



news news news news

consumer federation of america

Washington, D.C.

July—August 1975

Dole amendment may strip ACP of food power

American consumers are finally on the verge of getting a responsible advocate in government. After six years of debate, the proposed Agency for Consumer Protection has passed from the Senate to the House—a big step for consumer representation.

But despite this progress, the purpose of the ACP has been seriously undermined. The Senate passed the Dole amendment, a horrendous proposal completely excluding the safety, quality, supply, and price of food from the ACP's jurisdiction.

If the House follows suit and adopts Sen. Dole's (R-Kan) proposal, there will be no consumer advocate in government with responsibility over this area of tremendous consumer concern. By accepting this amendment, "we are in effect telling the American people...that when it comes to food, the government is not going to extend the normal level of protection which it is about to offer to all other aspects of American life which bear intimately on the health, safety, and economic concerns of consumers," charged Senator Charles Percy (R-III).

In a letter to Jack Brooks, Chairman of the House Government Operations Committee, Sen. Percy explained his vigorous opposition to the Dole amendment. He cited several of the many crucial Federal government proceedings that would be excluded from ACP's essential consumer input.

1. Food stamps obviously have an enormous effect on 20 million low income consumers. The Dole amendment would keep the consumer representative out of USDA's decision making processes, such as the department's attempt to raise the price of food stamps.

2. The milk marketing order system has been charged with political corruption and inflexibility for several years. A study prepared for the Justice Department claims that the system allows powerful milk cooperatives to overcharge consumers \$40 million a year and still keep producer payouts

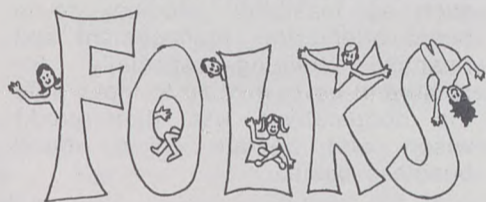
Consumer Protection bill progresses

low. ACP influence would benefit both farmers and consumers, but the Dole amendment prohibits ACP interference.

3. Last March, the USDA approved new beef grading standards that increased the price of "Good" grade beef. They ignored consumer input and it resulted in a permanent court injunction against the new standards. Had the ACP been able to participate in the regulatory process, the USDA could not have proceeded without consumer interests in mind and court action may have been avoided. Yet, the Dole amendment precludes ACP involvement in this crucial area.

4. Consumer input into meat and poultry contamination inspection should be automatic. Yet, the USDA would have allowed marketing of chickens with cancerous tumors had the press not publicized their intention. Even today, the USDA is

Dole Amendment con't pg. 3



This month, the CFA News begins a new feature, "Focus on Local KonsumerS," which spotlights on a different state or local consumer group each month. The regular State and Local Reports section featuring the latest news on consumer legislation and action from across the country, will now be found in a separate newsletter, "You've Got To Move," which will be published by the State and Local Organizing Project every three weeks. News stories, articles, features, comments and suggestions should be sent to CFA's State and Local Organizing Project, 1012 14th St., NW, Washington, D.C. 20005.

In the spring of 1973, six people met in a basement in Silver Spring,

ACP needs a big consumer push

It is now expected that the Consumer Protection Act (HR 7575) will come before the full House for a vote shortly after the August recess.

An attempt at markup, by Rep. Don Faqua (D-Fla), to delete the labor-management provision of the bill was unsuccessful. Shortly before that session, Minority Leader John Rhodes (R-Ariz), met with the Republican members of the Government Operations Committee, which has jurisdiction over this consumer legislation. Emphasizing the President's strong opposition to the bill, Rhodes sought to persuade the Republicans to unite in its overwhelming defeat. It has become clear that the Administration has pulled out all stops and is directing numerous government officials to wage an active lobbying effort for its defeat.

The Chamber of Commerce, National Association of Manufacturers and other such groups are flooding Congress with mail opposing a consumer protection agency. The Chamber of Commerce's computer has been grinding out thousands of letters daily and the Federation of Businessmen is about to mail over 60,000 letters to Congress. Clearly grassroots consumer efforts will make the difference. Members of Congress must hear from consumers. It would be particularly effective for consumers to personally contact and meet with members who will be home during the August recess. Please act NOW!

