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1986 Voting Record Reveals Hope for Future

CFA's 1986 Congressional Voting Record cites 11 U.S. senators and 43 House members as "Consumer Heroes" in recognition of their pro-consumer voting records.

Using ratings based on 12 key votes in the House and 15 roll calls in the Senate during the year, the report also lists 16 senators and 49 representatives as "Consumer Zeroes" for their consistent opposition to consumer interests in 1986.

"Congressional votes in 1986 affected how much we pay for products ranging from energy to beer," said CFA Legislative Representative Alan Fox, who prepared the voting record. "These votes determined whether toxic waste sites which affect our health will be cleaned up, how long banks can hold our deposits before we can use the funds, and how much the average family will pay in taxes.

"Consumers should take note of who their friends and opponents are," Fox said. Apparently voters in the last election did just that. "Every member of Congress named as a Consumer Hero for 1986 is back in Congress in 1987, including Rep. Harry Reid (D-NV), who was elected to the Senate. However, 13 of the 49 Consumer Zeroes in the House will not return, including four who lost Senate races to more pro-consumer candidates. One Senate Zero is retiring," Fox noted.

The report's key findings include:

1. *Partisan differences key in both Houses.* Democrats in both Houses of Congress were significantly more likely to support consumer positions than were Republicans. Senate Democrats voted with consumers 66 percent of the time, compared to a 27 percent average for Senate Republicans. In the House, the gap was even wider, with Democrats backing consumers an average of 69 percent of the time, and Republicans averaging 25 percent.

The only significant partisan shift occurred among House Republicans, who voted with consumers just 25 percent of the time in 1986, a nine-point drop from 1985. This means that the typical Republican House member voted pro-consumer one time less in 1986 than in 1985 on the 12 key votes upon which the report is based.

Declines in support for consumer positions were most pronounced in the regions where Republican support for consumers had been on the increase in the past. Eastern Republicans dropped from 57 percent in 1985 to 44 percent in 1986, and Midwestern Republicans dropped from 34 percent to 25 percent.

While the average for Republican senators overall changed little from the previous year, a rise of only two percent, there was a sharp difference between Republican senators who ran for reelection in 1986 and those who did not. The 18 Republican senators who faced voters in 1986 increased their consumer ratings from a 1985 average of 22 percent to 32 percent in 1986. Those not seeking reelection dropped slightly, from 27 percent to 24 percent. (The same pattern did not occur among Democratic senators.) Four of the nine senators with the most substantial increases in support for consumers were up for reelection in 1986: Arlen Specter (R-PA), James Abdnor (R-SD), Charles Grassley (R-IA), and Mark Andrews (R-ND).

2. *Regional differences also key in Senate.* The 39-point difference between Democratic and Republican averages in the Senate was nearly matched by differences between senators from different regions of the country. Senators from states in the East and Midwest were more likely to support consumer positions than were senators from states in the South and West. These differences were not as sharp in the House.

While the regional differences in the Senate can be explained in part by partisan differences, there were sharp differences in the Senate within each party as well. Eastern Democrats averaged 82 percent, compared to 49 percent for Southern Democrats, a 33-point difference. Eastern Republicans voted with consumers 66 percent of the time, while Western Republicans averaged just 29 percent, for a 37-point difference.

3. *Hope for the future.* In 1985, the five newly-elected Democratic senators voted for consumer interests 80 percent of the time, a 30-point improvement over their predecessors. In 1986, these senators—Albert Gore, Jr. (TN), Tom Harkin (IA), John Kerry (MA), Jay Rockefeller (WV), and Paul Simon (IL)—improved their strong pro-consumer records still further. Their average score improved to 85 percent, and not one of the five voted with consumers less than 80 percent of the time.

The 100th Congress convenes with 13 new members of the Senate, most of whom should improve substantially on the records of their predecessors. "Seven new senators will be substantially more favorable to consumers than their predecessors, five will be about the same, and only one new senator is expected to be less pro-consumer," Fox predicted. CFA is particularly optimistic about new senators Harry Reid (D-NV), Tom Daschle (D-SD), Brock Adams (D-WA), Wyche Fowler (D-GA), Barbara Mikulski (D-MD), Terry Sanford (D-NC), and Kent Conrad (D-ND), all of whom are expected to vote for consumer interests substantially more often than their predecessors did. "On many issues, these new senators could provide a margin of victory for consumers against special interest attempts to increase our prices, reduce our safety, or threaten our health," Fox said.

