Consumer Federation of America NEWS

WASHINGTON, DC — JUNE, 1979

Come to CFA's Awards Dinner

Consumer Federation of America
Cordially Invites You
to its

Ninth Annual Awards Dinner

Capital Hilton Hotel
16th & K Streets, N.W.
Washington, D.C.

Tuesday, June 12, 1979
Reception 5:45 P.M.
Congressional/Senate Room
Dinner 7:00 P.M.
Presidential Ballroom

U.S. Senate
Senator Howard M. Metzenbaum

U.S. House of Representatives
Congressman Abner J. Mikva

Consumer Service
George Meany
President, AFL-CIO

Outstanding Consumer Media Service
National — Stanley E. Cohen
Senior Editor
Advertising Age

Local — Sharon King
WBZ-TV
Boston, Massachusetts

Speak-Out! Oil Decontrol: Devastating to Consumer

The following column is based upon testimony by CFA Executive Director Kathleen F. O'Reilly, and Legislative Director Michael Podhorzer, Testimony before the House Ways and Means Committee and before the Subcommittee on Energy and Power and Commerce, on May 16th and 17th, 1979, respectively.

A growing sense of distrust and outrage by consumers watching the Carter Administration's mishandling of the nation's energy problem is developing across the country, as evidenced by contact with our members, inquiries from consumers at large, and the growing body of public opinion polls. Those polls include the AP-NBC news poll which shows 50% of the public against decontrol, 54% believing the energy crisis is a hoax, the Lou Harris poll which shows 56% against decontrol, and an Opinion Research poll which shows that 54% want even *more* control of the oil companies than presently exists. It is little wonder that in the eyes of consumers the credibility of the government is shrinking. Decontrol is a regressive and economically unsound policy that will not work. The windfall profits tax is nothing more than an attempt to distract the public from the basic bankruptcy of a policy based on senselessly high energy prices.

Consumers are outraged that the Carter Administration can propose massive cuts in social programs and yet ask consumers to observe a 7% wage guideline when the C.P.I. is rising by 13%, and gasoline and homeheating oil prices are rising by 36%. Instead of taking actions to reduce inflation, the Administration is fanning its fires with decontrol. If a windfall profits tax is passed it will be no consolation to consumers facing skyrocketing energy prices, since such a tax will not reduce energy prices by one cent. The hypothetical use of the Energy Trust Fund is for low-income consumer protection, mass transit and solar which should in any event be funded, regardless of decontrol!

Indeed, considering recent oil company profit reports, the estimates of the cost of production made by the oil industry itself, and the most recent discoveries of overcharges by the oil companies, consumers cannot help but question why there isn't already a windfall profits tax on the oil industry to supplement controls, and why the government is so lackadaisical in enforcing the controls that do exist. First quarter 1979 and fourth quarter 1978 oil industry profits showed dramatically higher gains than the rest of industry. In the first quarter of 1979, oil company profits increased by 54% as compared to 30% for all industry, and in the fourth quarter of 1978, oil company profits increased by 30% as compared to 26% for all industry. It is also important to note that in the first quarter of 1979, the oil industry increased its profit margin by 28% while the margin for all industry increased by only 7%.

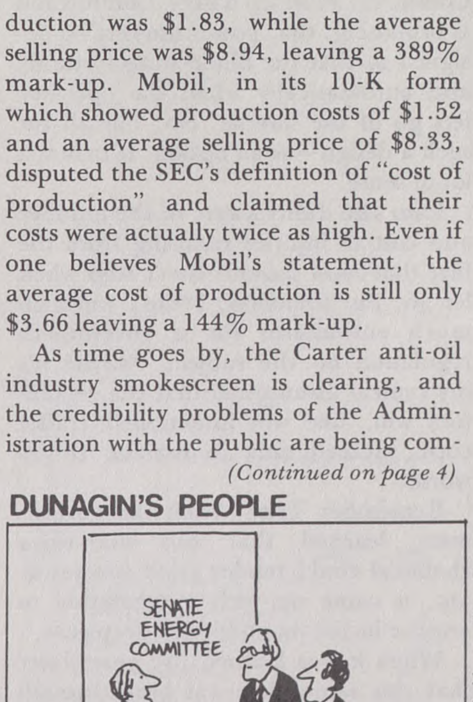
The oil companies are quick to point out that despite these enormous increases, their return on equity for the first quarter was still less than the industry-wide average. However, return on equity is a deceptive measure when applied to the oil industry as it seriously understates profitability. The cause of this understating includes the extraordinarily capital-intensive nature of the industry, their high cash flow, and accounting techniques which understate their current earnings and favorable tax treatment.

The argument that controlled prices are artificially low, and insufficient to cover the costs of production loses whatever force it has when the SEC 10-K forms of the major oil companies are examined. 10-K forms are filed with the Securities and Exchange Commission by all companies, and for the first time, the oil industry is required by the SEC to include cost of production estimates. For the 16 major oil companies from which Energy Action was able to obtain 10-K forms, the average cost of production was $1.83, while the average selling price was $8.94, leaving a 389% mark-up. Mobil, in its 10-K form which showed production costs of $1.52 and an average selling price of $8.33, disputed the SEC's definition of "cost of production" and claimed that their costs were actually twice as high. Even if one believes Mobil's statement, the average cost of production is still only $3.66 leaving a 144% mark-up.

As time goes by, the Carter anti-oil industry smokescreen is clearing, and the credibility problems of the Administration with the public are being com-

(Continued on page 4)

DUNAGIN'S PEOPLE



"THERE ARE SERIOUS QUESTIONS IN MY MIND ABOUT WINDFALL PROFITS, GENTLEMEN... LIKE WHAT'S IN IT FOR US?"

Dunagin's People – Ralph Dunagin, Washington Post, Courtesy of Fields Newspaper Syndication

Misconception of the Month

The following written "pro/con" is a side-by-side of a column by William Raspberry (*Washington Post*, September 12, 1978) and CPSC Commissioner David Pittle's rebuttal (*Washington Post*, October 10, 1978). It is indicative of much of the debate which triggered the current "Regulatory Reform" fad.

Disclosure—An Effective Substitute for Government Safety Protection

William Raspberry

Regulations Without End

Let a conservative motorist get caught in a downtown traffic jam and he'll tell you with a cynical certainty: There must be a traffic cop ahead, fouling things up.

Let a liberal get caught in the same tie-up and he'll *demand* that a traffic cop be brought to the scene.

Don't waste your time using my little joke to determine whether you're liberal or conservative. It's a pretty good bet that when it comes to government regulation, you are both.

Certainly I am. The first time I, or someone close to me, is injured by a runaway lawn mower, I'll become (at least temporarily) a liberal, joining in the demands that the federal government get cracking with its new and tougher lawn mower safety regulations.

Until that unhappy day, I'd just as soon the regulators leave well enough alone.

It isn't that I am against what the Consumer Product Safety Commission is proposing: that power mowers be designed so that the blade stops instantly and automatically when the operator lets go of the handle. No, I'm all for such a design—as an option. It makes a lot of sense.

I am also dimly aware of the number and cost of injuries resulting from the fact that most mowers don't stop when let go. But somehow, I can't work up much enthusiasm for a government regulation on the subject. Maybe it's my cynical assumption that the regulators will, like well-intentioned traffic cops, succeed only in making things worse.

Remember Tris? When the government learned that this marvelous chemical could render cloth fire-resistant, it came up with a regulation to require its use on children's sleepwear.

When it was learned five years later that this same chemical breakthrough caused kidney cancers in laboratory animals, the Consumer Product Safety Commission issued a rule that Tris-treated clothing could no longer be sold.

No one—including the commission—knows how many human cancers resulted from the government's 1972 ban on sales of children's sleepwear that was not treated with flame retardants. Indeed, no one knows whether Tris has ever caused, or could ever cause, a single human cancer.

What is known is that a lot of sleepwear manufacturers got stuck with buying back huge quantities of Tris-treated garments, to add to the stacks of unsold and unsalable pajamas they already had on hand. Three guesses as to who will eventually pay for that increased cost of doing business.

And so it goes with so many of the traffic-cop regulations intended to make us safer: auto-ignition interlocks, mandatory use of seat belts and crash helmets and hundreds of regulations spawned by the Occupational Safety and Health Administration.

We don't want the regulations, and we don't want to be rid of them, either. If the government determines that certain working conditions or industrial practices are hazardous to workers' health, it is irresponsible to let them continue unabated—even if the hazardous practice is nothing more than the improper placement of fire extinguishers.

But requiring the introduction of demonstrably safer ways of doing things means nothing without enforcement—even if that means sending out OSHA agents to check the placement of fire extinguishers.

Adding to the confusion is the fact that the companies at which the regulations are aimed nearly always object to them, no matter how sensible they appear to be, on the ground of added cost. Just the other day, the Upholstered Furniture Action Council said consumers would wind up paying an extra $1 billion a year for furniture if the Product Safety Commission implements regulations on the flammability of furniture fabrics.

Consumers don't know which way to lean. Some government regulation seems entirely justifiable—modifications on Ford's Pinto to reduce the risk of gas-tank explosions, for instance.

In other cases, some of us think it might be enough simply to label products as to their relative safety and leave it to us whether to pay the added costs or not.

You could wind up saving a bundle if you are certain that you'd never fall asleep on your sofa while smoking, that your lawn mower would be used only on a flat lawn, or that your children wouldn't dream of playing with matches at bedtime.

And what would you do with the windfall? Well, you could always contribute some of it to cancer research, considering how often it turns out that safety is carcinogenic.

R. David Pittle,
Consumer Product Safety Commission

Consumer Safety: The Marketplace Is A Poor Guide

In his Sept. 22 op-ed column, "Regulations Without End," William Raspberry questioned the role of government in ensuring an adequate level of health and safety in our lives. In vivid terms he made one thing clear: that the issue is confusing to most of us: "We don't want the regulations, and we don't want to be rid of them, either. . . Consumers don't know which way to lean." As a regulator who has dealt closely with many of the issues he raises, I share his concern about overregulation and foolish regulation as well as his general sense of dilemma. But I have serious misgivings about his suggestion to let the marketplace work it out.

The writer is a member of the Consumer Product Safety Commission.

It is clear to me that we cannot achieve a risk-free society; the technology and the resources are simply not available. Thus, we need to draw lines, as a society and as individuals, to define a minimum acceptable level of safety. The real question is where to draw those lines.

