NEWS FROM CFA

CONSUMER FEDERATION OF AMERICA

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UPDATE ON LEGISLATION

Independent Consumer Protection Agency -- Senate hearings planned by Sen. Abraham A. Ribicoff (D-Conn). House bill passed October 14, 344-44. Senate vote expected before adjournment.

Warranties -- Senate action scheduled October 28. House hearings in progress.

No-Fault Auto Insurance -- In Senate Commerce Committee. Hearings completed.

Health Care -- House Ways & Means Committee hearings underway. No action expected this session.

Auto Safety -- Motor Vehical Information & Cost Savings Act approved by Senate Commerce Committee. Senate vote expected by mid-November.

Product Safety -- In Senate Commerce Committee. Hearings completed. Committee action scheduled for November 4. May reach Senate vote this session.

CFA-IN-ACTION

- Several hundred guests attended the first and successful Distinguished Service Awards Dinner October 14 honoring Sen. Philip A. Hart of Michigan and Dr. Colston E. Warne, President of Consumers Union.

- Having argued the case for consumer representation in Phase II decision-making machinery on two White House visits, CFA President Don S. Willner takes sharp exception to the appointment of a 7-member price board with no apparent consumer members. Chairman Wright Patman (D-Tex) is holding hearings on President Nixon's economic program.

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CFA-IN-ACTION con't.

- In keynoting the October annual meeting of the Assn. of California Consumers, Willner commended House Government Operations Committee Chairman Chet Holifield (D-Ca) for getting the independent consumer protection agency up for a House vote and urged Holifield to support strengthening amendments. An attempt to increase the new agency's intervention powers failed; an amendment to provide judicial review was approved.

- CFA urges "continuous inspection" -- defined as a man in every plant once a day -- as the absolute minimum that should be required in fish inspection legislation under consideration by the Senate Commerce Committee.

- New warranty legislation, says CFA in House testimony this month, is needed to require full disclosure of terms and bar sale of products and services by use of deceptive guarantees. This should be backed up by increased Federal Trade Commission enforcement powers. Pending House legislation gives consumers more possibility of redress through the courts than the Senate bill which sets a $10,000 minimum on damages sustained.

WITNESSES LINEUP
ON NATIONAL HEALTH PLANS

These days the House Ways & Means Committee hearing room resembles most doctors' offices. Walk in and you'll find a line ahead.

If you have ideas about new methods of financing health care and providing better quality service, you'll find 200 witnesses ahead of you, scheduled to testify over the next two months.

If you're an observer wanting to find out which of the thirteen major health bills introduced in Congress will do the most to cover the cost of eye exams, broken legs, dental care and hospital rooms, you must listen carefully.

The case history on the nation's health needs will take months to develop. The most far-reaching changes since Medicare was enacted in 1965 are under consideration. It will be up to Chairman Wilbur D. Mills (D-Ark) and members of his committee if a new course is to be charted.

Any new direction for health care will probably be devised on the basis of how much a different system will cost, who pays for it, who administers any new program, and if it is to become a major or total responsibility of government instead of the private health insurance industry now in control.

During lengthy testimony and debate about actuarial rates, cost estimates and regulatory systems, many basic issues important to all citizens may appear to be skirted. They are not. For in the many bills before the committee, there are choices including: whether a person's hospital room is fully paid by insurance; whether all or some prescription drugs are covered; whether there's a flat deductible per family, a per-person deductible of $50 or $100, or any deductible; whether any part of nursing home care is paid by insurance; whether the cost of eyeglasses, X-rays, and lab fees are included in the insurance packages. Some proposals would limit coverage to catastrophic illness. In contrast to some basic, comprehensive plans, catastrophic protection might begin after the first $5000 of expenses.