Congressional Heroes & Zeroes

Senate heroes scoring 100 percent are:

Robert C. Byrd (D-WV)	Paul S. Sarbanes (D-MD)	Paul Simon (D-IL)
Carl Levin (D-MI)	Howard M. Metzenbaum (D-OH)	

Senate heroes scoring 87 percent are:

Tom Harkin (D-IA)	George J. Mitchell (D-ME)	Donald W. Riegle, Jr. (D-MI)
Frank R. Lautenberg (D-NJ)	Claiborne Pell (D-RI)	Jay Rockefeller (D-WV)

Heroes in the House who scored 100 percent are:

Ronald V. Dellums (D-CA)	Matthew F. McHugh (D-NY)	Gerry Sikorski (D-MN)
Don Edwards (D-CA)	David R. Obey (D-WI)	Stephen J. Solarz (D-NY)
Lane A. Evans (D-IL)	Major R. Owens (D-NY)	Bruce F. Vento (D-MN)
Frank J. Guarini (D-NJ)	Charles B. Rangel (D-NY)	Henry A. Waxman (D-CA)
Barbara B. Kennelly (D-CT)	Peter W. Rodino, Jr. (D-NJ)	Sidney R. Yates (D-IL)
Dale E. Kildee (D-MI)	Charles E. Schumer (D-NY)	

House heroes with a 92 percent score are:

William J. Coyne (D-PA)	Sander M. Levin (D-MI)	Marty Russo (D-IL)
Norman D. Dicks (D-WA)	Mel Levine (D-CA)	James H. Scheuer (D-NY)
John D. Dingell (D-MI)	Mike Lowry (D-WA)	Patricia Schroeder (D-CO)
Thomas J. Downey (D-NY)	Robert T. Matsui (D-CA)	Harley O. Staggers, Jr. (D-WV)
Dante B. Fascell (D-FL)	Norman Y. Mineta (D-CA)	Al Swift (D-WA)
Edward F. Feighan (D-OH)	Bruce A. Morrison (D-CT)	Peter J. Visclosky (D-IN)
Thomas S. Foley (D-WA)	Henry J. Nowak (D-NY)	Alan D. Wheat (D-MO)
Robert W. Kastenmeier (D-WI)	James L. Oberstar (D-MN)	Ron Wyden (D-OR)
Peter H. Kostmayer (D-PA)	Harry M. Reid (D-NV)	

The following Senate zeroes failed to vote for consumers even once:

Jake Garn (R-UT)	Chic Hecht (R-NV)	James A. McClure (R-ID)
Orrin G. Hatch (R-UT)	Paul Laxalt (R-NV)	Malcolm Wallop (R-WY)

Ten Senate zeroes had a 7 percent rating:

William L. Armstrong (R-CO)	Richard G. Lugar (R-IN)	Alan K. Simpson (R-WY)
Pete V. Domenici (R-NM)	Mitch McConnell (R-KY)	Ted Stevens (R-AK)
Phil Gramm (R-TX)	Dan Quayle (R-IN)	Steven D. Symms (R-ID)
Jesse Helms (R-NC)		

Seventeen House members also recorded no pro-consumer votes:

Bill Archer (R-TX)	Robert K. Dornan (R-CA)	W. Henson Moore (R-LA)
Richard K. Armey (R-TX)	Bobbi Fiedler (R-CA)	John T. Myers (R-IN)
Hank Brown (R-CO)	Thomas F. Hartnett (R-SC)	Stan Parris (R-VA)
William E. Dannemeyer (R-CA)	Marjorie S. Holt (R-MD)	Norman D. Shumway (R-CA)
Thomas D. DeLay (R-TX)	Ron Marlenee (R-MT)	Denny Smith (R-OR)
William L. Dickinson (R-AL)	Clarence E. Miller (R-OH)	

