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consumer federation of america

Washington, D.C.

December 1975

# Consumer Assembly '76: Historic step toward change

At Consumer Assembly '76, consumer leaders from throughout the country will be given the opportunity to meet and question a bipartisan group of presidential candidates on consumer priorities for 1976. The conference will take place Jan. 21-24, 1976 at the Statler Hilton Hotel in Washington, D.C.

In addition, Senators Hubert Humphrey (D-Minn.), Edward Kennedy (D-Mass.) and Ralph Nader will present keynote addresses targeted on identifying and offering solutions to the major problems currently facing American consumers.

William Simon, Secretary of the Treasury will be representing President Gerald R. Ford, as he outlines the Administration's consumer platform with particular emphasis on economic policy.

The impressive list of candidates who will address Consumer Assembly '76 includes Texas Senator Lloyd Bentsen, Georgia Governor Jimmy Carter, former Oklahoma Senator Fred Harris, Washington Senator Henry Jackson, former North Carolina Governor Terry Sanford, Pennsylvania Governor Milton Shapp, and Congressman Morris Udall.

Each of the announced candidates and Secretary Simon will detail their proposals on vital consumer issues such as energy, food, antitrust, finance, health and safety. After each presentation, a panel of three consumer leaders will question the candidates.

Consumer Assembly '76 is an historic event for American consumers. It will mark the first time that so many consumer leaders will be given the opportunity for an open,

## ★★★★★★★★★★★★★★ The keynoters ★★★★★★★★★★★★★★★



Senator Hubert Humphrey

honest exchange with candidates who seek to lead the country for the next four years. Consumer Assembly's goal is to insure that each party will arrive at and be committed to a maximally responsible consumer platform.

### Workshops

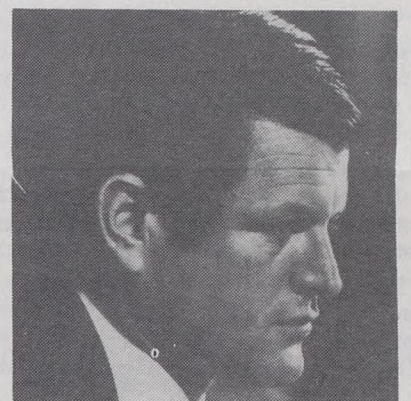
Based on the responses to extensive questionnaires sent to both state and local consumer activists and government consumer protection officials, CFA has created eight workshops designed to give practical, "how to" knowledge on a



Ralph Nader

variety of critical consumer concerns. Of particular interest to state and local consumer advocates will be the sessions entitled, "Utility Intervention: Power Through Litigation and Citizen Action" and "Organizing for Political Power, 1976." Panel members will include both grassroots and nationally recognized professionals with expertise in the mechanics of utility reform and organizing.

During the "Fundraising: \$\$\$ for Action" workshop, (Cont. on p. 4)