In the abstract, Raspberry's suggestion that safety should be offered as an option for each of us to choose or reject has a seductive appeal, but reality dims the hope for such an approach. Relying solely on the marketplace to provide even minimum levels of safety has too often been a painful disappointment. Technically feasible solutions to serious product hazards have frequently been left on the shelf, gathering dust, because a producer was not convinced that increasing safety in his product would produce an economic benefit to him.

Safety should not be a luxury feature. Rather, it should be treated as a major design criterion along with utility, marketability and style. But, without a strong prod from the government, this change in design ethic too often will not take place. Lawnmowers, for example, have been trimming consumers' fingers and toes at about the same rate for nearly 20 years without a fundamental change in mower design. Recently, however, patent applications and innovative safety designs have been increasing markedly. I believe this change is a result of the Consumer Product Safety Commission's effort to develop a mandatory safety standard for lawnmowers.

Of course, redesigning mowers to substantially reduce the 150,000 injuries attributed annually to them will increase their price. But doing nothing at all creates costs for consumers as medical care and product liability costs continue to soar. Moreover, doing nothing results in pain and suffering of accident victims that is often unreasonable and is an immense but immeasurable cost to society.

The tough question for a regulator is deciding when the costs of a safety rule are outweighed by its benefits. For Raspberry, an injury to himself or a loved one will trigger his call for immediate action. For me, a better test is whether injuries that I am certain will occur to somebody's loved ones can be prevented at a reasonable cost.

Finally, I cannot agree with the assumption that government regulation generally makes things worse. Child-resistant closures on aspirin, prescription drugs, drain cleaners, and other dangerous products are doing an extremely effective job of preventing childhood poisonings and deaths. In the case of aspirin alone, accidental ingestions have been reduced 55 percent and deaths cut nearly in half. There are children who are alive today because of this government regulation. To me, that is the ultimate test of effectiveness and one in which government intervention was successful.

In a perfect world, there would be no need for government. In a less-than-perfect world, government intervention is sometimes necessary to correct imbalances between buyers and sellers for the overall public good. I do not subscribe to the belief that this means regulation of all products. Like Raspberry, I would draw some lines. But where effective government regulation can reduce serious hazards at a reasonable cost, it is unreasonable not to intervene.

Carter's Budget: Robin Hood in Reverse

Turning its back on virtually every vulnerable segment of society, the Carter Administration has presented a budget for Fiscal Year 1980 which reduces the government's commitment to social, consumer, health and safety programs while increasing defense spending and business programs.

The budget calls for spending of $532 billion, receipts of $503 billion and a deficit of $29 billion. The budget includes a 9.9% increase in defense spending which is a 3.1% increase in "real" (i.e. after inflation) terms. By raising defense spending in this manner, President Carter retreats from his campaign commitments to "cut exotic weapons which . . . do not contribute to the defense of this country, and to cut the Pentagon bureaucracy . . . (that) is wasteful and bloated . . . by about $5-$7 million annually." Furthermore, increased defense spending flies in the face of the goal of reducing inflation, since defense spending is particularly inflationary because unlike other goods and services, the products of defense spending (weapons, etc.) are not purchased by the rest of the economy.

During his campaign for the presidency, Jimmy Carter stated that "A balanced budget can be achieved without reducing social expenditures. There are far more humane and economically sound solutions to curbing inflation than enforced recession, unemployment, monetary restriction and high interest rates." As the following tables graphically demonstrate, President Carter has completely reversed himself and is attempting to balance the budget by "reducing social expenditures." Beyond the basic inequity of attempting to balance the budget at the expense of the vulnerable, the fact is that a balanced budget does not make economic sense.

The economic theory that supports budget cutting as anti-inflationary states that excessive government expenditures inordinately increase demand causing "too many dollars to chase too few goods." However, for this theory to have any validity at all, two conditions must exist: 1) there must be no excess capacity in the economy; and 2) the government must be spending more than it is raising in taxes. Neither of these conditions exist in today's economy. First, there is significant excess capacity, as unemployment hovers at 6% and approximate 15% excess plant capacity. More important, although there is a federal budget deficit, total spending by federal, state and local governments is less than the revenues raised in taxes by these entities. At annual rates, the $22 billion federal deficit is more than made up for by the $26 billion state and local surplus. Currently, the federal government provides states and localities with $77 billion of grants-in-aid. Theoretically, the federal government could reduce its grants-in-aid to the states by $22 billion, with the result that the state and local surplus would be reduced to $4 billion and the federal budget would be "balanced," even though government expenditures have not been reduced and taxes have been increased.

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Analysis conducted by the Congressional Budget Office (CBO) confirms that the effect of government spending on inflation is marginal. CBO estimated that a $15 billion increase in social spending would increase inflation by only one tenth of one percent. Furthermore, such an increase would reduce unemployment by four tenths of one percent and increase Gross National Product by $24 billion.

In many ways "budget balancing" can be a self-defeating process. One of the impacts of reduced government spending is increased unemployment. For each percentage point of unemployment, however, the budget deficit is *increased* by $20 billion. Unemployment benefits increase government expenditures by $5 billion and lossed revenue due to decreased GNP amount to $15 billion. On the other hand, increased government expenditures do not increase the deficit dollar-for-dollar, since increased employment reduces unemployment benefits and increases tax revenues.

HEALTH
Major Missions and Programs (in billions)

Health Care Services		78 actual	79 estimate	80 proposed	% change	% change (real)
Medicare	BA:	27.58	31.74	35.80	12.8	5.8
	BO:	25.20	29.49	33.82	14.7	7.7
Medicaid	BA:	10.67	11.89	12.71	6.9	- .1
	BO:	10.72	11.89	12.47	4.8	- 2.2
Other (1)	BA:	3.51	3.90	3.94	1.2	- 5.8
Health Services	BO:	3.17	3.50	3.88	11.0	4.0
Subtotal	BA:	41.77	47.49	52.66	10.9	3.9
	BO:	39.10	44.49	48.46	8.9	1.9
Health Research						
NIH	BA:	2.65	3.00	2.97	- .9	- 7.9
	BO:	2.50	2.68	2.96	10.4	3.4
Alcohol, drug abuse	BA:	.18	.21	.25	18.8	11.8
	BO:	.18	.19	.22	15.1	8.1
Other	BA:	.16	.16	.20	21.1	14.1
	BO:	.13	.14	.17	18.1	11.1
Subtotal	BA:	3.00	3.38	3.44	1.5	- 5.5
	BO:	2.82	3.02	3.36	11.1	4.1
Education and Training of Health Care Work Force						
NIH Training						
	BA:	.18	.18	.19	4.9	- 2.1
	BO:	.17	.17	.19	12.9	5.9
Health Resources	BA:	.55	.38	.27	-29.3	-22.3
	BO:	.65	.42	.31	-25.5	-32.5
Alcohol, drug abuse	BA:	.10	.11	.11	5.9	- 1.1
	BO:	.11	.11	.11	5.5	- 1.5
Other	BA:	-	-	-	-	-
	BO:	-	-	-	-	-
Subtotal	BA:	.85	.69	.57	-16.6	- 9.6
	BO:	.93	.70	.62	-11.5	-18.5
Consumer and Occupational Health and Safety						
Consumer Safety	BA:	.61	.64	.65	.5	- 6.5
	BO:	.58	.63	.64	1.1	- 5.9
Occupa. Health, safe.	BA:	.24	.30	.31	3.3	- 3.7
	BO:	.25	.28	.29	3.8	- 3.2
Subtotal	BA:	.85	.94	.96	1.4	- 5.6
	BO:	.83	.92	.94	1.9	- 5.1
TOTAL	BA:	46.46	52.51	57.62	9.7	2.7
	BO:	43.67	49.13	53.37	8.6	1.6

(1) Includes: Health Services Administration, Center for Disease Control, Alcohol, Drug Abuse and Mental Health Administration among the programs. * AMERICANS FOR DEMOCRATIC ACTION

HOUSING AND COMMUNITY DEVELOPMENT
(budget authority in billions)

	78 actual	79 estimate	80 proposed	% change	% change(real)
TOTAL HUD BUDGET AUTHORITY	38.0	31.1	33.2	7.0	0
Incl. carryover for Sec. 8		37.5	33.5	-10.6	-17.0
Community Planning and Development					
Comm. Dev. Block grants	3.6	3.7	3.9	4.0	- 3.0
Urban Dev. Block grants	.4	.4	.4	0	- 7.0
Comp. planning grants	.0	.0	.04	-29.8	-36.8
Rehab. loans	-	.2	.13	-43.5	-50.5
Housing					
Section 8 and Public Housing					
Contract auth.	1.16	1.52	1.14	-13.7	-20.7
Unit reservations	326.026	360.362	300.000	-16.8	-23.8
unit starts	170.231	195.000	230 000	17.9	-16.9
Rural Housing					
Loans	3.3	4.3	3.9	-8.6	-15.6
low-income housing loan assistance	2.4	2.9	2.8	-2.3	- 9.3
moderate-income housing loan assistance	.9	.8	.5	-35.5	-42.5
above moderate income non-subsidized loans	-	.5	.5	.0	- 7.0
Grants	.02	.08	.05	-35.3	-42.3
UNITS	142.864	173.470	151.500	-12.7	-19.7
low-income	105.096	126.795	117.874	- 7.0	-14.0
moderate-income	37.768	30.275	13.326	-39.5	-46.5
above moderate income		16.400	15.300	- 6.7	-13.7

*AMERICANS FOR DEMOCRATIC ACTION

CONSUMER PROGRAMS (IN MILLIONS OF DOLLARS)

	1979	1980	% Change	% Change is "real" (i.e. considering the rate of inflation)
Department of Justice				
Antitrust	47.5	43.6	-8.2	(15.6)
State Grants for Antitrust Enforcement				
Health, Education and Welfare				
Food and Drug Administration	303.9	316.3	+4.1	(3.3)
Office of Consumer Education	52.2	43.5	-16.7	(24.1)
Office of Consumer Affairs	1.7	1.8	+7.4	0
Department of Labor				
OSHA	173.0	197.5	+3.7	(3.7)
Department of Transportation				
Nat'l Highway Safety Trans. Admin.	56.3	57.8	2.7	(4.7)
Consumer Product Safety Commission	41.3	41.8	1.2	(6.2)
Federal Trade Commission				
Bureau of Competition	31.2	32.5	4.2	(3.2)
Bureau of Consumer Protection	29.5	30.3	2.7	(4.7)
Total FTC	66.8	69.0	3.4	(4.0)