Also named Consumer Zeroes are the following House members with 8 percent ratings:

Robert E. Badham (R-CA)	Larry J. Hopkins (R-KY)	F. James Sensenbrenner (R-WI)
Herbert H. Bateman (R-VA)	Thomas N. Kindness (R-OH)	Bud Shuster (R-PA)
Dan Burton (R-IN)	Ken Kramer (R-CO)	Mark D. Siljander (R-MI)
Carroll A. Campbell (R-SC)	Tom Lewis (R-CA)	Joe Skeen (R-NM)
Gene Chappie (R-CA)	Jim Lightfoot (R-IA)	Floyd Spence (R-SC)
Dick Cheney (R-WY)	Dan Lungren (R-CA)	Michael Strang (R-CO)
Larry Combest (R-TX)	Al McCandless (R-CA)	Bob Stump (R-AZ)
Philip M. Crane (R-IL)	Bob McEwen (R-OH)	Patrick L. Swindall (R-GA)
David Dreier (R-CA)	David S. Monson (R-UT)	G. William Whitehurst (R-VA)
Roy Dyson (D-MD)	Carlos J. Moorhead (R-CA)	Don Young (R-AK)
John Hiler (R-IN)	Eldon Rudd (R-AZ)	

(Copies of the 1986 Congressional Voting Record are available from CFA for $10. Non-profit organizations may purchase it for $5.)

Smoke Hazardous to Nonsmokers' Health

While decades of research have conclusively linked cigarette smoking to lung cancer and other diseases in smokers, three new reports indicate that nonsmokers also suffer significant ill consequences from environmental tobacco smoke (ETS).

ETS Linked to Cancer

In "The Health Consequences of Involuntary Smoking," U.S. Surgeon General C. Everett Koop, M.D. concludes that "Involuntary smoking is a cause of disease, including lung cancer, in healthy nonsmokers." The report also reviews studies regarding a possible relationship between ETS exposure and cardiovascular disease. While calling for more study in this area, the Surgeon General notes that even a small increase in cardiovascular disease risk resulting from ETS exposure could result in a larger number of cardiovascular deaths annually.

"Environmental Tobacco Smoke: Measuring Exposures and Assessing Health Effects," a report of the National Research Council's Committee on Passive Smoking, releases similar findings regarding chronic risks to nonsmokers. According to the report, nonsmokers married to smokers have a 34 percent increased risk of lung cancer compared to nonsmokers married to nonsmokers.

Both the Surgeon General's and the Committee on Passive Smoking's reports also address the impact of passive smoking on children. The Surgeon General concludes that children of parents who smoke, compared to children of nonsmoking parents, have an increased frequency of respiratory infections, increased respiratory symptoms, and slightly smaller rates of increase in lung function as the lung matures. The Committee on Passive Smoking also concludes that children of parents who smoke show increased prevalences of respiratory symptoms. "These findings imply that ETS exposures cause respiratory symptoms in some children," the report states.

The reports also conclude that children of smoking parents have bronchitis, pneumonia, and other lower-respiratory-tract illnesses up to twice as often during the first year of life and have an increased frequency of hospitalization during their first year as a result of these illnesses. According to the Surgeon General's report, a number of studies show that chronic middle ear effusions are more common in children of smokers than in children of nonsmoking parents.

In conclusion, Koop warns, "I strongly urge parents to refrain from smoking in the presence of children as a means of protecting their child's health status as well as their own. It is imperative that parents eliminate tobacco smoke exposure from their child's environment."

A third report, "The Airliner Cabin Environment: Air Quality and Safety," also highlights the adverse effects of passive smoking. This report, prepared by the National Academy of Sciences Committee on Airliner Cabin Air Quality, recommends a ban on smoking on all domestic commercial flights. The Committee cites four reasons for this recommendation: "to lessen irritation and discomfort to passengers and crew, to reduce potential health hazards to cabin crew associated with ETS, to eliminate the possibility of fires caused by cigarettes, and to bring the cabin air quality into line with established standards for other closed environments."