The two most publicized methods for revamping the health system were aired at the committee's opening hearings. The Administration outlined its plan for compulsory health benefits provided through private companies with employers and employees sharing the cost. Then Rep. Martha W. Griffiths (D-Mich) argued for her "cradle-to-grave" national insurance bill, to be financed by a social security type payroll tax,

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WITNESSES LINEUP ON NATIONAL HEALTH PLANS con't.
run entirely by the federal government with practically all health care needs provided without additional cost to individuals. (In the Senate, the Griffiths bill is sponsored by Edward Kennedy, D-Mass.) The Administration, says Mrs. Griffiths, simply wants to give private insurance companies money that should be channeled to health care. The companies "have proven they can't handle the problems," she charges, and the Administration is wrong in saying the federal government does not have the health-planning capacity to set up a national health insurance system.

REP. VANIK ORGANIZES
OHIO CITIZENS PRICE WATCH

One member of the powerful House Ways & Means Committee, and the only member of Congress to officially do so, has joined the ranks of consumer groups to monitor prices. Rep. Charles A. Vanik (D-Ohio) is leading a Community Committee on Consumer Prices. Organized October 25, Vanik says: "Our efforts will be directed at listing consumer prices during the current 'freeze,' and then maintaining a community watch on unwarranted price increases." Vanik's group is expected to catalog prices for virtually all consumer goods and services including health costs, rents, foods.

THERE'S A PRICE FREEZE?

"The National Biscuit Co. makes a cracker called Escort," writes one New York consumer. "I have bought two boxes of these crackers a week ever since they came on the market for 39¢ a box. Two weeks ago I bought the two boxes and was charged 50¢ a box. An 11¢ increase on a 39¢ value...is a mighty big increase. I thought the freeze would prevent merchants from raising their prices. The retailer says the National Biscuit Co. has raised their cost...This might seem like a small item to you, but if they are getting away with this item, what are they doing on larger items?"

A Wisconsin shopper reports that "Hardy Zeo" water softener tablets prices at $1.99 per hundred pounds before the freeze now sell at the same price but she gets only 80 pounds. As for bread, she's now charged 43¢ for two loaves. The price was 4 loaves for $1.00 before the freeze, she says.

Then there's the suburban Washington consumer who reports: Peter Pan Peanut Butter was 65¢, now 69¢; Mrs. Filbert's Margarine is up 4¢; milk has gone from $1.09 to $1.17; Buddig lunch meats from 39¢ to 43¢; store brand sugar from 61¢ to 69¢.

Are you keeping score on the retail price-watch?

MOSS WANTS TRUTH-IN-ADVERTISING LAW;
LAUNCHES TEST OF FTC SUBSTANTIATION PROGRAM

The Federal Trade Commission is out to prove that its new advertising substantiation program will keep product claims honest. Sen. Frank E. Moss (D-Utah) isn't convinced that anything less than a law will work to effectively protect consumers. He is kicking off a nationwide campaign to prove that a federal truth-in-advertising law is needed. He wants to require advertisers to back up claims everytime a consumer asks. He doesn't want consumers to go through FTC, possibly encountering delay or inaction. Besides, he says, he doesn't believe FTC is equipped to handle the workload.

Since June, the FTC has been demanding documentation of ad claims for autos, air conditioners, electric razors and televisions. Other major product manufacturers are to come. Responses from the auto makers are available to the public at FTC offices in Washington, D.C. GM, for example, was asked to document a claim that the Chevrolet Chevelle really has "109 advantages to keep it from becoming old before its time." Without evaluation and comment, FTC has released GM's answer. Also released was Volkswagen's "proof" about how the Super Beetle is 81 ways different from past models and has as much leg room as a Rolls Royce Silver Shadow.

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TRUTH-IN-ADVERTISING LAW con't.
Sen. Moss, Chairman of the Senate Consumer Subcommittee, is a chief sponsor of truth-in-advertising legislation. In hearings this month, FTC urged delaying action on Moss's bill until its own industry-by-industry advertising substantiation program is evaluated.

"Frankly," says Moss, "I don't think the FTC can do the job. It is my judgment that only through a Truth-In-Advertising Act in which the individual and advertiser deal with one another, can the public be fully served."