PROGRAMS FOR THE LOW-INCOME CONSUMER
(in billions) Budget Outlays

Controllables	79 estimate	80 proposed	% change	% change (real)
CETA				
Title IID	2.28	2.35	3.3	-3.7
Title VI	3.18	2.57	-19.2	-26.2
TiTle IV & VIII youth	2.24	2.13	- 5.0	-12.0
Title VII private sector	.05	.15	200.0	193.0
All other	2.53	2.35	- 7.3	-14.3
EDUCATION				
Title I-ESEA	2.58	3.00	16.1	9.1
Head Start	.65	.65	1.2	- 5.8
Higher Ed for Disadvantaged	.10	.13	23.9	16.9
UDAG	.44	.16	268.1	261.1
CDBG	2.87	3.27	13.8	6.8
Rural Housing	.21	.36	66.0	59.0
Community Services	.59	.50	-15.2	-22.2
WIN	.37	.37	1.6	- 5.4
WIC	.53	.73	35.4	28.4
Older Americans Title IX	.21	.21	4.3	- 2.7
Subtotal Controllables	18.49	18.98	2.7	- 4.3
Uncontrollables				
EITC (earned income tax credit)	.84	1.54	83.9	76.9
Veteran's pensions	3.73	4.17	11.8	4.8
SSI	5.55	6.34	14.1	- 7.1
Assistance payments (incl AFDC & related programs)	6.70	6.74	.01	- 6.9
Food Stamps & Donations	6.35	6.91	8.8	1.8
Medicaid	11.84	12.45	5.2	- 1.8
Title XX (grants to states for disadvantaged)	2.96	3.02	12.1	5.1
Child nutrition (school meals)	2.98	2.96	- .01	- 7.0
Subsidizing housing	3.58	4.40	22.7	15.7
Subtotal uncontroll.	44.57	48.57	9.0	2.0
TOTAL	63.07	67.55	7.1	.1

*AMERICANS FOR DEMOCRATIC ACTION

TAX EXPENDITURES (IN BILLIONS OF DOLLARS)

	1979	1980
Deferral of income of domestic international sales corporations (DISC)	1.2	1.3
Energy tax expenditures	3.2	4.0
Investment tax credit	16.1	18.5
Capital gains	19.4	23.3

	% Change	% Change (real)
Deferral of income of domestic international sales corporations (DISC)	7.6	.2
Energy tax expenditures	17.6	10.2
Investment tax credit	14.9	7.5
Capital gains	20.1	12.7

CFA Initiates Sugar Coalition

Kathleen F. O'Reilly, Executive Director, Congresswoman Heckler (Mass)-Oppose Sugar Pricehikes-CASH Coalition Rally on Capitol Steps.

CFA has initiated a coalition to oppose legislation that would increase the government price support level of raw sugar. That coalition already includes Common Cause, The Community Nutrition Institute, The National Council of Senior Citizens, and Congress Watch. Citizens Against Sugar Hikes (C.A.S.H.) was formally launched on May 1 at a press rally on the Capitol steps.

Kathleen F. O'Reilly, spokesperson for the coalition and Executive Director of CFA, stated that an appalling food inflation rate of 17.7% should spur members of Congress to act on their 1978 campaign pledges to combat inflation. According to O'Reilly, "There will not likely be a bill which can more dramatically measure the sincerity of that commitment than a windfall sugar bill which would benefit such an undeserving few at the expense of so many."

Congresswoman Margaret Heckler (R-MA) and Congressman Peter Peyser (D-NY) appeared at the rally to lend their support to the coalition. Both Heckler and Peyser accused the bill's "sugar daddies" of attempting to quietly slip the legislation through Congress. Heckler, whose district includes the Revere Sugar Co., frequently accompanied her remarks with a Paul Revere-style ring of a bill, exhorting the assembled to "sound the alarm" to the American public. The Congresswoman then displayed to the crowd a broad range of products from mayonnaise to canned vegetables, all of which contain sugar and would undergo a price hike upon passage of the sugar bill. (For details on the sugar issue see March/April "CFA News.") Groups interested in joining the C.A.S.H. coalition should contact Jerry Hogan at CFA.

Energy *(Continued from page 1)*

pounded. If the Administration wanted a strong tax on the oil industry, why is 40% of production exempt? Why does the Administration continue to calculate the gains to the federal treasury from decontrol, making the assumption that oil companies pay 40% federal income tax rate, when in fact they pay half that? Why if the President is serious in "demanding" that the oil companies use their funds for further petroleum development has the Administration remained silent on legislative proposals to presumptively prohibit those types of mergers, and remained silent when Mobil has, since the President's April 5th speech, attempted to acquire Bodcaw, a timber company, and Standard of Indiana has announced its intentions to acquire Cyprus Mines? And why does the Administration continue to exaggerate the importance of oil imports as a cause of balance of payments and inflation, when in fact, substantial evidence exists that this is not the case?

The Carter Administration continues to admonish the public for not recognizing the energy crisis. That fifth of the nation below the 125% of the poverty line recognizes there is an energy crisis when they shiver through the winter spending more than 30% of their disposable incomes on energy. Motorists realize that there is an energy crisis when they're waiting in line for gasoline as they read about excess refining capacity. And all consumers realize that there is an energy crisis when it becomes simply impossible to maintain their standard of living in the face of incredible energy price increases. But it is a crisis of Administration leadership—leadership that confuses capitulation to the oil industry accompanied by a token tax, with sound equitable public policy—leadership that demands public recognition of declining non-renewable fossil fuels while refusing to make a strong, needed commitment to renewable resources. It is leadership that calls for conservation by consumer hardship, while federal funding for conservation is slashed by twenty percent in real terms. The American consumer now looks to Congress and demands a new leadership.

Decontrol and the Economy

The Administration has stated that the inflationary impact of decontrol will be minimal. But this estimate is in direct conflict with the facts and with the President's own "inflation fighter," Alfred Kahn, who stated "I have no doubt whatsoever that deregulation of crude oil will be seriously inflationary."

Oil decontrol will fuel inflation, increase unemployment and reduce the nation's standard of living. The impact of oil decontrol on inflation—identified by the public and the President as the nation's number one problem—will be catastrophic. Although the Administration predicted that in 1979 the inflation rate would be 7.4%, to date prices are rising at a 13% annual rate led by energy prices which are rising at a 19% rate. Gasoline prices are increasing at a 36% rate and home heating oil is increasing at a 36% rate. Furthermore, there is no relief in sight for energy prices. The wholesale prices of gasoline and home heating oil—harbingers of future consumer price increases—are rising at rates of 54% and 50% respectively. These price increases do not even fully reflect the most recent price hikes by OPEC. By allowing much of the domestic production to increase to the OPEC level, oil decontrol will greatly exacerbate energy price increases which would have been intolerable even if controls had been kept in place.

But inflationary aspects of oil decontrol are not limited to increases in the prices of petroleum products. First, the prices of competing forms of energy such as coal and uranium rise with petroleum price increases. Thus, consumers will be paying higher utility bills even if their utility does not burn oil. Second, as energy is an essential ingredient in many manufacturing processes and in agriculture, the price rises which will follow decontrol will be passed on in the price of food and other goods. Finally, estimates of the impact of oil decontrol vary widely from a few tenths of one percent to more than two full percentage points. Given the unstable world market and the importance of energy in all sectors of the economy, the actual effect can be expected to be quite large.

Rapidly rising energy prices tend to increase unemployment because they greatly dampen economic activity. The Congressional Budget Office, for example, estimates that oil decontrol will increase unemployment and lead to a reduction in the Gross National Product of between two and four billion dollars. Increased unemployment increases the cost of oil decontrol to the nation, both in the social costs inherent in unemployment and the consequent increase in unemployment compensation as well as other income transfer programs.

Decontrol and the low-income consumer

Jimmy Carter's actions, not his words, prove that he is willing to allow rising energy prices to burden the poor. In his speech the President made no substantial commitment to low-income consumers that is not contingent upon passage of a windfall profits plan. On the contrary, in proposing the 1980 budget the Administration proposed actual cuts in programs designed to assist low-income consumers weatherize their homes and to assist them in emergency fuel payment situations.

Oil decontrol places the heaviest burden on those least able to bear it and exacerbates many significant social problems. Rising energy prices cause a greater reduction in living standards for the poor and near poor than any other segment of society. Approximately one fifth of all American households have the equivalent of less than $7,000 on which to raise a family of four. Typically, these consumers are spending 20% to 30% or more of their disposable incomes on energy. Reduction in consumption to offset higher prices is nearly impossible—almost the entire energy budget of the poor is devoted to home heating and necessary driving.

The large burden energy prices places on the poor has already created many significant social problems which will only be intensified by decontrol. Rising energy prices mean: reduced health through poorer diets, colder homes and smaller medical budgets; increased institutionalization of senior citizens as coping becomes impossible; increased rates of mortgage default; and a dramatic increase in the income necessary for homeownership. Ultimately, the consequences of rapidly declining standards of living are crime, unemployment and urban decay.

Decontrol and OPEC

Generally, two evils are associated with our dependence on OPEC. The first is the effect importing large quantities of oil has on the balance of payments, and in turn on the domestic inflation rate and on the position of the United States in the world economy. The second is the danger we expose ourselves to be depending on foreign nations for a commodity so vital to our national security. Proponents of decontrol oversimplify and obscure many of the underlying complexities involved in these two evils.

There is no hard and fast rule stating that increased oil imports result in increased inflation or a weakened position in the world economy. If this were the case, Germany and Japan would be in much worse shape than the U.S., but the reverse is true. In 1977 oil imports were 3.4 percent of Japan's Gross National Product (GNP), 2.9 percent of Germany's but only 2.2 percent of the United States! This relationship has held true every year this decade.

It is convenient, as Charles Schultze did in testifying in favor of decontrol to observe that "our current trade deficit is much more than fully accounted for by the $50 billion cost of imported oils" but it is deceptive. A $1.00 decrease in purchase of OPEC oil *will not* lead to a $1.00 reduction in the trade deficit. This is because most of the dollars we spend on OPEC oil, the OPEC nations spend on goods and services produced in the United States. For example, although the value of OPEC oil imports was $45 billion in 1977, the U.S. trade deficit with OPEC nations in 1977 was only $16.9 billion.