Prior to mark-up, on June 17, 1975, Carol Tucker Foreman, executive director of CFA, appeared before the House Government Operations Committee to testify in support of the ACP. Citing numerous examples of agency decisions which have adversely affected consumers and which were made without consumer input, Ms. Foreman emphasized the crucial need for a truly independent non-regulatory consumer advocacy agency. Such an agency

ACP con't pg. 4

Focus On Local KonsumerS

This Month: Maryland Citizens Consumer Council

Maryland for the purpose of activating and articulating the voice of the Maryland consumer. Just over two years later, this seed has grown into the Maryland Citizen's Consumer Council, one of the most effective, progressive and dynamic consumer groups in the nation, with over 300 members and 50,000 affiliates.

"Although our concern was with consumerism in general, we realized that it would be most effective to organize initially around one central issue," explains Ellen Haas, the founding president of MCCC, who had been Director of Consumer Education for the Montgomery County Office of Consumer Affairs and was an active participant in state Democratic politics. "Just as we incorporated, the National Meat Boycott was gaining strength, so we undertook the coordination of the Maryland effort. It was both an educational vehicle and an effective means of gaining visibility and membership."

Established groups help

For guidance and assistance, MCCC contacted Lynn Jordan, president of the Virginia Citizens Consumer Council, which had been established in 1968, and Ann Brown, president of the Consumer Affairs Committee of the D.C. Chapter of Americans for Democratic Action. Their expertise proved invaluable and a close working relationship between the three groups was established and continues to the present time.

Armed with 10,000 recipe brochures for meatless meals, the small core of

MCCC founders rallied in front of supermarkets across the state. They gained recognition, press attention, credibility and members; the fledgling group was off and running.

Shortly after their initial success, MCCC held its first public meeting, focusing on the question, "What are the problems in food marketing for consumers?" They invited other community, neighborhood and religious groups to join them with them to hear guest speakers with expertise in food marketing.

At that time, issue committees on such topics as Food Marketing, Energy, Product Safety and Legislation were established and four legislative priorities were set for the coming year. They were (1) a comprehensive Consumer Protection Act for the State of Maryland, (2) mandatory consumer representation on all boards of licensing and regulation, (3) auto repair disclosure laws and (4) campaign financing reform.

After much time and effort coordinated by Leg. Chm. David Scull regular meetings with delegates, testimony, drafting legislation and intense lobbying, all four targets became law. Quite an accomplishment for a one year-old group with a budget of \$1,000! (The finances have always been under the watchful eye of Harold Krauthammer, a founder and treasurer)

What goes on in Annapolis, however, is just part of MCCC's objective. The other parts are public education and citizen action. MCCC has achieved these goals by a variety of unique projects and events.

Folks con't pg. 2



Maryland Citizens Consumer Council in Action: Members of the MCCC join other consumer groups to picket the White House on April 18, 1973, to protest the high cost of meat.

# SPEAK OUT!

By Shelby Southard, Legislative Director for the Cooperative League of USA

After testing the waters, and wading into the rapids in our fight to keep our heads above water amidst rising prices, we consumers are finally ready to take the big plunge. The impetus was sparked by a comment from Ralph Nader at this year's Consumer Assembly, when conferees at the annual meeting of the Consumer Federation of America adopted a resolution favoring the establishment of a

National Consumer Cooperative Bank. This Bank would be patterned after and would draw upon the experience and principles that have made the nearly 60-year-old user-owned Cooperative Farm Credit System so successful. That organization now lends \$27 billion a year, and there's no reason to doubt we can do just as well.

## Coops urged

At the meeting Nader pointed out that attempts to regulate business in our inflation and depression ridden economy usually end up with those to be regulated doing the regulating. It is a frustrating experience. He suggests that if consumers really want to have an effect on the economy they should build strong cooperatives to serve themselves the way they want to be served. He says what we need is a bank for consumer cooperatives to provide the necessary financing for such enterprises. How true!

We of the Cooperative League of the USA are proud that the Co-op League, in consultation with CFA and many other groups, is drafting such a proposal which it expects to be introduced in Congress soon. The proposed bill would establish the National Consumer Cooperative Bank to close the gaps between existing cooperative sources of credit for cooperatives.