Despite these three reports' recent vintage, some steps have already been taken to address ETS exposure in both public and private places. Forty-one states and the District of Columbia have enacted laws regulating smoking in at least one public place, and more than 80 cities and counties have smoking ordinances in effect. The Surgeon General's report estimates that approximately 35 percent of businesses have adopted smoking policies.

"We have long known that environmental tobacco smoke is one of the leading culprits in unhealthy indoor air quality. These new reports give further credence to that belief and provide strong backing for CFA's campaign to improve our indoor air," said Mary Ellen Fise, CFA Product Safety Director. "We believe these reports will spur further federal, state, and local attention to the passive smoking issue," she added. "As with the Surgeon General's report in 1984, which publicized adverse health effects from smoking and led to a 33 percent decrease in the number of male smokers, we hope these reports will lead to measures which protect nonsmokers."

Falling Prices Renew Oil Import Fees Debate

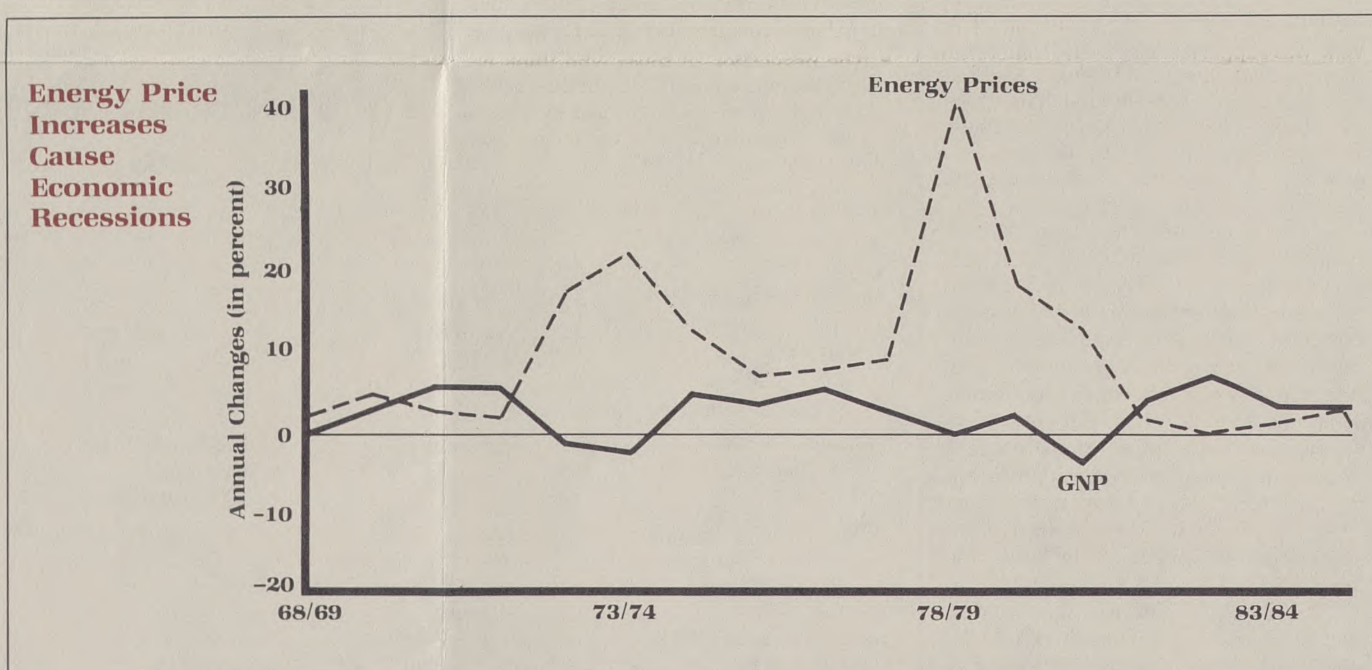
While the decline in oil prices has generally been recognized as a boon for consumers, it has also raised concerns about the future of the domestic oil industry; and even though oil prices firmed up toward the end of 1986, recent changes in the House and Senate suggest that oil import fees will be one of the hot political issues of the 100th Congress.