Thus, 62% of the dollars we spend on OPEC oil returns to pay for our products, and a $1.00 reduction in imports would cut the deficit by only 40 cents.

Proponents of decontrol also ignore another element that reduces the rosiness of decontrol as a trade balancing policy, namely that increased energy prices will make all of our goods more expensive and hence less competitive in world markets. An increase in the relative price of our exports will reduce foreign demand for them and in turn

(Continued on page 6)

"Mini" Action Faction

Fund-raising at the Workplace: Exploring Alternatives to United Way

On April 29 and 30th in Dallas, representatives of some fifty organizations, including CFA's Kathleen F. O'Reilly, met to explore methods for increasing access to workplace fund-raising. The catalyst for the meeting was increased frustration over the realization that United Way has dominated workplace solicitation and yet funds only 37,000 of the some 5 million charitable groups throughout the country. Of the $1.2 plus billion raised by United Way each year, CFA is unaware of any distribution of that funding to national, state or local consumer advocacy organizations.

The exclusion of other groups from on-the-job solicitation is an extremely efficient way to raise money. The average cost of on-the-job fund-raising is 4 to 6% whereas the cost of direct-mail can easily exceed 50%. It was also pointed out that the exclusion of a variety of charities is unfair to employees because it denies them the opportunity to use the convenient means of payroll deductions in order to give to charities of their choice. As pointed out by Bob Bothwell of the National Committee for Responsive Philanthropy, "In one experiment, a California bank showed that over half the employees surveyed would have given something (if they had not made a contribution) or would have given more if they had been able to make donations to charities other than United Way."

Bothwell also cited figures indicating that five of six cities in which there had been competition in workplace giving, the amount of money raised by the local United Way increased as much or more than the national average for all United Ways. "Competition would increase the total amount of money raised" Bothwell explained, "which means that United Ways monopoly hurts all of charity at a time when we are struggling just to keep up with inflation."

At the two-day conference a number of methods of opening up workplace solicitation were explored:

(1) Creation of a federation of non-United Way charities which could compete with United Way for employee contributions. Several such federations have already been formed in a variety of cities;

(2) Securing commitments from government entities and businesses to allow more than just the United Way to benefit from employee contributions;

(3) Litigation—at least five suits have been filed in the past two years claiming that the United Way monopoly is unfair; and

(4) Groups in many communities have applied pressure to try and open up the local United Way, or pressure companies to allow others besides United Way to solicit their employees. Such cities include Baltimore, San Diego, Santa Clara, St. Louis, Jacksonville, Minneapolis, New York, San Francisco, San Antonio, Tuscon and Madison.

O'Reilly noted the irony of a Henry Ford quote: "It is not the employer who pays wages—he only handles the money. It is the product that pays wages." (Readers Digest, February, 1963) This interesting quote should be taken more seriously. It is consumers' money for products and services which form the corporate financial base. Equity and common sense dictate that consumer groups should have a reasonable opportunity to solicit contributions from employees.

For further information contact: Bob Bothwell c/o National Committee for Responsive Philanthropy, 810 18th Street, N.W. Suite 408, Washington, D.C. 20006.

CFA Newsletter

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$24 Annually

Resource Reference Tools

The Product Liability Controversy: Handbook for Consumers,

published by CFA's Paul Douglas Consumer Research Center.

While consumers are concerned about product safety, few are aware of the recent legal revolution which may alter the rights of those injured by unsafe and defective products. Product liability laws recently enacted in more than 15 states and legislative proposals currently being considered in almost all other states will significantly affect injured consumers' access to the courts and their ability to receive compensation. Those changes are typically being considered and passed with little, if any, consumer awareness.

Product liability law changes are the result of a drive by certain manufacturers and product liability insurance companies, based on their assertions of: (1) the unavailability of product liability insurance for some; (2) dramatic increases in product liability insurance costs for others; and (3) what they view as mounting frivolous claims and irresponsible jury verdicts.

This guide is designed to familiarize readers with the many facets of product liability law. It provides a comprehensive analysis of recent legislation and its impact on consumers and describes in clear and concise language the legal terminology which all too often frustrates adequate citizen understanding of the issues. In addition, a section on product liability insurance ratemaking procedures examines several important factors which have contributed to product liability insurance premium increases. Most importantly, this guide suggests strategies for increasing consumer participation in the debate on product liability, describing the efforts of consumer groups and citizen coalitions who have been successful in maintaining current consumer protections. For a free copy contact CFA.

Coop Resources

Art Danforth, former Secretary-Treasurer of the Cooperative League and well known consumer co-op activist, is producing a number of useful materials. Contact him at 7306 Brad Street, Falls Church, VA 22042, for the complete current list.

"THE FUTURE . . . YES"
A brief 22 page history of consumer cooperatives. Where they were and where they are going. 95¢

"IN OUR HANDS THE TOOLS"
A brief 12 page summary of the National Consumer Cooperative Bank Act, from the original idea to enactment: some compromises along the way and problems faced. 75¢

"HEALTH CARE COOPERATIVES"
Brief background statement, need for added emphasis, 2 pages. 25¢

"CONSUMER COOPERATIVES AND CORPORATE INCOME TAXES"
Tax status of consumer goods cooperatives, 3 pages. 35¢

"SMALL BUSINESS AND CONSUMER COOPERATIVES"
Response to attacks on co-ops, comparison of technical assistance and funding sources, 2 pages. 25¢

PLEASE ADD 20% TOWARD POSTAGE COSTS.

Asbestos Information

Recent information on asbestos in hand-held hair dryers has sparked tremendous consumer concern. Very little information has been available for the public. The Environmental Defense Fund has recently published a brochure to answer consumer questions. It addresses the exact nature of the problem, how to determine if personal dryers are hazardous, and what to do if they are found to contain asbestos.

For a free copy write to:

Department Ha, Environmental Defense Fund
1525 18th Street, N.W.
Washington, D.C. 20036

Consumer DOE Money in Danger

When the Energy Department and Production Act was passed in 1976, it included funding at a $2 million level for consumer representation before state electric utility regulatory commission proceedings. That $2 million was allocated for FY 1977, 1978 and 1979. The Public Utility Regulatory Policies Act amended the earlier statute by extending that funding authority to $10 million for 1979-80. Amazingly, however, the Department of Energy only requested $2 million for the 1980 program! That DOE position is all the more shocking and irresponsible when one considers that the 1978 Act mandates state public utility commissions to assume comprehensive new responsibilities in examining alternative ratemaking options. Thus, the need for vigorous consumer participation is far more intense than in 1976 when the funds were first established.

Consumer utility action groups all over the country are struggling to stay alive and to continue to fight unfair rate structures and unjustified rate increases. All of these groups are hampered by a lack of funds and technical resources in presenting a meaningful case before a state utility regulatory commission.

Eleven state offices of consumer services received grants under the program in 1977 and these grants were continued in September 1978. Recipients included Idaho, Illinois, New York, District of Columbia, Guam, New Hampshire, Georgia, New Mexico, Arkansas, Massachusetts and Michigan.

It is urgent that consumers immediately contact members of the House Appropriations Interior Subcommittee before their June 12 markup.

In those states which have received grants, emphasize what they have done for consumers which otherwise would not have been possible. Encourage all Subcommittee members not to ban reimbursement of public participation in any DOE proceeding for fiscal year 1980. Remind them that informed, sophisticated professional participation on behalf of consumers before regulatory proceedings is impossible without adequate funding. If possible, give examples of expenses involved in hiring experts and attorneys to present testimony, cross-examine witnesses and present effective oral and written argument. Stress a need for such consumer input if the principle of participatory democracy is to have any practical meaning. For more information contact Nancy Hock at CFA.

Members of the House Appropriations Interior Subcommittee are:
Yates (Chairman) (Ill.) (9), McKay (Utah) (1), Long (MD) (2), Duncan (Tenn) (10), Murtha (PA) (12), Dicks (Wash) (6), Ginn (GA) (10), McDade (PA) (10), Regula (OH) (16), Burgener (CA) (43).

CONSUMER ALERT:

OPPOSE Beef Promotion Board

At a time when beef prices are skyrocketing, consumers are urged to personally participate in, or submit comments to, up-coming June regional hearings in Dallas, Pittsburgh, Atlanta, Reno and Des Moines on the proposed Beef Research and Information Order of the U.S. Department of Agriculture.

In 1976, Congress enacted the Beef Research and Information Act (amended in 1978) despite vigorous opposition by CFA and its member, National Farmers' Union. That Act authorized cattle producers to carry out a euphemistically described program of "research and information for cattle, beef and beef products." The Department of Agriculture (at the taxpayers' expense) would monitor the activities of what is essentially nothing but an industry promotion campaign.

Under the original Act, if two-thirds of the registered cattle producers voted affirmatively, an assessment would be issued to producers (based on sales). The assessed funds would be used for "beef research and promotion" activities. At the first vote, only 56.4% of the producers favored it, but the producers secured an amendment in 1978 that would allow the assessment to go forward if approved by a *majority* of the registered producer voters.

Similar promotion boards exist for egg, cotton, dairy, potato, lamb and wool commodities and have consistently been resisted by consumer groups as an inappropriate involvement of government. A full 61% of those assessments have gone to advertising and promotion. Only 16% have gone to research, 11% to education and public relations, and 10% to administration. Particularly offensive is the notion that consumers would buy more beef if they only knew more about its existence. The simple truth is that most reduced beef consumption stems from budgetary constraints. If the beef assessment had been in place in 1978, National Farmers' Union calculates that some $60 million would have been raised. In 1979 (based on projected production), some $105 million would have been raised. Clearly the consumers would have ultimately been picking up most or all of that tab.