How would this Bank work? It would not compete with existing cooperative sources of credit. The Government would supply the original capital. Borrowing cooperatives would gradually replace the government-owned

capital with their own and would thereby acquire ownership of this Bank as they build up equity in it. The Bank would obtain its loan funds by selling securities to investors. It would be under the policy guidance of a Board of Directors. At the outset, the Board would be appointed by the President with the advice and consent of the Senate. In recognition of the Government's major investment in the Bank, seven of these directors would be Cabinet or other officers from departments involved in financial, cooperative, and consumer-related affairs. Six appointees would be from cooperatives. As the Government capital is retired, an increasing number of directors would be elected by cooperatives using the Bank until it was completely borrower-controlled.

The Bank would be supervised by a small independent agency which would report to Congress and the public on the progress of its operations and how it meets the broad policy guidelines established by Congress. This agency would also supply much needed technical assistance such as feasibility studies, co-op board orientation, management and financial training—especially for small and new co-ops—to make sure the cooperatives use their credit wisely and operate on a sound business basis.

Any business needs to have a sufficient supply of risk or equity capital, usually supplied by the owners, to warrant creditors making loans to them. The Agency will, therefore, be responsible for the

operation of a self-help revolving development fund that will be used largely to supplement member investments in the equity capital for new cooperatives and for those organized by or serving low income people. Such investments would only be made to cooperatives that have a workable plan to gradually repay the Government capital as members build up their investments in them.

It is anticipated that with the establishment of a consumer cooperative-oriented bank, we, as consumers, can and will build an increasing number of strong cooperatives to solve many of our own problems. We will not only have a voice in running our own bank, but also have the advantage of having the availability of highly essential technical assistance. Through competition, we can start having a *real* impact on the economy and the world around us. We can improve the quality of the goods and services and facilities we use in everyday life. We can reduce the price spreads between producers and consumers. As a result we will have less need to turn to government to set up costly and in many cases ineffective, regulatory agencies and government services.

Practical involvement in successful consumer cooperatives will increase our level of economic education and business know-how. Wide membership involvement in successful consumer cooperatives in such fields as consumer goods, services, health, and possibly even new sources of energy, can and will lessen our frustrations of feeling that we are the victims of big organizations and the high concentration of economic power. We can develop our own consumer power!

## People power

America is grounded in the tradition of individual ownership of land, farms and businesses. With skyrocketing costs and the huge investments needed to get into business, widespread individual ownership is impossible. But people can and do still have the opportunity to own, control and operate businesses together through the proven mechanism of cooperatives. Together we can own and control much more of the businesses that serve us, if we but have the will to organize, to invest our time and money and have an adequate source of borrowed capital. A National Consumers Cooperative Bank, sensitive to our cooperative needs, can provide such loan financing if we show our representatives in Washington the need for it and explain to them how we can use it to solve many of our own problems without continuing to need huge outlays of taxpayer dollars.

If you're ready to enter the big race now you just might win the gold medal. The big prize will be won if each and everyone of us is willing to work for this concept. Can we count on you to write to your congressmen urging them to support this measure? The stakes are high but the effort will certainly be worth it.

## FOLKS—from pg. 1

For example, when Secretary of Agriculture Earl Butz spoke at a local shopping center, Ellen Haas and Naomi Kukulov led the Maryland delegation to a public confrontation which demanded that USDA officials meet with consumers on a regular basis. This led to a series of five briefings on subjects such as beef grading and grain reserves. Consumers are denied any real impact within USDA, and the meetings have unfortunately not been regular, but these efforts were a big step toward gaining public access to USDA.

Another project called "Consumer Awareness Day" turned a local shopping mall into a series of educational booths on food, auto repair and real estate. Thousands of shoppers got the opportunity to meet and discuss their problems with experts in these fields. In conjunction, MCCC members took the opportunity to take consumer attitude surveys from the assembled crowds. The survey results were useful in setting legislative priorities for the coming year.

## Getting the word out

To further help get the word out, MCCC members do two local radio shows each week, which have gained enthusiastic audience response. They also run a Speakers Bureau which informs community groups about consumer issues. MCCC has published and distributed a "Supermarket I.Q." booklet designed to test consumers' familiarity with nutrition and food safety. This project was directed by Naomi Kulakow. The Food Marketing Committee has also just completed a S-M attitude survey of 900 shoppers. This effort coordinated by Diane Iredell will be used in negotiations and legislative work.

MCCC organizing projects include a Task Force on School Lunches, headed by Georgia Rimple and the Consumer Search Project which was established to get qualified consumer representatives on state regulatory commissions. They publicize the openings, send recommendations to the governor and hold training sessions for appointees.