Two recent reports underscore the divided perspectives on lower oil prices. The *Lundberg Letter*, which tracks gasoline prices, estimated that consumers saved $25 billion on gasoline in 1986 as a result of falling oil prices. Yet, just a few weeks earlier, the Energy Policy Center of the Kennedy School of Government at Harvard University released a report, funded by independent oil producers, calling for a $10 import fee, which could raise the national energy bill by as much as $100 billion.

Broad-based Coalition Forms

A broad coalition of groups, including consumers, the travel and tourism industries, the petrochemical industry, the transportation industry, electric utilities, and independent oil marketers, among others, has formed to fight import fees. The major international oil companies still are generally opposed to fees.

The debate over an oil import fee is being fueled by political changes in Washington as well. During the November elections, President Reagan, in an effort to turn the tide in key energy-producing states, promised Henson Moore (unsuccessful Republican candidate for the Senate in Louisiana) he would look into the national security implications of falling oil prices. Almost 200 comments, including a report from CFA, were filed with the Department of Energy, which is conducting the Administration's review.



At the same time, the return of the Democrats to control of the Senate and the change in leadership in the House have brought members from oil-, gas- and coal-producing states into key positions [Bentsen (TX), Chairman of Senate Finance; Johnston (LA), Chairman of Senate Energy and Natural Resources; Byrd (WV), Senate Majority Leader; Wright (TX), House Speaker].

The Consumer Viewpoint

In comments filed at the Department of Energy, CFA analyzed oil import restrictions from the consumer viewpoint. Prepared by CFA Research Director Dr. Mark Cooper, the comments noted that not only are import fees extremely recessionary, but that "a host of alternative policies, including diversification of supplies, stockpiling, and conservation, are more cost-effective in enhancing energy security than restrictions on imports."

Pointing out the difference between oil imports and other commodities, CFA observed that "if oil is being imported at prices that are below the cost of production or subsidized in some other way, or if an extremely large price difference is based on inordinate wage differentials, then there would be a firm basis for government intervention to protect the domestic industry from unfair foreign competition. However, that is not the case with oil."

Recalling the oil import restrictions of the 1960s, CFA noted that the "import quota accelerated the drawdown of domestic reserves, dissuaded the U.S. from pursuing more appropriate policies, and rendered the U.S. more vulnerable to the price shocks of the 1970s."

The CFA comments concluded that "it would be a grave error for this nation to pursue an energy policy that seeks to achieve a sense of security based on the mistaken notion that we can somehow achieve 'independence' from the world oil market. Any effort to separate the U.S. market from the world market by imposing restrictions or fees will inevitably fail and render the U.S. even weaker and more vulnerable to future supply shocks. Because the oil resources base within our borders is diminishing, the United States can no longer be the guarantor of oil supplies in the international market, as we were a decade and a half ago."

St Germain Optimistic About Next Congress

House Banking Chairman Fernand St Germain (D-RI) expressed optimism about prospects for enacting consumer banking legislation in the next Congress in the opening keynote address at CFA's December conference on consumer financial services. He contrasted the 99th Congress, "the Congress of frustrations," with the 100th, "the Congress of opportunity for the American consumer."

Congress Assessed

St Germain praised the 1986 House Banking Committee for "passing the largest array of consumer legislation in the long history of that Committee." This included limits on checkholds, consumer/community protection against interstate expansion, and required disclosures on savings accounts, credit cards, and mortgage lending patterns.

Several of these measures, noted the Chairman, passed the House by overwhelming margins. But all "ran into a stonewall in either the House Rules Committee or in the Senate Banking Committee."

St Germain indicated that the Banking Committee's agenda for the next Congress had not been finalized. Yet, he did say it's a "good safe bet" that not only the consumer protections, but also FSLIC recapitalization, a major housing initiative, and the non-bank bank issue would be items "high on the action list."

He also predicted that consumer initiatives would get a "fair shot" in the Senate. This view was supported later in the conference by new staff director of Senate Banking, Ken McClean, who indicated that Chairman William Proxmire (D-WI) would seek to move several consumer measures.