We urge consumers to participate in the following regional hearings and to speak vigorously against the need for such inappropriate, government-monitored, gimmick programs—which in fact, siphon money from consumers and pump them largely into unnecessary advertising campaigns. Furthermore, urge that any Board set up to monitor such programs include a significant percentage of consumer representatives. For further information contact:

Robert J. Mullins
Assistant Director for Legislative Services
National Farmers' Union
1012 14th Street N.W.
Washington, D.C. 20005
202/628-9774

HEARING SESSIONS, to begin at 9 a.m. local time, are scheduled for:
—June 12, room 7A23, Earl Cabell Federal Bldg., 1100 Commerce St., Dallas, Tex.;
—June 19, room 1112 of the Federal Bldg., 1000 Liberty Ave., Pittsburgh, Pa.;
—June 21, Ramada Inn, 845 N. Central Ave., Hapeville, Ga., near the Atlanta airport;
—June 26, room 101, Scrugham Engineering Mines Bldg., University of Nevada at Reno;
—June 28, Henry A. Wallace Bldg., E. 9th and Grand Aves., Des Moines, Iowa.

The hearing sessions will be extended beyond one day if necessary.

The proposal was published in the April 23 Federal Register. Copies are available from the Agricultural Marketing Service, room 2084-S, U.S. Department of Agriculture, Washington, D.C. 20250, or phone (202) 447-3970.

Energy *(Continued from page 4)*

act to *increase* our trade deficit. In short, the link between U.S. imports of OPEC oil and inflation is weak and the link between oil decontrol and a stronger world position is non-existent.

The most dangerous aspect of our dependence on foreign oil is glossed over by proponents of decontrol. The most insidious aspect of our dependence is that we allow OPEC to set a wholly unjustified extortionate price for 42% of our oil. Oil decontrol will increase this dependence, allowing OPEC to set the price for 100% of our consumption.

Proposing oil decontrol as a policy to reduce foreign dependence ignores the symbiotic relationship between the major international oil companies and OPEC. Although their interests are not identical, OPEC and the major oil companies share several fundamental concerns; that the price of oil be as high as possible, and that the supply of oil be restricted enough to maintain that price.

U.S. policy has failed to reduce world prices because the government has given free reign to the majors, and even without decontrol, the majors benefit from a strong OPEC.

Continued high OPEC prices are beneficial to the major oil companies for several reasons: 1) The major oil companies have diversified into competing fuels (coal, uranium, etc.). Because rising oil prices have historically led to price rises for these competing fuels, higher OPEC prices mean higher profits for the majors on these holdings. 2) The major oil companies have invested in high price "exotic" fuels such as synthetic fuels and shale oil which require a high world price to be profitable. If the world price for oil is not high enough, the market for "exotics" will evaporate. 3) An IRS tax interpretation unnecessarily allows the major oil companies to take $18 billion. Much of the OPEC price is classified as a "tax" instead of a "royalty." 4) Finally, the OPEC nations enter into preferred access agreements with the major oil companies which allow the major oil companies to obtain oil at a price lower than their independent competitors. Oil decontrol will only reinforce these structural defects, and intensify the interest of the major oil companies in a strong OPEC and a high world price.

Finally it is important to remember that there is no guarantee that the major oil companies will reduce imports barrel for barrel with reductions in domestic demand. This point was well made several years ago by Schultze himself when he was a senior fellow at the Brookings Institute and not part of an Administration proposing decontrol:

The nature of the world oil market has changed dramatically in the past 5 years. The giant international oil companies, the majority of whom are U.S. corporations, still play a critical, but a substantially different role. It is not at all obvious that the relationships they now have with the U.S. Government and with the oil-producing countries serve the best interests of the Nation.

Let me give some examples: Everyone more or less automatically assumes that a reduction in consumption in the United States will come out of imports. Imports are thought of as a residual—the balancing difference between domestic demand and domestic supply. But it is possible that when consumption is reduced the major oil companies take part of this reduction in the form of reduced domestic production. They have long-term interests abroad. Even though their properties are rapidly being nationalized, they want to preserve favored access to the nationalized oil.

Hence, they may find it in their own long-run interest to maintain good relationships with other OPEC countries and to import into the United States a larger volume of oil than purely short-run market considerations would justify.

Spread the Word . . . .

Utility Alternative . . . Grass Roots Ft. Wayne Model

Consumer Center of Ft. Wayne, Indiana (a CFA member) recently organized the Association for Municipal Power (AMP) to fully examine their community's dramatically increased utility and power costs. They raised the question: Is the 35-year lease with the Indiana and Michigan Electric Company the last word in Ft. Wayne's electric utility future?

Municipally-owned utilities have a consistent track record of low consumer rates. AMP concluded that they could propose a realistic alternative by utilizing a 1913 Indiana statute which provides that a petition signed by at least 5% of the voters triggers the right to a referendum on whether to have a municipally-owned utility.

AMP proposed to: 1) revoke the 35-year lease agreement signed in 1974 between the City of Fort Wayne and the Indiana & Michigan Power Company; and 2) re-establish municipally-owned and operated power. AMP staff members are persuaded that their proposal could offer relief from skyrocketing utility bills.

AMP updated a 1974 study conducted for the City and calculated that power facilities within the City could be purchased from I&M for $20 million to $30 million and that electricity could be purchased wholesale from the private utilities and then resold. They estimated rates for the City's consumers could be reduced by 15 to 20%.

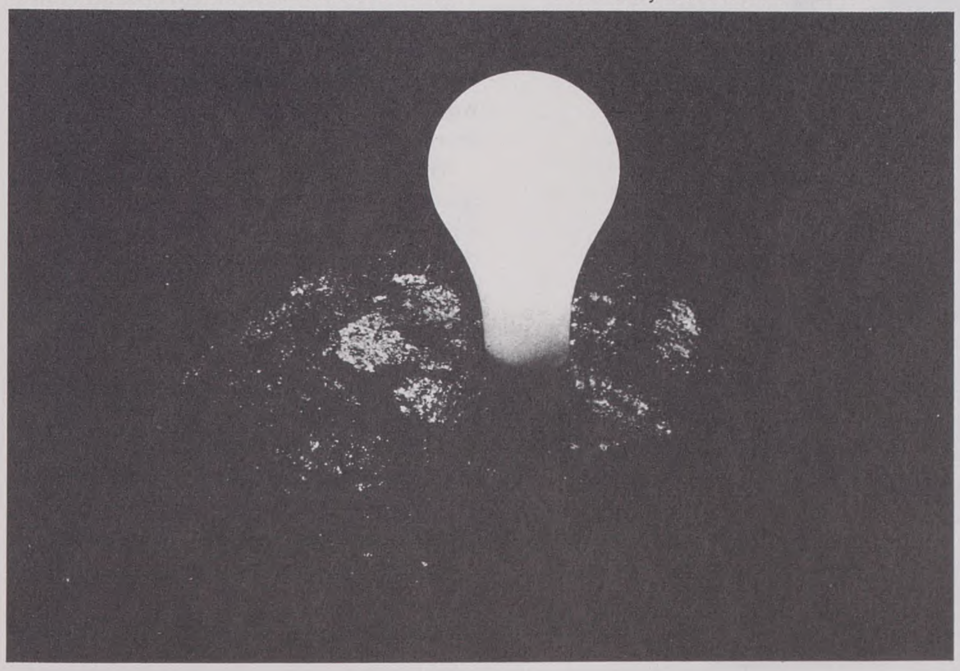
AMP cited discrepancies between promises made by I&M during their 1974 lease approval and what has followed for Ft. Wayne citizens. AMP concluded that I&M won their 1974 agreement through bad faith negotiations with the City. I&M promised that rates would not increase because of the lease, that special low rates for Ft. Wayne would be preserved, and that I&M would build a Twin Towers office complex as soon as the lease was approved. The facts proved differently: 1) a 26% rate hike was proposed just three months after the referendum and ever since there has been a major increase each year and a half; 2) The special rates established to allow I&M to compete with City Light (Fort Wayne's first municipal power) were abandoned in the first full rate case after City Light had been swallowed and removed as a competitor; 3) Plans were changed after the election and consumers still await construction of a scaled-down version of the office complex.

The underlying issue facing Ft. Wayne customers is their relative inability to regulate their local utilities. AMP members are persuaded that an absentee board responsible solely to stockholders cannot objectively serve Ft. Wayne residents compared to municipal power with a broad representation.

The petition stage of the campaign only asks that the municipal power question be brought to the November 6th ballot. Allan Classen, AMP spokesperson, reports that a majority of the 3,000 signatures necessary for the November referendum have been collected.

AMP supporters have organized to raise the necessary funds to initiate a comprehensive Feasibility Study to weigh the relationship of cost/benefits and to rebut Municipal Power critics.

For more information contact:
Association of Municipal Power
730 E. Washington Blvd.
Fort Wayne, Indiana 46802



CONSUMER CALENDAR

June 1—Nutrition Campaign Launched

The Great American Nutrition Campaign, a two-to-three month media event is intended to reach millions of people with information about effective food programs and nutrition. Beginning with a June 1 kick-off ceremony in Washington, D.C., Center for Science in the Public Interest is sending its "nutri-van" to at least 20 American cities, including Pittsburgh, Detroit, Chicago, San Francisco and Los Angeles. Stocked with posters, displays, films, the van will carry nutrition messages for everyone, from the youngest child to the oldest adult.

You can significantly help by holding a press conference to publicize the Nutrition Campaign, by arranging a strategy session with the "nutri-team" and local food activists, arranging interviews with Radio and TV stations and newspapers, and arranging public appearances at city or county fairs, shopping centers, schools, food coops, etc. . . .

To become involved, contact: The Great American Nutrition Campaign, CSPI, 1755 S Street, N.W., Washington, D.C. 20009.

June 12—CFA Awards Dinner

Consumer Federation of America, Ninth Annual Awards Dinner—Capital Hilton Hotel, 16th & K Streets, N.W., Washington, D.C. Dinner begins at 5:45 p.m.

Philip Hart Public Service Award
(U.S. Senate)
Senator Howard M. Metzenbaum

Philip Hart Public Service Award
(U.S. House of Representatives)
Congressman Abner J. Mikva

Philip Hart Distinguished Consumer Service Award
George Meany,
President, AFL-CIO

Outstanding Consumer Media Service Award
(National)
Stanley E. Cohen,
Senior Editor *Advertising Age*

Outstanding Consumer Media Service Award
(Local)
Sharon King
WBZ-TV, Boston

Please come and honor those who have served the Consumer Movement so well.

June 20-22—Rural Justice Symposium

The National Symposium on Rural Justice will be held at the University of Tennessee in Knoxville. The symposium will feature workshops, panels, informal exchange groups and recognized speakers from across the country. The symposium will address the crucial issues now facing rural Americans, including criminal justice, the environment, consumerism, racial and economic problems that are the result of legislative and judicial decisions.