Current events can also spur special projects. During the energy crisis, for example, MCCC directed a comparison survey of retail gasoline prices and contributed to the formulation of the alternate day plan for buying gasoline.

Currently, a top legislative priority



Ellen Haas—founding president of MCCC

is getting the States' Consumer Protection Office to truly represent, protect and advocate for Maryland's consumers. After the Consumer Protection Act was passed in 1973, the Chief Consumer Protection Division of the Attorney General, who had opposed the legislation, complained that he did not have a sufficient budget to operate it effectively. Last year, with the assistance of MCCC, he asked for and was granted a \$750,000 appropriation. MCCC will be closely monitoring the use of those funds.

A second major priority is "visible pricing," or the enactment of legislation which would insure that prices remain on all packaged consumer commodities. Last year, the Maryland House passed the bill, but strenuous lobbying efforts from Giant Food

(which has two Maryland stores equipped with electronic check-out systems), kept the bill from coming to vote in the committee which had jurisdiction. MCCC will try again next year, while Food Marketing co-chairman Diane Iredell continues with UPC action projects.

At its Annual Meeting in June, Ellen Haas ended her two years as MCCC president and passed the gavel to Nancy Erwin. Ms. Erwin has been a member of MCCC since its beginning and has a Masters degree in Consumer Marketing from University of Maryland. She hopes to expand MCCC effectiveness into the Baltimore area, where there is currently no active consumer organization.

What has been the secret of MCCC's success? Ellen Haas feels that any group must be a focal point for citizen involvement. Since MCCC is an all-volunteer organization, each individual must be allowed to contribute and get recognition for his or her efforts. (Ellen notes that there are four men on the 15-member MCCC Board, and emphasizes that consumerism cannot be just a women's issue).

"A successful consumer group cannot be just one person," she concludes. "If the group as a whole gains recognition for the combined efforts of each individual, the group will be a success."

In last November's elections, consumer issues took on new significance at the polls. Economic recession, the soaring cost of living, and growing mistrust in government pushed consumers to demand representation. Constituents carefully scrutinized the candidates' voting records, and, in many states, voters elected representatives who sided with consumers instead of big business.

Consumer Federation of America's voting record was widely distributed and publicized by local consumer groups. The result? One third of the congressmen who had consumer ratings less than 25 percent during the 93rd Congress were ousted. Consumers' attempts to get many of these "consumer crushers" out of Congress were successful.

But despite this mandate from the people for a more responsible government, many of these anti-consumerists remain in government in positions of influence on consumer issues. Twenty percent of the congressmen replaced last November are working for the federal government today. It was not the voice of the electorate that kept them in government; it was the back-door route of a Presidential appointment.

"Tragically, President Ford placed these anti-consumerists in powerful positions where they can continue to influence public policy against the needs of consumers," charged Carol Tucker Foreman, executive director of CFA.

For example, former congressman Wilmer Mizell (R-NC) was appointed Assistant Secretary for Economic Development in the Department of Commerce. He is being paid more than \$40,000 a year to plan long range economic development in areas suffering from severe unemployment and low family incomes, including the administration of public works grants and loans.

Yet Mizell voted against consumers in all five Congressional votes aimed to protect unemployed and low income consumers from the energy crisis in 1974. In fact, Mizell's record includes only one vote for consumers; he supported final passage of the Consumer Protection Agency—after voting for all the amendments which would have severely weakened the CPA's power.

Robert P. Hanrahan (R-Ill) is

another former congressman who supported the amended CPA, and only two other consumer issues. Hanrahan is now Deputy Assistant Secretary of Education in the Department of Health Education.

Former congressman William J. Scherle (R-Ia) also has sweeping jurisdiction as Confidential Assistant to the Administrator—Programs of the Agricultural Stabilization and Conservation Service in the Department of Agriculture. He administers the specified commodity and related land use

his obligation to consumers and appoint officials who have demonstrated their unresponsiveness to consumer interests," charges Kathleen O'Reilly, CFA's legislative director.

Former congressman Lamar Baker (R-Tenn) did not vote for consumers in a single vote last year either. Baker is a consultant to the Department of Transportation, a job that pays up to \$138.40/day. This agency administers several programs important to consumers, including the Na-

per year, John Dellenback (R-Ore) is Associate Director for Action's Office of International Operations.