In this special message to consumers, Sen. Moss launches a write-in campaign:

> "In order to truly test the Federal Trade Commission's advertising substantiation program, I would like to call upon you and members of your organization for assistance. Every time you witness an advertisement, whether on television, radio, billboards, or in print media, and you would like substantiation for the claims of performance, safety, or efficacy set forth in that advertisement, write a letter to the FTC sending a carbon to me, and set forth the information you want substantiated."
>
> Sen. Frank E. Moss
> New Senate Office Building
> Washington, D.C.
>
> Federal Trade Commission
> 6th & Pennsylvania Ave., NW
> Washington, D.C.

CONSUMERS RESPONDING TO
POISON PREVENTION PACKAGING

Consumers are urging federal action to assure childproof packaging of aspirin, furniture polish and other poisonous products. This message is being delivered to the U.S. Food & Drug Administration on hand-written and typed postcards, psychedelic stationery, engraved formals, and lined grade school notepaper.

What are consumers saying about FDA's proposed packaging requirements to prevent the majority of 3 and 4-year olds tested from opening aspirin containers?

"If FDA wants to require childproof containers, why not go all the way and require that they be 100% childproof." "Why can't the new proposed packaging of aspirin be extended to the packaging of all pills?" "Make the contents childproof, not the bottle." "Do not allow the bureaucratic network comprised of many different personalities, conflicts of interest and all too frequently disinterest in the public deter you from implementing the proposed regulations." "The problem is not just aspirin. Check under your sinks, bedside stands, garage shelves, under the car seat, Mom's purse." "How about aerosol sprays?"

Similar responses by individuals are coming in on a separate FDA proposal to toughen safety closures for furniture polish. Make it official, they say, in short order. "To allow continued laxity," one consumer writes, "is to condone deaths sure to result from chance alone."

Others reflect concern that FDA may yield to industry pressure for less aggressive regulations:

> "It is truly indicative of our warped priorities in this nation when businesses are allowed to promote and sell dangerous household materials with less than maximum protective methods...Manufacturers will cry that they will have added expenses and that women will not be as likely to over-use their products. Let them cry. Parents with poisoned youngsters have cried, too, and children are more important than anyone's profits."
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> "The polish industry should be advised that mothers will start using vegetable oil on their furniture, for the sake of their children's health, if the new FDA regulation is not effected."
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> "In my former parish, one of the families suffered the loss of a young child because it drank some furniture polish. The emotional and mental shock...was grave. Saving the life of but one child is surely worth the trouble, inconvenience and cost ...(to) industries..."

All this concerns the Poison Prevention Packaging Act, a law enacted by Congress 10 months ago. It was set up to stem the annual toll of accidental poisonings caused by medicines, cosmetics, cleaning products and pesticides. At issue is whether the law is to be a paper tiger or a vigorously enforced consumer safeguard.

Under heavy congressional and consumer pressure for implementation of the law, FDA is proposing a testing procedure to provide the methods for evaluating the effectiveness and feasibility of safety packaging for a variety of products. In addition, FDA has announced plans to require safe closures for four specific types of products: aspirin, furniture polish; liniments and other liquid preparations containing more than 5% of methyl salicylate (wintergreen oil); and about 4300 kinds of drugs..

Not yet approved, the testing procedure calls for observing 200 children between the ages of 42 and 51 months to determine their ability to open a closure. The ability of adults to open the special packaging also would be tested. The percentage of effectiveness would then determine if a package can be legally designated as a safety package. FDA expects the standard to vary from product to product depending on its danger to children.

The four proposed closures recommended so far call for preventing at least 85% of the children tested from opening them. Additional special packaging requirements for the two liquid products specify a closure peeventing no more than 2 milliliters (less than half a teaspoon) to flow from the container when it is inverted and shaken or squeezed once.