For further information contact:
Joanne Vacovic
Office of Continuing Social Work Education
University of Tennessee School of Social Work
2012 Lake Avenue
Knoxville, TN 37916
(615) 974-6778

June 27—Inflation Teach-In

Consumers Opposed to Inflation in the Necessities (COIN) is sponsoring a Teach-In on inflation and the economy, at the Washington Hilton at 9:00 a.m. The symposium will address "Progressive Strategies to Stop Inflation," and will feature workshops, panels, and informal group discussions. Guest speakers will include CFA's Executive Director Kathleen O'Reilly, Doug Fraser (President, United Auto Workers), Bill Winpisinger (President, Association of Machinists International), Ralph Nader, and Alfred Kahn (Chairman of COWPS). For further information, contact: COIN, 2000 P Street N.W., Suite 413, Washington, D.C. 20036.

Why Passive Restraints???

A comprehensive, readable and persuasive publication on passive restraints is now available at no cost from National Committee for Automobile Crash Protection, Suite 201, 1229 19th St. N.W., Washington, D.C. 20006

Operation Price-Watch: Consumers Urged to get Involved!

On April 9th, CFA's Kathleen F. O'Reilly participated in the AFL-CIO launch of "Operation Price Watch," a retail price monitoring of food, housing, health care, utilities, and fuel. Data collected will be forwarded to the Council on Wage and Price Stability which President Carter has charged with the responsibility of overseeing the anti-inflation Wage-Price Guideline program.

On April 25, 1979, CFA sent to all of its state-local members a memo (set forth below) outlining recommended price-watch procedures and media tips. Included also are the recommended AFL checklist forms.

For more information on how you and your group can cooperate with the Price Watch, contact:

Leo Perlis, Director of Department of
Community Services, AFL-CIO
815 16th Street N.W.
Washington, D.C. 20006
Telephone (202) 637-5000

For information on how one group has been monitoring rent increases, contact:

Missouri Public Interest Research
Group
P.O. Box 8276
St. Louis, Missouri 63156
Telephone (314) 361-5200

They have prepared a most impressive background report on rent increases "Pay or Move: More Rent, Less Choice."

AFL-CIO Recommended Checklist

1. Mail, first class, a completed set of all forms—on a biweekly basis—to the AFL-CIO Department of Community Services in Washington.
2. Make the information available to all cooperating organizations in your community which may be constituted into a Price Watch Coalition.
3. Release the information—with appropriate statements and photos—to your local media.

In addition to the forms, it would be helpful if you were to send to us the following.

1. Copies of *all* bills and statements showing increases (or decreases) in prices, rents and fees.
2. Copies of *all* letters exchanged between buyers and sellers and providers on exorbitant price increases and reduced goods and services.
3. Different price tags attached to the same products showing progressive price increases.
4. Any other information or materials which you think may be of help to us in promoting a fair and workable anti-inflation program.

CFA's Recommended Grassroots Media Tips

I. Media

• Develop media-attractive gimmick which can be used on a regular basis to award prize to worst local offender. (Along the lines of Senator Proxmire's "Golden Fleece" Award). For example, once a week bestow the "Screw of the Week Award" (buy largest available screw from hardware store) to individual or group found to be in noncompliance with Guidelines. Other items which lend themselves to an "award" gimmick are: gravy, rope (in form of "loophole"), ceramic pig (greed), etc. The award should be presented regularly so that it automatically attracts media attention. Select site carefully—(City Hall, downtown park, outside premises of offender, Chamber of Commerce, etc.)

• Contact local talk shows and court them regularly.

• Contact local Action-Line reporters. Urge them to devote specific weekly space to a list of violators or price hikes.

• Send materials to the *newsletters* of all below-described coalition groups.

• Form mini-coalition and visit editorial boards of local newspapers.

• Issue regular press releases (e.g. each month when C.P.I. is announced.)

• Utilize statistics from the quarterly issue of *Business Week* which lists company-by-company and industry-by-industry profits (last issue of each quarter contains those charts).

• Utilize that August issue of "Advertising Age" which lists by dollar amount the sums spent on advertising by the Top 100 Advertisers. Compare to previous years to show dramatic rise. ("Advertising Age" available at most public libraries).

• Send letter to area businesses, trade associations, etc. asking: 1) if they're voluntarily complying with guidelines; 2) what increase the guidelines allow them. Allow them two weeks for reply. Issue press release listing: 1) those who failed to reply; and/or 2) refused to comply. Tally how many want to comply but cannot determine what the Guidelines would authorize for them. Both approaches are newsworthy.

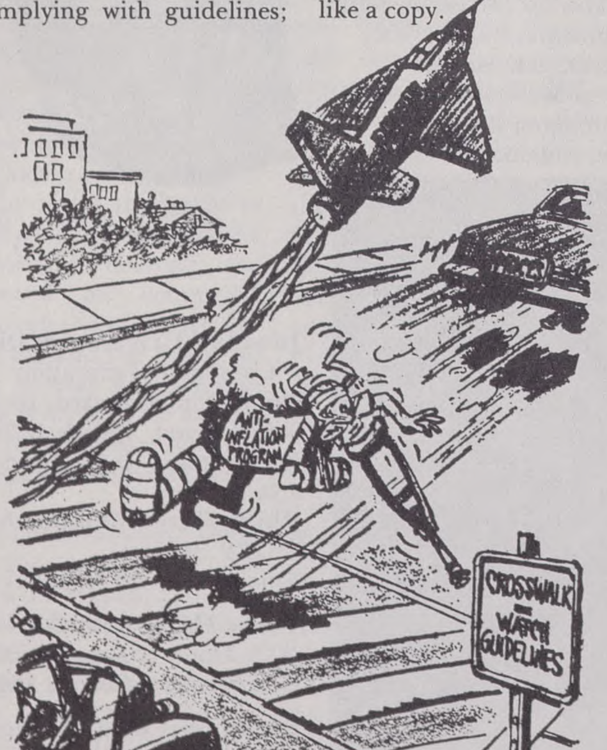
II. Coalition Building

Go beyond traditional labor/senior citizen/consumer* group approach.

Where appropriate, contact:

• YWCA's
• Church Groups (local bookstores/libraries have directories).
• PTA's (Write: 1201 16th Street, N.W., Suite 619, Washington, D.C. 20036 for the address of your local PTA)
• Local or regional association of home economists (Write: 2010 Massachusetts Avenue, N.W., Washington, D.C. 20036 for address and contact person of your local/regional home economists association)
• Local Rotary, Kiwanis, Lions Club, etc.
• Boy Scouts/Girl Scouts/Campfire Girls
• 4-H
• JC's
• Civic associations & high schools or a nearby college campus. (Teachers and Professors may be encouraged to organize a class project around the Price-Watch).

*CFA's Consumer Union—Funded State and Local Organizing Project prepares an annual directory of 500+ public interest groups, listed by state and city. The address, phone number, contact person and issue orientation of each is included. To cover handling costs and postage, please forward $5.00 to us at 1012 14th Street, N.W., Suite 901, Washington, D.C. 20005, if you'd like a copy.



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Sample Letters:

No. 1—To individual companies and stores

Dear

We have formed a coalition of concerned citizens of (city and state) to monitor local prices as part of a nationwide effort to attack inflation by encouraging compliance with the Administration's Guidelines.

We would like to know: 1) has your (company, store) developed a policy on whether it will abide by the guidelines? If so, what is your policy? 2) As you interpret the Guidelines, what percentage price increase would the Guidelines authorize for your (company, store).

We look forward to receiving your response by (insert date approximately 2½ weeks from time letter is sent) so that we may appropriately compile and disseminate that information.

Very truly yours,

(names of as many organizations as possible)

No. 2—To Professional and Trade Associations, Chamber of Commerce, (local Bar Association, Medical Association, Dental, Realtor, Pharmacist, Dry Cleaning, Restaurant Association, etc.)—obtain list of licensed establishments from local government authority.

Dear

We have formed a coalition of concerned citizens of (city or state) to monitor local prices as part of a nationwide effort to attack inflation by encouraging compliance with the Administration's Guidelines.

We would like to know if your association has developed a policy of encouraging your members to comply with the Guidelines. If so, please forward a copy of that policy and a description of what efforts your association will be undertaking to implement and enforce that policy. Furthermore, as your association interprets the Guidelines, what percentage price increase would the Guidelines authorize for your members?

We look forward to receiving your response by (insert date approximately 2½ weeks from time letter is sent) so that we may appropriately compile and disseminate that information.

Very truly yours,

(names of as many organizations as possible)

FINALLY—continuously share all of your results with Members of Congress (visit them regularly during their recesses), and National Media figures (Betsy Furness, Sylvia Porter, Consumer Reports, etc.)

Price Watch Monitoring Reports

DATE STORE MONITORED
1979

AFL-CIO PRICE MONITORING REPORT: MEDICINES AND MEDICAL CARE

(PRINT)
Monitor's Name:

Name of Store: City:

Address of Store: State:

(Please report same items, same brands, same size or weight and same stores)

Drug Store Items	Brand Name	Price
Vitamin C - 100 tablets		
Aspirin - 100 tablets		
Rubbing Alcohol - one pint		
Baby Oil, 10 oz.		
Band Aids - pkg. of 100		
Antacid - 100 tablets		
Toothpaste - 9 oz.		