- As second in charge of the selective service, Deputy Director Robert B. Mathias (R-Cal) also receives \$36,000/year.

Many former congressmen did not manage to obtain appointments to high paying government jobs, but still hold positions that could influence consumer issues in Washington.

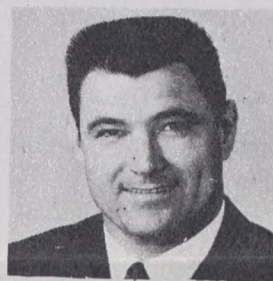
- Craig Hosmer (R-Cal), President of the American Nuclear Energy Council, did not vote in favor of even one consumer bill in 1974.
- William Minshall (R-Ohio), political consultant for Congressional Associates, did not vote in favor of even one consumer bill.
- Roger Zion (R-Ind) is president of Resources Development, Inc.
- John E. Hunt (R-NJ) just completed a successful lobbying effort against the override of the President's veto on the strip mining bill in the House.
- Dick Shoup (R-Mont) is Staff Assistant to the Minority Leader.

Some "consumer crushers" have been sent completely off the scene (Earl B. Ruth (R-NC), Governor of American Samoa; former Senator Peter H. Dominick (R-Colo), Ambassador to Switzerland.)

Some have just left the consumer problem behind (Walter E. Powell (R-Ohio), teacher; John N. Happy Camp (R-Okla), banker; Edward Young (R-SC), farmer; David Towell (R-Nev), real estate; John R. Rarick (D-La), nation wide speaking tour; Clem Rogers McSpadden (D-Okla), touring rodeo MC.

Other "consumer crushers" have met less fortunate ends. Former congressman Wendell Wyatt (R-Ore) pleaded guilty to accepting illegal campaign funds earlier this year. Former Senator Edward J. Gurney (R-Fla) is now on trial for undisclosed campaign contributions and taking favors in return of FHA mortgages, loans, buildings and housing rights.

The Consumer Federation of America applauds the freshmen congressmen and women who have replaced these anti-consumerists, and will hopefully pave the way for a government more responsible to the people.



Wilmer Mizell



William J. Scherle



Ben B. Blackburn

## 1974 "Consumer Crushers" Still Powerful

by Gloria Nordstrom, intern from the University of Michigan

programs, product adjustment, resource protection, and price, market and farm stabilization.

Incredibly, Scherle voted against an amendment to the Commodity Futures Trading Commission that would have insured a more stable food supply and lower prices.

Even worse, according to the National Farmers Union, Scherle only weakly supported the farmer's position last year by voting incorrectly on two thirds of the issues. He also voted against the CPA.

Former Congressman Ben B. Blackburn (R-Ga) did not support the CPA or any other consumer issue in 1974. Nevertheless, he is being seriously considered for appointment to the powerful Federal Home Loan Board. The Board supervises the Federal Housing Loan Board System, the Federal Savings and Loan System, and the Federal Savings and Loan Insurance Corp.

But Blackburn's votes show an appalling insensitivity to consumer interests. "Blackburn is remarkably ill-suited to the job and represents another example of President Ford's tendency to shirk

tional Highway Safety Administration, the Urban Mass Transportation Administration, and the Federal Highway Administration.

Several other former congressmen supported little more than the amended CPA and are reaping the benefits of high paying government positions. Those working at presidential appointment level 4 receive \$38,000/year!

- Victor B. Veysey (R-Cal), Assistant Secretary of the Army for Civil Works, Pentagon Corps of Engineers is in charge of the National Cemeteries and the Panama Canal Zone.
- Assistant Secretary of the Army in charge of Manpower and Reserve Affairs is Donald G. Brotzman (R-Colo).
- As a commissioner on the Federal Elections Commission, Vernon W. Thomson (R-Wis) regulates presidential elections.
- Henry P. Smith III (R-NY), Chairman of the U.S. Joint Commission—U.S. and Canada, controls the boundary waters, the rights between countries, and water quality.
- At two thousand dollars less

The above examples relate to USDA programs, but the ill-effects of the Dole amendment are even more far-reaching. They include:

- The use of chemical growth stimulants in cattle, including DES, which has been linked to cancer;
- Numerous Federal Trade Commission activities that affect the food industry, such as an investigation of supermarket conspiracies which fix the price of beef;
- Activities falling under the Federal Water Control Act, including the regulation of discharge permits for feed lots, meat, sugar and dairy processing, grain mills, and fertilizer manufacturing;
- EPA activities under the Clean Air

Act regulating air pollution which is seriously threatening agriculture in some areas;

- Investigations of farm retail price spreads by the Council on Wage and Price Stability.