According to FDA, 54 children died from accidental ingestion of furniture polish between 1965 and 1970. Aspiration of as little as 4 milliliters (less than one teaspoonful) of these polishes can cause serious or fatal chemical pneumonitis. There were 176 accidental ingestions of methyl salicylate from 1968 through 1970. Of these, 33 were hospitalized and 8 died. The closure for drugs is proposed, says FDA, to protect children from ingestion of narcotic, depressant and stimulant drugs used in the home. Reports for 1970 show 945 ingestions and 108 hospitalizations from amphetamine-type products; 437 ingestions and 73 hospitalizations from barbituate sedative products; and 10 ingestions and 5 hospitalizations from methadone. All ingestions cited here involve children under five.

FDA is still accepting comments from consumers and industry on closure requirements for furniture polish, methyl salicylate and drugs. Write to: Hearing Clerk, Rm 6-88, 5600 Fishers Lane, Rockville, Maryland 20852.

NO MORE DELAY ON SAFE PACKAGING, SAYS CFA

On behalf of consumers, CFA is pressing for an "immediate" effective date for safe aspirin bottle closures and recommends rejection by FDA of delays in further deference to industry. First, says CFA, closure bottles have been proven to be commercially feasible and have been regularly used, for the past two years, by the two leading producers of children's aspirins. Second, the dangers inherent in aspirin packaging were underscored by two FDA conferences, the earlier of which was held 13 years ago. Third, aspirin manufacturers were well apprised, by the repeated expressions of concern during congressional considerations of the Poison Prevention Packaging Act, of the fact that its products were intended to be among the first to be regulated following enactment.

In these circumstances, says CFA, and particularly in view of the long delays by government in enforcing a law nearly a year old, immediate implementation is required. Anticipating further ploys by industry to put off final action, CFA has also: (1) warned FDA against precipitous issuance of exemptions; and (2) cautioned that a lowering of the age of the test group would make meaningless the percentage requirement of 85% utilized in the aspirin proposal.

SENATE BILL LOOKS TO
WHOLE NEW BALLGAME ON CONSUMER SAFETY

A new and far-reaching blueprint for protecting consumers from unsafe foods, drugs and other consumer products is in the works. It is set for Senate vote this year if the bill gets final clearance from the Senate Commerce Committee November 4 and if Senate Majority Leader Mike Mansfield's agenda for wrapping up the session holds.

Known as the Consumer Safety Act, the draft bill is the outgrowth of a 2-year study by the National Commission on Product Safety and Senate hearings held last summer. As written, it puts in statutory language mounting concerns and frustrations of organized consumers over the inadequacies of present government regulatory agencies in enforceing laws already on the books.

The bill has a dual purpose. It creates an agency with undiluted responsibility for preventing consumers from being exposed to unsafe products. It consolidates within the new agency various consumer product safety activities now being handled by a number of different agencies.

Not to be confused with the House-passed Consumer Protection Agency Act of 1971, the Senate bill creates an independent Consumer Safety Agency. It would be run by an administrator and commissioners of food, drugs and product safety.

The bill abolishes the U.S. Food & Drug Administration. It deliberately omits an automatic personnel transfer proviso eliminating the possibility of current FDA staff simply shifting name plates.

The CSA administrator is given special authority for staffing the new agency. Its personnel would be subject to law suits initiated by citizens who allege failure to perform duties to protect the public against unsafe products. Employees would not only face court orders requiring performance of responsibility, but fines, suspensions and imprisonment.

The Commerce Committee bill departs from tradition in other respects. In protection against political influence, it removes control of safety programs from White House budget officers. Each of the three commissioners would prepare budgets for public submission to the CSA administrator without prior White House review and revision. Then the total agency budget would be submitted to the President publicly and without prior budget office review. The President would still submit the agency's budget to Congress along with his own or his budget men's estimate of need.

Not only would the CSA have authority to issue overall safety standards for finished products, but also for their composition, design, design procedures, construction, manufacturing process, finish, packaging or marketing techniques and those of component parts.