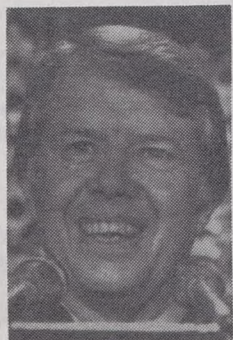


Senator Edward Kennedy

## ★★★★★★★★★★★★★★ The candidates ★★★★★★★★★★★★★★★



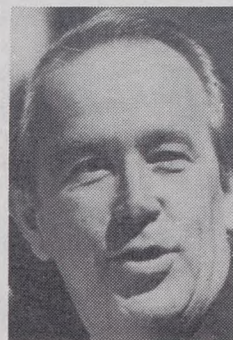
Texas Senator Lloyd Bentsen



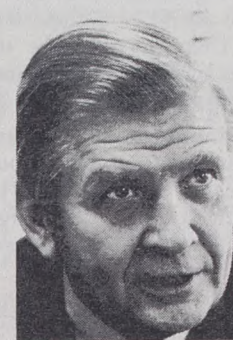
Georgia Governor Jimmy Carter



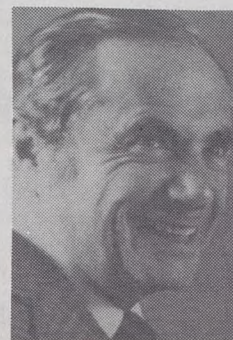
Former Oklahoma Senator Fred Harris



Washington Senator Henry Jackson



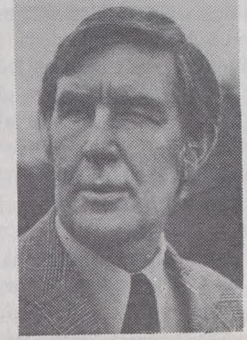
Former North Carolina Governor Terry Sanford



Pennsylvania Governor Milton Shapp

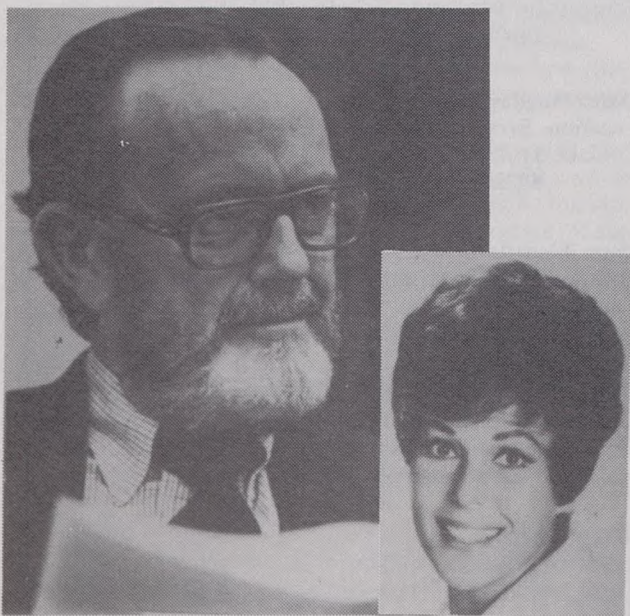


Secretary of the Treasury William Simon (for Pres. Ford)



Arizona Congressman Morris Udall

## ★★★★★★★★★★★★★★ And a special award for a special person ★★★★★★★★★★★★★★★



—Senator Philip A. Hart will be presented a special award at Consumer Assembly '76. Consumer advocate Bess Meyerson will be presenting the award.

For nearly twenty years, American consumers have had Philip A. Hart as a sensitive friend, articulate advocate and courageous leader in the United States Senate. Even before consumerism had a name, its principles were embodied in the philosophy and actions of this unique individual.

Since Senator Hart has announced his intention to retire from public office after this session of Congress, the Board of Directors of Consumer Federation of America unanimously voted to create a special award to honor his outstanding achievements. The ceremony will take place at the Consumer Assembly '76 luncheon on Friday, January 23. Consumer advocate Bess Meyerson will be presenting this award.

Senator Hart was the first recipient of CFA's Distinguished Public Service Award in 1971. He was overwhelmingly chosen because, since 1958, when Senator Hart began his first term as a Senator from Michigan, he has been the author or co-sponsor of almost every major piece of consumer legislation enacted by Congress.

He wrote the Drug Safety Act of 1962, the Truth-in-Packaging Act of 1966 and co-sponsored the Truth-in-Lending Act.

The Senator also created an amendment to the 1973 Alaska Pipeline Act, strengthening the Federal Trade Commission's ability to secure line of business economic data from the nation's largest businesses, and authored the Motor Vehicle Information and Cost Saving Act of 1972.

Likewise, he has led efforts to strengthen reform of patent laws, and he developed provisions of the Antitrust Procedures and Penalties Act of 1974 which stiffened penalties for violations of the Sherman Act.