Industry, Regulators Criticized

Banking institutions and regulators were criticized by the House Banking Chairman for neglecting consumer needs. "The industry clearly expects the low and moderate income consumer to foot the bill for the financial services revolution," asserted St Germain. "If there are any glitches, they can be paid for with a tax on the low and moderate income depositor and the Federal government."

St Germain said he could not remember the last time a Federal regulator endorsed consumer banking legislation. "Too many of our regulators regard their roles as cheerleaders for the industry with a mindset not much removed from that of a local bank president," he explained. No wonder, then, that "regulations look like moldy swiss cheese and enforcement has all the sting of a wet noodle."

Treasury Endorses Deregulation

In another keynote speech, Under Secretary of the Treasury George Gould also faulted regulators and the industry for failing to meet consumer needs. "Depository regulators generally ran the system for the benefit of the industry, not its customers. To the degree the banks cared about customers, they usually courted business borrowers," he said.

Gould argued, however, that further deregulation, rather than additional government intervention, represented the way to meet these needs. Calling this appoach "the new market-oriented populism," he identified these needs as lower mortgage interest rates, more choice among mortgage types, consumer banks, financial advisors, and adequate insurance.

To buttress his argument for deregulation, Gould cited the results of an *American Banker* survey that Associate Editor Laura Gross had summarized in an earlier session:

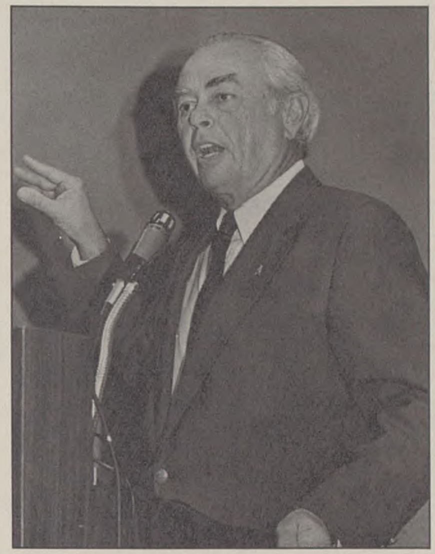
- The proportion of those who think it's a good idea if companies other than banks get into the banking business increased from 44 percent in 1985 to 56 percent in 1986;
- Support for these new competitors was strongest among young adults; and
- Consumers believe that a large diversified financial company is twice as likely as their own banking institutions to be in the forefront of change and innovation.

Deregulation and the Poor

In the same session, CFA Executive Director Stephen Brobeck cited surveys that support for banking deregulation is highly correlated with income. A recent Roper Organization study revealed, for example, that only 29 percent of households under $7500 felt this deregulation was good for consumers, while 49 percent said it was bad. By contrast, 53 percent of those in households with at least $50,000 income were positive, and only 33 percent negative.

Brobeck also reported on his analysis of new Federal Reserve data that reveals market segmentation by income. Most dramatically, in 1983 a large majority of the top 10 percent income group had CD's, money market accounts, bank cards, travel and entertainment cards, ATM cards, and stocks. Only a minority of the bottom 70 percent income group had these products.

Consumer credit markets also are segmented by income, according to research reported on in an afternoon workshop by Charlene Sullivan, Acting Director of the Credit Research Center at Purdue University. She indicated that low and moderate income households are less likely than the more affluent to comparison shop for credit, and more likely to borrow from high-rate lenders. In part, she suggested, this is because lower income consumers, seeing themselves as poor credit risks, choose lenders mainly on the basis of willingness to extend credit.



House Banking Chairman St Germain

New Research Reported

At the conference, two CFA staffers gave reports on major research projects. CFA Research Director Dr. Mark Cooper presented preliminary findings on how life insurance is sold and whether bank entry into this market would advance the public interest. His analysis was based on a review of some 600 studies and on original research on information provided by life insurance agents and banks selling insurance to a prospective purchaser.

Cooper reported that it was extremely difficult to obtain useful information easily from most agents, much less so from banks. But he emphasized that several structural concerns had to be addressed before banks should be allowed into insurance markets.