Prescription Items		
Penicillin -(400,000 units) tablets		
Phenobarbital (15 mg) tablets		
Antihypertensives (10 mg) tablets		
Ampicillin (100 cc) liquid		

Professional Services	1978	1979
Physician's fee - office visit		
Dentist's fee - X ray and cleaning		
Podiatrist's fee - basic maintenance		
Hospital Service Charges		
Emergency Room, basic charge per visit		
Hospital Room, base rate per day (semi private)		

Price Monitor, Please Sign:
Address:
Phone:

DATE STORE MONITORED
, 1979

AFL-CIO PRICE MONITORING REPORT: FOOD

(PRINT)
Monitor's Name:

Name of Store: City:

Address of Store: State:

(Please report same items, same brands, same size or weight and same stores)

ITEM	BRAND NAME	PRICE	COMMENTS
BREAD, white, 20 oz.			
HAMBURGER, regular, 1 lb.			
FISHSTICKS, frozen, 1 lb.			
CHICKEN, fryer parts, 1 lb.			
MILK, 1 gal.			
COFFEE, instant, 6 oz.			
EGGS, grade A, lge., 1 doz.			
BACON, 1 lb.			
TUNA, white, 6½ oz. can			
PORK & BEANS, 16 oz. can			
KETCHUP, 20 oz. bottle			
PEANUT BUTTER, creamy, 18 oz. jar			
MARGARINE, sticks, 1 lb.			
POTATOES, Idaho, 1 lb.			
APPLES, 1 lb.			
SOUP, chicken noodle, 10 oz. can			
COLA, six 12 oz. cans			
PUDDING, vanilla mix, 3 oz.			
CEREAL, raisin bran, 20 oz.			
SUGAR, white, 5 lbs.			
ICE CREAM, ½ gal.			
TOILET TISSUE, 4 rolls			
NAPKINS, 250			
SOAP, 5 oz.			
DETERGENT, 49 oz.			
LIGHT BULBS, 100 w., soft white, pkg. of 4			
TRASH BAGS, vinyl, 7 gal., pkg. of 20			

PRICE MONITOR, Please Sign:
Address:
Phone:

DATE STORE MONITORED
1979

AFL-CIO PRICE MONITORING REPORT: TRANSPORTATION

(PRINT)
Monitor's Name:

Name of gas station: City:

Address of gas station: State:

(Please report same items, same brands, same gas station)

ITEM	BRAND NAME	PRICE	COMMENTS
Gasoline - Leaded Regular, 1 Gallon			
Leaded Premium, 1 Gallon			
Unleaded Regular, 1 Gallon			
Unleaded Premium, 1 Gallon			
Motor Oil - 10W-30 Detergent, 1 Quart			
Tune-up - 4 cylinder			
6 cylinder			
8 cylinder			

Price Monitor, Please Sign:
Address:
Phone:

DATE STORE MONITORED
,1979

AFL-CIO PRICE MONITORING REPORT: SHELTER AND UTILITIES

(PRINT)
Monitor's Name:
Name of Utility: City:
Address of Utility: State:

A. Shelter Rent	Present Rent Per Month	Previous Rent Per Month	Date of Increase
One bedroom apartment			
Two bedroom apartment			
Three bedroom apartment			

B. Utilities (When comparing, use bills from same month)	1978	1979
Electricity, cost per kilowatt/hour (Divide total bill amount by total kilowatt/hours used)		
Heating oil, cost per gallon		
Heating/cooking gas, cost per therm or cubic foot. (Divide total bill by number of therms or cubic feet shown)		
Water, cost per 1,000 gallons (If sewage charge is in water bill, take it out before dividing)		
Telephone, base rate per month (Subtract any long distance calls or installation costs)		

Price Monitor, Please Sign
Address
Phone

DATE STORE MONITORED
, 1979

AFL-CIO PRICE MONITORING REPORT: CLOTHING

(PRINT)
Monitor's Name:
Name of Store: City:
Address of Store: State:

(Please report same items, same brands, same size and same stores)

ITEM	BRAND NAME	PRICE	COMMENTS
SHOES, Men's			
SNEAKERS, Children's			
BLUEJEANS			
SLACKS, Leisure			
SHIRTS, Sport			
SHIRTS, Dress			
HALF SLIP			
SUIT, Three piece			
RAINCOATS, Women's			
SOCKS, Children's			
DRYCLEANING (Identify item from above)			

Price Monitor, Please Sign:
Address:
Phone:

Packages Without Prices: *An Update—*
Winn-Dixie Beware!!!

CFA, together with Walter Dartland (Consumer Advocate Metropolitan Dade County, Florida) organized on April 27, 1979 a one-day seminar in Miami on the Universal Product Code —more specifically, the need to retain item-pricing. CFA's renewed active interest in the item-pricing issue has been triggered by Winn-Dixie's entry into the UPC world. As the fourth largest food chain in the country, their newly launched UPC activity is significant and ominous in light of consistent statements by their President that Winn-Dixie would enter the UPC world only when they had determined that they could remove item-pricing soon thereafter. (A philosophy confirmed by their representative at the Miami Conference!)

What follows is a recent "Life in These United States" clipping and the contents of a CFA flier distributed at the conference. We urge that consumers be diligent in monitoring UPC and item-pricing.

On the first day of September, my wife and I went shopping in our local supermarket, and I became fascinated with the electronic gadgetry the checkout girl was using. Noticing my interest, she explained that as the scanner read the universal price code on the packages, the computer would record the sale, adjust the inventory, display the item name and price on a digital readout and generate a paper tape for the customer. She concluded by saying, "The computer is infallible."

Being skeptical by nature, I checked the tape. All was in order until I got to the date"—8/32/78.

—David G. Miles (Wyckoff, N.J.)

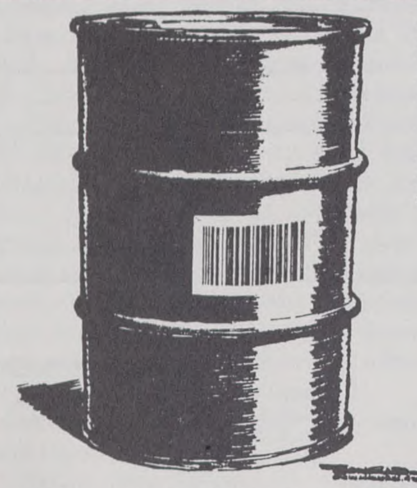
Readers Digest
March, 1979

Packages Without Prices
An Update

American consumers have become very used to seeing the UPC symbol (Universal Product Code) on almost every item they purchase from a supermarket.

That code is designed to accommodate the growing number of computerized checkout systems which replace the traditional cash register with a scanner that electronically "reads" the coded symbol to determine the product's price. Each item bearing the UPC code is completely readable whether it comes in a bag, bottle, box, can, jar, sack, tube, cellophane wrapper or aluminum dish.

In computerized supermarkets, each checkout stand is equipped with an electronic scanner. The checker simply pulls a UPC-marked product across the scanner. In a flash, the scanner translates the UPC code bar symbol to the store's minicomputer file and the product price then is "looked up" and flashed back to the register. The price is then displayed to both the consumer and the checker. At the very same time, a description of the product and its price is printed on the customer's cash register tape, and that information is also stored for computing the total bill.



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Oil Companies' New Price Marking on Unregulated Oil

The Food Marketing Institute says there are three times as many supermarkets scanning as there were a year ago. It predicts that by 1980, there will be 2,000 supermarkets using a computerized checkout system.

Unfortunately for consumers, many segments of the supermarket industry see the UPC as an opportunity to remove the individual prices on the items they sell, even though elimination of item pricing does not slow down the faster checkout process which is the main consumer advantage of UPC. In six states, three counties and thirteen cities, consumers have successfully demanded legislation which requires item pricing.

Three years ago, the industry announced the results of a comprehensive Michigan State University study of item pricing and its effect on consumer awareness. The study reached this conclusion: "Shoppers in 'prices off' stores do experience a measurable reduction in price awareness and consciousness compared to shoppers in conventional stores." Therefore, the industry recommended that "scanner stores follow the same, traditional approach to individual item marking as used in conventional supermarkets." Some of the conclusions of the study can be paraphrased as follows:

1. Conventional store shoppers remember the correct price more frequently than UPC-Scanner Prices Off store shoppers.

2. There is no difference in the use of unit prices between UPC-Scanner Prices Off and conventional stores. (Thus the suggestion that eliminating item pricing would increase unit pricing utilization is not validated.)

3. There are significant increased difficulties in "seeing" prices in UPC-Scanner Prices Off stores than in conventional stores.

4. There are significantly fewer price comparisons made in the UPC-Scanner Prices Off stores than in conventional stores.

6. There were significantly larger errors in consumer price retention in UPC-Scanner Prices Off stores than in conventional stores. (In other words, even where the shopper did not remember the exact price, his guess was closer to the exact price in the conventional store than in the UPC-Scanner Prices Off store.)

7. Other than the time spent at checkout, there were no differences in the time spent shopping in the two different types of stores. (In effect, the elimination of item pricing, or the presence of item pricing, makes for no time differential until checkout, and since many scanner stores retain prices, the presence of prices in a scanner store would not slow down the process in comparison to a scanner store without prices.)

8. There is greater home price awareness for shoppers in conventional stores than in UPC-Scanner Prices Off stores.

The grocery industry subcommittee which had commissioned the study recommended at that time that prices not be removed. Unfortunately, a recommendation and press release from an industry subcommittee does not provide consumers with the guarantee they deserve that individual prices will be restored in those stores where they have already been removed and that item pricing will not be abandoned again, even for future "experiments."

After the industry study was released, United States Senator Moss wrote to 94 of the largest food chains in the United States, asking about their current and projected item-pricing policy. Two months later, he released a report of his findings which showed that only 48 stores even bothered to respond. Of those that did respond, 24 appeared to indicate that they would retain item pricing indefinitely, and 17 appeared to indicate that they would retain item pricing during "testing." The "testing" period ranged from one year for Safeway to indefinite time periods for many of the other food chains. Of the remaining seven responses, Lucky Stores, Inc. and Winn-Dixie, Inc. replied that they would proceed with automated checkout equipment *without item pricing*.

Recently, Robert O. Aders, President of the Food Marketing Institute, indicated that the industry's earlier position in favor of item pricing will be abandoned in favor of experimenting with a "prices off" policy.

Frankly, we don't trust this so-called "experiment." We are convinced that once prices come off the packages, they'll never go back on. CFA is adamantly opposed to the removal of prices from packages for the following reasons:

1. There's no guarantee that supermarkets can effectively assure that the price tag on the shelf is accurate. Indeed, a study by the General Accounting Office found that the major problem is that shelf labels are not aligned with the proper products. The study also found 10 to 20 percent of the products were missing shelf labels and 7 to 30 percent of the shelf labels were unusable or only partially usable due to product overlay, label misplacement, poor condition or proximity of shelf package.

2. If the prices do not appear on the items, the consumer has little defense (unless he or she is endowed with a superb memory) against an instantaneous price change between the time the consumer picks the item from the shelf and the time the product is "scanned" at the checkout counter.