Manufacturers failing to meet CSA standards could have products banned and be forced to buy them back. They could be forced to repair and replace faulty goods. Imports found to be hazardous could be impounded and destroyed. Manufacturers and businesses would face fines of up to $10,000 and a year in jail.

Background: When product safety hearings were held, the President proposed renaming FDA and consolidating safety functions, but he wanted to leave the new safety agency under the jurisdiction of HEW. Sen. Warren Magnuson (D-Wash), Commerce Committee Chairman, proposed creation of an independent agency handling household products other than foods, drugs and cosmetics. Blending both concepts, the current bill transfers FDA-administered food and drug activities to the CSA. It repeals various consumer safety laws directed at particular products or specific hazards, replacing this piecemeal approach with an omnibus consumer product safety law.

CFA POLICIES ON PRODUCT SAFETY, FDA . . .

"...urge the Congress to provide for continuation, in the most appropriate way, of the work of the National Commission on Product Safety."

"Problems of the Food & Drug Administration continue to multiply...The agency is apparently strangled by its own procedures and suffers from tired bureaucratic blood. It is currently undergoing one of its many reorganizations and reforms. But these actions are unlikely to bring the needed changes any more than previous ones did. A shakeup and a breakup of FDA is probably necessary to alter the incredible habits that have caused so much criticism but that FDA appears unable to shed."

CFA Annual Meeting, January 27, 1971

FDA SHIRKS RESPONSIBILITY
ON PCB'S, SAYS REP. RYAN

After two years of trying to get the U.S. Food & Drug Administration to move against chemical contamination by PCB's -- polychlorinated biphenyl -- Rep. William F. Ryan (D-NY) is seeking federal legislation to ban its distribution in interstate commerce.

"...it is going to take forceful preventive action on the part of the Federal bureaucracy, not the after-the-fact approach which has characterized those agencies in the past," says Ryan. "Perhaps the crux of the matter is best characterized by a statement by an FDA official as reported in the September 3 edition of Science magazine: 'We can't be held accountable for every goddam chemical!'"

Ryan says it is precisely FDA's responsibility to protect the public from the dangers of all hazardous chemical contaminants. "And it is not until FDA begins to live up to this responsibility that we will be able to make any headway in the battle against the increasingly dangerous chemicalization of our environment. If FDA is unwilling or unable to live up to this responsibility," he says, "then these functions should be transferred to an agency that can do so with vigor and enthusiasm."

Ryan notes joint FDA-USDA responsibility for foods, but calls FDA's unfulfilled assumption of most authority an "unconscionable display of disregard for the public health and welfare". These situations, says Ryan, illustrate FDA's failures: Swift & Co. discovery that 50,000 turkeys in Minnesota have been heavily contaminated with PCB's; Michigan's suspension of free distribution of thousands of coho salmon to fishermen because of extremely high levels of PCB's in the fish; the slaughter of 77,000 broilers after Holly Farms poultry producers found high concentration in the fowl; sale of 60,000 contaminated fresh shell eggs in Washington, D.C.; Campbell Soup Co.'s discovery of poultry contamination in New York which led to the slaughter of 146,000 chickens.

FDA "NEGLIGENCE" SCORED BY
SEN. RIBICOFF & HOUSE COMMITTEE

Along with HEW's Center for Disease Control, FDA is now accused of "appalling mistakes" in handling a drug used to combat tuberculosis. "Negligence" is how Sen. Abraham A. Ribicoff (D-Conn) describes the circumstances surrounding use of isoniazid, a potentially dangerous drug. Risk was noted eight months ago by an FDA official who warned that some individuals receiving isoniazid may develop a liver disease. Last summer FDA decided to alert the nation's physicians. The notice was not mailed until this month. In the meantime CDC doctors treated several thousand Capitol Hill employees with the drug, claiming it was "safe as an aspirin." More than 20 people so treated developed hepatitis. Two died. ... The death of a Washington, D.C. man has been laid at FDA's doorstep. He'd eaten sodium nitrate, mislabeled a meat tenderizer. The poison was not recovered during a recall ordered by FDA last winter. This is because FDA failed to monitor the recall. The House Committee on Government Operations Committee says FDA is relying more and more on the voluntary recall mechanism rather than on legal sanctions at its disposal, namely seizure, injunction, prosecution.