CFA Researcher Barbara Roper reported on the results of her study on abuse in the financial planning industry. Roper reported that there is reason to believe that such abuse is far more common than previous studies have indicated, particularly in the area of incompetent and self-serving advice. "For the middle income consumer, much of what is offered in the name of planning is really just a sales pitch for products, which, if the client is lucky, will at least be tailored toward his general financial situation, his goals, and his risk tolerance. But even of that there is no guarantee," she said. She also reported that there is reason to believe money lost through securities fraud by planners is increasing.

The need for improved regulation of financial planners is clear, Roper said, but more study is needed before the best method of regulation can be determined.

More than 150 activities, regulators, and industry representatives attended the conference, whose principle purpose was to inform consumerists about recent research and public policy issues. Ten industry groups served on a committee which advised CFA in program planning.

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CFA Releases Updated Savings Options Brochure

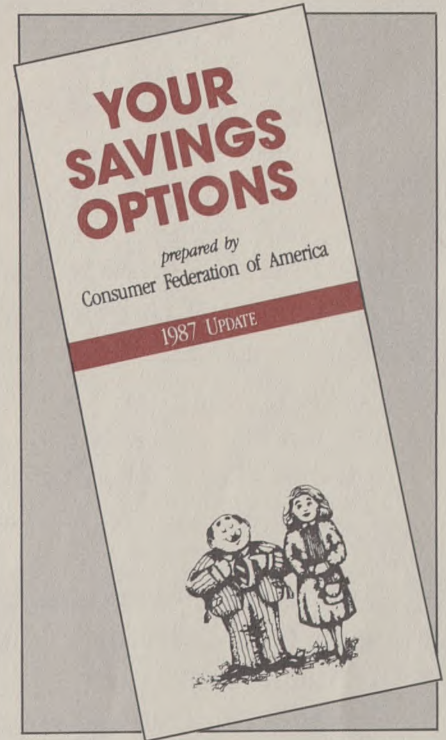
The Consumer Federation of America has released an updated version for 1987 of the free pamphlet, "Your Savings Options," prepared by CFA Executive Director Stephen Brobeck and Professor Naphtali Hoffman of Elmira College. The pamphlet is an important element of the CFA campaign to redirect consumer savings out of passbook accounts and into other savings options.

The campaign was initiated and the original pamphlet was released in 1984 in response to bank deregulation and the resulting proliferation of new savings options.

"I wish we could report that there has been a massive shift out of passbook into other accounts, but there hasn't," noted Brobeck. "I think millions of savers still don't understand that a money market account or CD is just as safe."

The pamphlet outlines seven factors to consider in evaluating savings options, describes six bank and two non-bank savings options, and suggests guidelines to use in choosing an account.

Among the tips offered in the brochure: shift funds in passbook accounts to higher interest accounts such as money market deposit accounts, money market funds, certificates of deposit, or credit union equivalent accounts; use NOW and SuperNow accounts only for checking, not for savings; and, in shopping around for the best institution in which to place your savings, compare annual yields, which take into consideration the method of compounding as well as the interest rate, and avoid accounts that use a "low balance" method of computing interest, because it can cut yields on passbook accounts by more than one half.



The savings options pamphlet may be obtained by sending a stamped, self-addressed envelope to CFA. The Consumer Affairs Office of American Express has volunteered to send out the pamphlet in bulk quantities at no charge.

Consumers Win on State Initiatives

Consumer groups across the country used the ballot box to their advantage in November, winning on a variety of state initiatives on issues ranging from telephone service to toxic waste cleanup.

In Oregon and Maine, voters overwhelmingly passed initiatives to ban mandatory local measured telephone service (LMS). Under LMS, local calls are billed similarly to long distance calls, on the basis of number, length, and distance of calls, as well as time of day and day of week. The phone companies argue that LMS is fair, because "you pay for what you use." LMS opponents counter that customer usage has little effect on costs to the phone company, since nearly all phone system costs are fixed.

In Maine, the initiative passed despite a media blitz in opposition by New England Telephone Company. In Oregon, supporters of the ban had it easier, since the telephone company there withdrew its opposition at the outset, declaring mandatory LMS "a dead issue" and promising not to pursue it. Initiative supporters decided to continue their campaign anyway as a protection against a change of heart by the telephone company, said Thomas J. Novick, executive director of OSPIRG.