Finally, the Dole amendment is indicative of a misconception that the CPA would take positions adverse to the farmers and would disrupt the agricultural system. This assumes that all government processes now favor the farmer. That theory has repeatedly been proven wrong. Consider, for example, the Russian wheat deal and soybean embargoes, to name but two.

The Dole amendment position ignores the fact that more vigorous

action by the USDA, the FTC, and the Department of Justice against price-fixing and other anti-competitive situations in the food industry would greatly benefit farmers and consumers

It must be emphasized that the essential function of the CPA is to represent and argue the consumer viewpoint when agency decisions substantially affecting our health, safety, and economic welfare are formulated. By excluding agriculture from the CPA's jurisdiction, the Dole amendment is an outrageous limitation on the CPA's scope and effectiveness as a consumer advocate.

CFA urges you to write or visit your congressperson during the August recess and vigorously oppose this crippling amendment.

### Dole Amendment from pg. 1

reevaluating which diseased and contaminated parts of chickens must be trimmed before marketing. The consumer voice will not be heard if the Dole amendment is accepted.

5. Under the Agricultural Marketing Agreement of 1937, the USDA can regulate the volume of fresh produce moving into a market during a certain time and the quality and packaging of certain fruits and vegetables. There is no ongoing or effective consumer capacity to present information to the USDA on these issues, even though they invariably result in price hikes for consumers. That system would continue unchallenged under the Dole amendment.

## Legislative Wrap Up

### No-Fault Auto Insurance

On July 8, 1975, Kathleen F. O'Reilly, Legislative Director of CFA, testified before the House Commerce Subcommittee on Consumer Protection and Finance in support of HR 1900, the National No-Fault bill, (which is substantially similar to the Senate version, S. 354.) CFA did, however, recommend three changes in the legislation.

1. The threshold which triggers the payment of disability liability should be raised to 180 days, with a resulting 3 cents per premium dollar saving; a 90 day threshold is presently contemplated by the bill.

2. The \$5,000 subrogation deductible should be reduced to \$100 in conformity with the revised language of S. 354. This would represent a more equitable portion of the no-fault savings being passed on to private passenger vehicle owners, rather than passing the bulk of the savings to the commercial owners.

3. Consumers should be offered coverage at prices which reflect the availability of adequate benefits for auto accident, medical and hospital costs, and loss of wages from reliable sources, such as the health insurance carriers who now are considered outside of the auto insurance system. This would avoid having the problem of consumers having to pay twice for the same coverage. It is anticipated that such a "coordination of coverage" provision under existent Michigan law has saved consumers in that state some \$60 million dollars.

It is not expected that the No-Fault bill will be voted on by the Senate earlier than late September.

### Consumer Leasing

In early July, Ms. O'Reilly testified both in the House and Senate in favor of a proposed amendment to the Truth-In-Leasing Act. This amendment would require that certain affirmative disclosures as to cost and liability be given to the consumer before the consummation of a consumer lease of personalty. The bill also affords specific private and class action relief for violations of the standards.

Citing Federal Reserve Board statistics on the increased trend in leasing, Ms. O'Reilly stated that in today's economy, more and more consumers elect to lease rather than purchase an item because they do not want to spend any more cash than absolutely necessary—particularly when today's dollar is worth significantly more than tomorrow's.

However, she urged that several provisions of the bill be strengthened.

The bill should specify that its safeguards also apply to leases paid for by credit card.

The consumer lease disclosures set forth in the bill should be expanded so as to inform the consumer of a specific description of the leased item. For example, manufacturers' registration numbers, design numbers, etc. should be included so that misrepresentation will be discouraged and a dissatisfied consumer can deal directly with the manufacturer.

The disclosures should also include a statement describing the nature and scope of express and implied warranties which apply to the product and a statement of what responsibilities the lessee bears in order to secure performance of these guarantees.