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"LEMONS" THAT COST THE MOST
NEED ATTENTION OF ORGANIZED CONSUMERS

If cereal makers are called on the carpet for non-nutritional "dressings" on their products, why shouldn't auto makers be called down for non-functional bumpers? An Indiana GM car-owner in correspondence with CFA says it's the more costly "lemons" that hurt, and this is where organized consumers should concentrate.

Bumpers aren't what they used to be, he says. Neither is chrome. Prices go up and quality goes down. Look over the cars in any nearby parking lot and you'll find more dents and more peeling chrome on the newer model bumpers. Otherwise, he observes, why did a mere tap by his 1967 SS Chevelle ruin a $6000 1971 Grand Prix Pontiac bumper?

CONSUMERS ON THE MARCH

During October, Wisconsin's "Consumer Education Month," the Credit Union League announced support by 300 members for consumer education programs. Consumer League President President Arlene Miller renewed an appeal for kindergarten—grade 12 consumer education studies, adult and senior citizen programs, and urged development of training courses in consumer-oriented financial counseling ... Virginia officials will hold public hearings in December on open-dating of canned infant formula and a requirement that manufacturers provide the state 30 days notice of the physical, nutritional and flavor ingredients, properties and rate of breakdown or loss thereof, guaranteed during the formula's freshness period ... Ralph Nader and the Center for Auto Safety are countering the Department of Transportation's latest postponement requiring installation of auto air bags to protect against front-seat crashes. Suit filed in U.S. District Court would force disclosure of White House communications which Nader contends led to DOT's 2-year extension. "Henry Ford has spoken, Richard Nixon has jumped, and 200 million Americans have been deprived for another two years of the most important life-saving device developed in recent automotive history," says Nader ... Chemical Feast author James Turner plans to set up a national food and drug center with community based groups monitoring U.S. Food & Drug Administration field office activities ... Marion Hildebrandt and Mary Gullberg of Berkeley Co-op have developed a "new dog" without the additives, sodium nitrate or sodium nitrite. They're higher priced than regular hot dogs because a special spice mixture is used and because it requires special mixing, processing and handling. Consumers got what they asked for from this Co-op ... Maryland's unit pricing law, effective January 1, is already working, but estimates are that as few as 25% of the shoppers in some areas are using it ... In its first 6 weeks of operation, the toll-free "hot-line" installed by the Kentucky Consumer Commission drew 150 complaints and 50 inquiries about consumer problems. Georgia is the only other state to have a hot-line service in operation ... The Consumer Federation of Illinois holds its annual meeting November 20 in Chicago ... According to American Public Power Association, residential consumers served by municipal and other local publicly owned electric systems use 36.8% more electricity but pay bills averaging 11.4% less than customers of private power companies ... Three Washington area consumer groups have completed a survey of health and beauty item prices. The Consumer Action Committee of the D.C. Democratic Central Committee, United Planning Organization and Virginia Citizens Consumer Council found price variations of more than 80% on some items and exploitation of inner-city residents by the area's major drug chain. Total cost for 20 items checked ranged from $16.65 to $25.77 in the various stores ... The Arizona Consumers Council is protesting the U.S. ban on importation and sale of Mexican tomatoes forcing consumers to pay higher prices for inferior products. New York City Consumer Commissioner Bess Myerson says tomato prices have risen 40% in the last two winters because of the ban and that Florida growers are getting away with sale of green tomatoes treated with a chemical "to turn them red." ... Miss Myerson is also urging equal time for "anti-commercials" so responsible consumer groups can oppose advertisements found to be deceptive. ###