AT THE GRASSROOTS

The threat of a stronger initiative was also enough to bring Oregon utility companies in line, after 50 years of opposition, behind a measure to expand the Public Utilities Commission in Oregon from one commissioner to three. This initiative also passed easily. The success of the initiative is an important victory for consumers, since the commission will now be subject to open meeting laws from which the single commissioner was exempt, Novick said. The current commissioner has used that exemption to grant utilities exorbitant rate increases without a single public hearing, he said.

The fact that the initiative had utilities backing is proof of the increased clout consumer groups have gained through effective use of the initiative process, Novick said. In the waning days of the 1985 session, the Oregon state legislature had held a hearing on the issue, with OSPIRG and CUB of Oregon both testifying and hinting broadly that they were considering an initiative to create a three-person elected commission. In order to stave off the move to elected commissioners, the utilities companies agreed to back an initiative to expand the board to three appointed commissioners, Novick said. "They did it as what they thought was a shrewd move," he said. "We thought it was a step in the right direction." Consumer groups have used similar tactics to force the legislature to act on issues it would prefer to ignore, playing on legislators' fear that, if they fail to act, an even stronger initiative would pass, he said.

Arizona consumer groups were on the defensive in this election, but were just as successful, fighting to defeat two initiatives they believed were bad for consumers. Proposition 100, which would have taken authority for decisions about intrastate telephone deregulation away from the Corporations Commission and given it to the state legislature, and Proposition 103, which would have allowed the legislature to place limits on liability awards, were both defeated, despite early strong leads in the polls.

Consumer groups opposed the measures because of their belief that the legislature would act in favor of big business and in opposition to consumer interests, said Phyllis Rowe, president of Arizona Consumers Council. "Our legislature is controlled by corporations and big business," largely because of the political contributions big business makes, Rowe said.

A coalition of consumer groups, small telephone companies, and small business people fought Proposition 100 by putting speakers on talk shows and before community groups and by setting up a telephone network to get its message out. "That's what beat them," Rowe said, even though the coalition was outspent by about 10 to 1.

In contrast, consumers had strong allies in the trial lawyers, with good financial backing to fight Proposition 103. The insurance companies had convinced the doctors that limiting liability awards was the only way to control their insurance premiums, Rowe said. In fact, the insurance companies "hadn't promised they would reduce premiums one iota. Proposition 103 was not going to control the insurance companies at all. They were not making any concessions," she said.

Consumer groups had an uphill battle on both issues. "The first of August, the polls were about 95 to 5 against us," Rowe said. "Nobody gave us a chance. It's fun being the underdog and winning for a change."

Protecting the environment was also a key issue in several states in the last election. Voters in California passed a measure to bar tainting the water supply with toxic waste. In Massachusetts, voters set a timetable for toxic waste cleanup, and in Washington, voters passed an initiative to protest a federal nuclear waste site. Environmental groups were less successful in Oregon, where a measure to close a nuclear plant was disapproved by voters.

"It was a classic example of what happens when huge amounts of money are spent," Novick said. The initiative led in the polls at the outset, but the utilities spent $2 million to fight it, more than had ever been spent in the state, he said. The high-priced media campaign paid off, and voters rejected the initiative by a wide margin. Consumer groups and other activists are already talking about backing an initiative in the next election to limit campaign spending, Novick said.

Consumer Assembly 1987

POCKETBOOK POPULISM:

Consumer Initiatives in a New Political Environment

February 12 and 13, 1987
Washington Plaza Hotel, Washington, D.C.
CONSUMER FEDERATION OF AMERICA

- A Consumer Agenda for the 100th Congress
- Grassroots Consumer Initiatives
- Trends in Consumer Opinion
- The Federal Trade Commission: Recent Performance and Future Priorities
- Indoor Air Quality: The Radon Threat
- Recent Research on Consumer Phone Needs
- Consumer Banking Initiatives
- National Health Policy: A Long Term Agenda
- And Other Issues

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