### Credit Discrimination

On July 15, 1975, Ms. O'Reilly testified before the Senate Banking, Housing & Urban Affairs Subcommittee on Consumer Affairs in support of S. 1927, the Equal Credit Opportunity Act Amendments. These amendments would broaden present law so as to prohibit credit discrimination based upon age, race, color, religion, national origin, political affiliation, sex or marital status, or receipt of public assistance.

CFA urged that the scope be expanded, so as to ban credit discrimination against low-income consumers. Though marginally beyond the threshold for receipt of public assistance, they are nonetheless victims of credit discrimination because creditors too often do not look at the applicant's total economic profile.

The establishment of at least limited credit is essential today not only for long term purchases, but as a means of identification for writing checks, making reservations, etc. Therefore, it is imperative that the conscientious hard-working low-income consumer not be denied access to the credit system.

That provision of the bill which would require that the reasons for the denial of a credit application be set forth in writing and furnished to the consumer, was applauded by CFA as a critical feature of any meaningful credit discrimination legislation.

It was further urged that at least fifty percent of the Advisory Committee to be established by the Federal Reserve Board include consumer representatives and that their annual report, including recommendations, be included with the Board's annual report to Congress.

### Book Review

#### *Fat-Cats Victimize Consumers/Farmers*

The consumer/farmer be damned! That's the attitude of the fat-cat corporations who are squeezing the small independent farmers and force-feeding the American public with overpriced, undernourishing and chemically corrupted food, according to Jim Hightower's new book, *Eat Your Heart Out: How Food Profiteers Victimize the Consumers*.

Hightower has combined his background as former director of the Agribusiness Accountability Project, a Washington based watch dog over agribusiness, and his humorous writing style to skillfully mix the tragedy and the comedy of big business bullying. *Eat Your Heart Out* is as entertaining as it is informative. Hightower catches the food industry in some embarrassing and very funny situations.

But in essence, the book is a serious expose of the American food oligopolies. It shows how ITT, Tenneco, Standard Brands, Kraftco, Del Monte, Borden, General Foods, General Mills, and others can exercise control over every phase of the food industry.

Hightower presents the evidence against these food conglomerates based on his five years of experience with the Agribusiness Accountability Project. He was instrumental in founding AAP in 1970. Hightower is currently on the Consumer Federation of America Food Committee.

#### Order Now

*Eat Your Heart Out* is available through CFA for \$8.95 less a 40% discount. If you are interested, contact CFA, 1012-14th St., NW, Washington D.C. 20007.

### ACP from pg. 4

would have the economic and legal expertise to present data in support of the consumer viewpoint on appropriate issues.

She explained how the creation of a ACP would be a meaningful and logical part of comprehensive regulatory reform and would help restore the balance between business and consumer representation before government agencies and the courts.

Specifically in regard to HR 7575, Ms. Foreman detailed CFA's suggestions for improving the bill. She urged that: (1) There be a presumption that the agency be permitted to intervene in judicial review of agency decisions even though the ACP had not participated in the original action. Only if such intervention would "impede the interest of justice" should such intervention be prohibited. As presently worded, the bill creates a

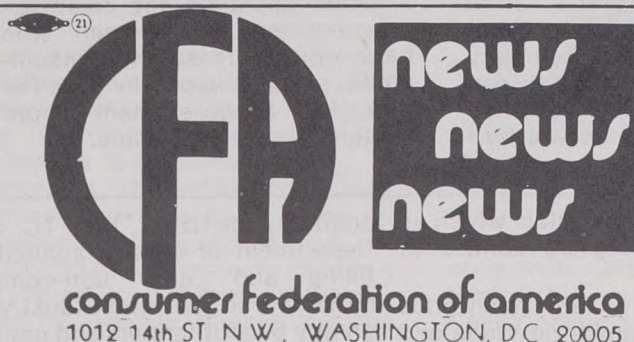
presumption of non-intervention.

(2) The agency heads have a term of office identical with that of the President and be subject to removal for cause only. Such a provision would help ensure the political independence of the agency head and avoid future "Saturday night massacres."

(3) The ACP maintain frequent communication with other agency heads who would advise the ACP what actions they are taking on complaints.

(4) Broader functions should be assigned to the ACP, including the publication of a consumer register, consumer education programs, and the application and use of technology for consumers.

(5) The ACP should be directed to have comprehensive communications with state and local agencies and language should be reinstated in the bill which would provide for grants to state and local public agencies.



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