackson (D-Wash), 39 senators propose a 10-year, \$20-billion crash program to overhaul the whole energy system
- Nixon choices for Federal Power Commission vacancies are being challenged as anti-consumer and pro-industry by CFA and consumer-oriented congressmen (the protest at confirmation hearings was strong enough to win an extended Senate Commerce Committee delay on both former GOP Rep. Wm. L. Springer (Ill) and California attorney Robert H. Morris. Among other things, Springer has one of the poorest consumer voting records and Morris has represented Standard Oil and subsidiaries.
- Nixon's 3-man Energy Policy Council of John Ehrlichman (domestic affairs advisor), George Shultz (economic affairs advisor) and Henry Kissinger (national security advisor) are reportedly starting to draft the President's energy message. It was expected last winter.

## TRY ICC HOTLINE

The CFA-recommended "hotline" phone service at Interstate Commerce Commission is supposed to help consumers overcome household moving problems. If you've got one or a bunch--to do with estimates, rates, service or whatever--phone 202-343-4761. The drawbacks: you foot the bill for the toll and you have to wait for someone to phone back. ICC says a toll-free system is under consideration.

According to the Wall Street Journal, a new group called "Citizens for Nixon '76", is readying a state-by-state campaign to repeal

## MAGNUSON & KIRKPATRICK WIN 1973 CFA HONORS

CFA's 1973 distinguished service awards are going to U.S. Sen. Warren Magnuson (D-Wash) and former chairman of the Federal Trade Commission, Miles Kirkpatrick. A dinner in their honor is planned for Monday, May 7, Mayflower Hotel, in Washington.

As chairman of the Senate Commerce Committee, Magnuson oversees nearly all consumer bills. He's a principal sponsor of most. His committee must approve, for example, final proposals for no-fault auto insurance, the independent consumer protection agency, warranty and advertising bills--among others. Kirkpatrick is being honored for his efforts to improve the FTC before and during his chairmanship.

The 3rd awards dinner is chaired by CFA Directors Evelyn Dubrow (Int'l Ladies Garment Workers Union) and Gordon Cole (Int'l Assn. of Machinists & Aerospace Workers). Previous distinguished service awards have been given Sen. Philip Hart (D-Mich) and Consumers Union President Colston Warne (1971) and Rep. Leonor Sullivan (D-Mo) and Consumer columnist Sidney Margolius (1972).

Dinner tickets are \$50 each; tables of 8 are available. Arrangements may be made by contacting CFA, Suite 901, 1012 14th St NW, Washington DC 20005, phone 202-737-3732. Funds raised by this dinner will be used to further the work of CFA.

## UCCC STALLED

The UCCC has been limited to quick dips in the Montana and Nevada legislative hoppers. Consumer lobbyists there have succeeded in getting the bills withdrawn. To do so, they were armed with analyses of the anti-consumer measures supplied by CFA.

Federation Counsel Edward Berlin denounces the argument for uniform consumer credit legislation this way. "Credit laws," he says, "should respond to local problems and not those that may exist in other states." But he recognizes that state level consumer advocates must deal with the uniformity issue. If UCCC backers insist uniformity is important, says Berlin, legislators should question passage of a bill undergoing a new revision by the Uniform Commissioners.

The Uniform Consumer Credit Code, sanctioning interest rates in excess of 35% is being fought by consumer-oriented Maryland legislators who view it as a veiled attempt to "legalize loan-sharking." Kansas City Consumers Assn. is in the thick of battle with backers of a 114-page UCCC proposal.

the 22nd Amendment. That's the one limiting a president to two terms.

## THREAT TO WARRANTY LEGISLATION?

The Administration position on pending warranty legislation may not be as consumer-oriented as Federal Trade Commission press releases make it sound.

In his first Capitol Hill appearance as FTC Chm., Louis A. Engman said he "enthusiastically supports" the objectives and substance of the Warranty/FTC Improvement bill. (A similar bill passed the Senate in 1972 but never got out of House committee.) Yet, before Engman finished testifying at the Interstate and Foreign Commerce Committee, he had recommended dropping the FTC improvements section dealing with rulemaking. Opposing "any statutory rulemaking provision affording less flexibility than we believe we now have," Engman said he was sure the court will confirm strong rulemaking authority when it decides the outcome of the octane case. That suit is a broad challenge of FTC authority to set trade regulations.

CFA opposes deletion of the rulemaking section, regarded as one of the most crucial, until the court in fact decides. CFA is an appellant-intervenor in National Petroleum Refiners Assn. v. FTC, holding that FTC already has the authority to issue substantive trade rules. In its testimony before the House, CFA urged continued support for a class action section eliminating the necessity that each consumer be able to satisfy a \$10,000 jurisdictional amount as a condition precedent to seeking judicial relief. The Senate bill requires each consumer to have a \$10,000 claim which precludes any possibility of judicial relief except for Rolls-Royce owners.

# CFA ANNUAL MEETING

## JULY 19-21

Milwaukee, Wisconsin (changed from Kansas City)

## LOW COST FACILITIES




### MINI-RMN RECORD

● "The Administration is convinced that direct support of the training of scientists for careers in medical research is an unnecessary and unproductive expenditure of federal funds, a spokesman for the Department of HEW told a House subcommittee..." New York Times, 3/21/73.

● "The administration opposed yesterday a proposed \$90-million federal program to aid abused and battered children, contending the problem is primarily one for states and communities to handle. Stephen Kurzman, assistant secretary of HEW, said good programs are already operating to deal with the problem and that additional federal efforts might only confuse the issue." When Kurzman failed to cite a single state with an adequate program, says the 3/28/73 Washington Post, Sen. Walter Mondale (D-Minn) commented: "Your recommendation is to leave it to the states, and then you say you don't know what's going on."

● "President Nixon, denouncing 'big spenders' on Capitol Hill, vetoed a bill to authorize the spending of \$2.6 billion over the next three years to aid the handicapped." Wall Street Journal, 3/28/73.

● "The Nixon Administration has made a strategic retreat in its battle to impound \$25 million appropriated by Congress to spur college enrollment by Vietnam veterans. Faced with the possibility of an adverse court ruling, the administration agreed yesterday to start the veterans program in motion by publishing regulations and processing applications for grants from colleges. But Justice Department attorney J. Michael Cogbill, representing the administration in a lawsuit filed by a veterans group, declined to give any assurance that the administration would actually approve any applications and begin handing out the \$25 million." The Evening Star and Daily News, 3/28/73.

  
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