3. A visual terminal that will flash the price and product name as the UPC is scanned is cited as another assurance to the consumer that the correct price is being charged. Yet the increased speed of the system is based on a checker using a rapid two-handed motion to slide the groceries across the scanner and bag them almost simultaneously. That hardly allows the shopper enough time to match the product with the price flashed on the visual terminal.

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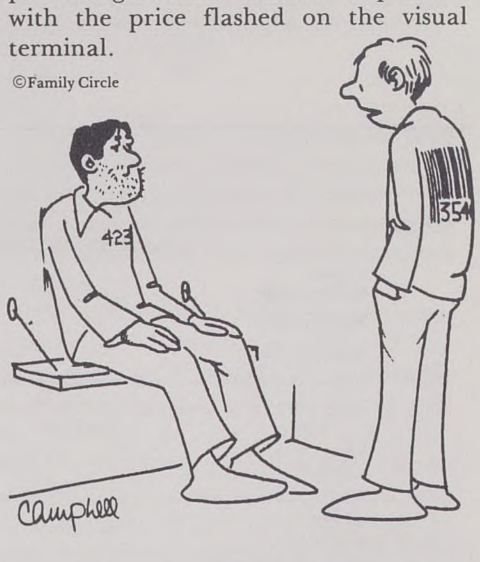

"That's right—I did rob a supermarket. How did you know?"

4. Having the price on the item at the time it's used (in the kitchen) can reinforce the consciousness of price at the time foods are prepared.

5. Comparison shopping will become quite complicated. Checking the price of corn—fresh, frozen or canned —will require either a superb memory or trips from aisle to aisle to compare prices, since none will be on items in the cart.

6. Senior citizens in particular are terribly disadvantaged when prices are removed from packages. Their only real frame of reference is the package price because, often for reasons of eye-

(Continued on page 12)

Energy *(Continued from page 6)*

If the Administration were really serious about reducing U.S. dependence on OPEC oil the following initiatives would be taken: 1) An independent governmental agency would be created to import oil through sealed bids; 2) Aggressive steps would be taken to increase oil production in non-OPEC nations and thereby diversify the sources of the oil we import; and 3) Our commitment to conservation and renewable resources, both alternatives more cost-effective and rational than simply increasing domestic prices, would be increased significantly.

Decontrol and Supply

Proponents of decontrol argue that decontrol is necessary to increase the production of domestic oil. However, experience since 1972 has shown that neither increased prices nor increased profits lead to increased production. Increased cash flows have not always led to increased investments in oil but have led to diversification into unrelated industries and into competing forms of energy. Data on the cost of production supplied by the major oil companies demonstrate that controlled prices are more than sufficient. Finally, and perhaps most importantly, the Administration's own figures prove that even under the best of assumptions decontrol is a bad buy.

The following table indicates the consumer and producer price increases for gasoline, home heating oil, crude oil, aviation fuel, and residual oil since 1972. Although these prices were rising at 2-3 times the general rate of inflation, and in spite of the fact that the profits of the 22 largest oil companies increased by 126 percent, domestic production has *declined* by 18 percent and domestic reserves have *declined* by 19 percent.

	Consumer Price Increase 1/72-3/79	Producer Price Increase 1/72-3/79
All items	70	—
Gasoline	106	225
Home heating oil	192	271*
Crude oil	—	187
Aviation fuel	—	149*
Residual fuel	—	251

Source: BLS statistics

*since 1973

The Administration hopes that the oil companies will invest the billions of dollars they will receive in finding new oil. However, it's quite possible, if not likely, that the revenues will be used for other purposes, thwarting the intent of decontrol to the detriment of the public. First, the oil companies can be expected to invest in increasing the productivity of old wells. This might seem attractive until it is realized that such investments only accelerate the use of oil that has already been discovered. Hence, most of the productivity gains associated with decontrol can be expected to be quite temporary.

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If recent history is any indication, the major oil companies also use a good portion of the billions for investments in industries unrelated to oil. The most notorious use of the increased billions of dollars that have accrued to the majors since the embargo was Mobil Oil's purchase of Marcor (Montgomery Ward Department Stores). But other instances of such purchases abound. Mobil also purchased the Container Corporation of America; ARCO purchased *The Observer* (a London newspaper) and the Anaconda Company; Exxon has invested in copper in Chile, in communications and in word processing. To the extent that the major oil companies use the revenue generated by decontrol to continue to make such purchases, oil decontrol will not merely be a huge financial burden for consumers, it will also expedite the already disturbing dominance of the economy by a few giant (largely unaccountable) conglomerates. The following table details more fully the majors' acquisitions. As can be seen, many of these acquisitions not only represent diversions of funds from petroleum, but are diversions of funds out of the United States into foreign countries.

COMPANY	ACQUIRED COMPANY	INDUSTRY
Exxon	Compania Minera Disputada	Copper
Mobil	Marcor	Retailing
	Container Corporation of America	Containers
Texaco	Jefferson Chemical (Britain)	Chemicals
	Jefferson Chemical (Canada)	Chemicals
Gulf	Kewanee Industries	Chemicals
Atlantic Richfield	*The Oberver* (Britain)	British newspaper
	Anaconda	Metals
	Continental Cables & Conduits	Electrical
	I/C Engineering	Process control
	Solar Technology Internat'l	Solar energy
	Sinclair-Koppers	Plastics
Shell	Polymer Div. of Witco Chemicals	Plastics
Tenneco	Philadelphia Life Insurance	Insurance
	Starla-Werken (Sweden)	Automotive
	ETS.R. Bellanger (France)	Automotive
	Harmo Industries (Britain)	Automotive
	International Foam Div. of Holiday Inns	Foam
	L.D. Properties	Almond orchards

However, a more serious risk is that the major oil companies will use the increased revenue to expand their holdings of non-petroleum energy resources. The most significant consequence of this expansion is that decisions as to the development of alternative sources of energy will be made on the basis of profit by a few large firms and not by the public on the basis of efficacy and equity.

During the campaign, candidate Carter stated that "I support legal prohibitions against ownership of competing types of energy such as oil and coal." Not only has the President backed off of this position, his Department of Energy has buried the Bureau of Competition deep in the Department's bureaucracy, leaving it without clout within the Department, and his Justice Department has testified against such prohibitions.

Oil decontrol is an exorbitantly cost-ineffective method to increase supply. According to the Administration, in 1981 consumers will by paying $11.5 billion to increase production by between 520,000 barrels a day to 600,000 barrels a day (assuming constant real OPEC prices). The Congressional Budget Office, on the other hand, anticipates no more than 500,000 additional barrels by *1985*. But even if the high figure (600,000 barrels) is realized, that works out to a cost of $53 a barrel. If OPEC should raise the prices by more than the rate of inflation the cost per barrel will be even greater. The Administration overstates the supply response and understates the additional producer revenue. A more accurate estimate is of at least $157 per barrel provided by Energy Action. If the goal of decontrol is to increase domestic supply, a near infinity of alternatives are available with marginal costs of less than $157 a barrel equivalent.

Decontrol and conservation

No major study has ever demonstrated that increasing energy prices encourages conservation, nor has the experience since 1974 yielded any evidence of such a relationship. Between June of 1973 and June of 1974 gasoline prices increased by 42%, from 35¢ to 55¢. At the same time gasoline consumption increased by 3%. Although gasoline and home heating oil prices have more than doubled since 1973, gasoline consumption has *increased* by 15% and home heating oil consumption has *increased* by 19%. Similarly, in Europe energy prices have risen faster and are higher than in the United States, but no major dent has been made in consumption. The reason is clear: Most consumption of energy is necessary, and people will pay whatever it costs to keep their homes warm and be able to drive to work.

Although the President acknowledges that "Conservation is our cheapest and cleanest energy source: it helps to control inflation; and every barrel of oil we save is a barrel we don't have to import;" the Administration chose to cut government expenditures for conversion by one fifth in "real" terms, (i.e. inflation considered) from their 1979 levels. In absolute terms, the $550 million the Administration is proposing is a drop in the bucket and totally inconsistent with the recognition that "Conservation is our cheapest and cleanest energy source." It is also hypocritical to call on the American public to make personal sacrifices when the government is doing so little to foster a less burdensome and far more equitable option: increasing the efficiency of the energy we use.

Packaging Without Prices
(Continued from page 10)

sight and mobility, they have very real difficulty reading shelf prices.

7. The supermarkets are offering no guarantee that they'll share savings with the consumer. (Using industry data, Public Interest Economics Center predicted an annual cost savings of a mere $1.13-$1.27 per year per household if item pricing is eliminated.) In fact, supermarkets might merely gobble it up for themselves for increased profits. When FMI's president recently made a speech at a conference on scanners, he cited Giant Food Stores calculated savings from UPC scanners. Interestingly, the cost savings included elimination of underrings (items mistakenly marked at an erroneously low price.) We asked what about the overrings which are just as possible with human error by a key punch operator as by a cashier. The Giant "savings" also include elimination of weighing and pricing stations at the produce department by transferring of their functions to the checkout lane. It is clear that consumers must closely scrutinize these consumer "savings" that UPC generates.

Those are the reasons why CFA today is supporting legislation in the Florida legislature that would make item pricing mandatory. We think the results of the Minnesota Office of Consumer Service poll (November 1976) are representative of consumer attitudes on this question. In response to the question: "If supermarkets had clearly readable price stickers on their shelves, and gave you a cash register tape that itemized your purchases and their prices, would you feel it important to have each product container individually price-marked as they are now?

Yes:	60%
No:	29%
Don't know or no opinion:	11%

And what is the position of the supermarket industry in Florida on this issue? If Winn-Dixie, the largest food retailer in the south and the largest in the state, is any criterion, the outlook is very bleak indeed. Here is what Winn-Dixie Board Chairman James E. Davis told Senator Frank E. Moss in 1976: "We are not carrying the torch for the Universal Product Code and automated checkout unless item pricing is eliminated."

That's a blunt statement and requires a blunt answer: Legislation in Florida to make item pricing mandatory.

Results of Informal Dade County Consumer UPC Survey 5/4/79:

How would you feel about *not* having prices marked on products?

NO – 90%
Yes – 3.7%
Neutral – 6.3%

CONSUMER ASSEMBLY '79
FEBRUARY 7-9
WASHINGTON, D.C.

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12 or more cassettes . . . $2.00
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FOREIGN ORDERS: Will be BILLED for Shipping Costs.

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