As chairman of the Senate Antitrust and Monopoly Subcommittee, he has conducted hearings which helped break up an international cartel in the sale of quinine and quinidine; encouraged industry to reform franchising agreements; developed a law requiring the licensing of medical laboratories, encouraged the Food and Drug Administration to remove dangerous diet pills from the market; and urged the Federal Trade Commission to see that the public receives information about the cost of funerals.

Just recently, Senator Hart introduced the Consumer Insurance Information and Fairness Act which would require detailed cost and benefit information on life insurance policies. He has also introduced the Industrial Reorganization Act which states that oligopolies are not in the public interest and that accordingly, there will be mandatory divestiture of most oligopolies.

Throughout his tenure in Congress, Philip Hart has led heroic and often lonely battles on behalf of American consumers. Even after he retires, his public career will inspire consumers to pursue and achieve his ideals. Please join us in honoring him and thanking him for being a cherished friend and defender of all the most precious consumer and human rights.

## Editorial

## More empty chairs

Proponents of the Consumer Protection Agency often argue that while industry is always present at regulatory agency proceedings, consumers are most often represented by an empty chair. Those are not the only empty chairs in town.

Currently, there is a lengthy list of regulatory agency seats which remain vacant awaiting Presidential appointments. The recent resignations of Federal Trade Commission Chairman Louis Engman (effective Dec. 31), Federal Power Commissioner William L. Springer (effective Dec. 31), and Federal Reserve Board Governor Jeffrey M. Bucker (effective Jan. 1) and Richard O. Simpson, Chairman of the Consumer Production Safety Commission are four key jobs which President Ford must fill.

While CFA, consumer-minded Congressmen and other consumer groups have urged the White House to nominate strong, independent commissioners, the name that emerged to fill the vacancy for Chairman of the Consumer Product Safety Commission gives an indication of the caliber of appointments we can expect for the other three key slots.

He is S. John Byington, currently Deputy to Virginia Knauer, Special Assistant to the President and Director of the Office of Consumer Affairs.

The President has spoken frequently of his desire to improve the regulatory process. There is no better way to approach this desirable goal than through the appointment of highly qualified, independent commissioners.

## Ford unveils "Consumer Representation Plan"

On Thanksgiving Eve, the Ford Administration unveiled its new "Consumer Representation Plan" which proved that consumers will have little to be thankful for in the future.

The 181 page, 17 agency plan purports to make the Federal bureaucracy "more responsive to the needs of the American consumer."

"In reality," noted CFA's Executive Director Carol Tucker Foreman, "The Administration's new plan started as a thinly veiled attempt to undercut creation of an Agency for Consumer Protection, and has not risen above that."

Foreman noted that the plans do not include any provision for improving the consumer representation within regulatory agencies. Nor did any department or agency seek input from consumers in the formulation of their plans. Members of Congress were not consulted.

One demonstration of the questionable sincerity behind the plans was the refusal to admit consumer representatives to the press conference at which the plans were released. When CFA and Ralph Nader's Congress Watch requested permission to attend, it was denied because "the room would be filled to capacity."

Hearing this, Foreman stated, "The exclusion is a fairly good indication of just how responsive the Consumer Representation Plan will be."

Since each agency was asked to come up with its own plan, the proposals vary widely from one department to another. They range from little more than public relations departments in some cases to the establishment of special consumer complaint offices in others.

Key department plans demonstrate little substantive change. The USDA program refers to the Agricultural Marketing Service as having an "indirect relationship" to consumers. Consumers think that any office which can

The recent appointment of S. John Byington to be Chairman of the CPSC is an excellent example of how not to generate effective regulation. Byington's chief qualification for the post, which has a term of seven years and is likely to run into the administration of another President, is that he is from President Ford's home town of Grand Rapids and worked in a Ford congressional campaign.

For the past year and a half, Byington has served as Deputy to Virginia Knauer. His tenure in that position has not been distinguished. There have been no major accomplishments in the Office of Consumer Affairs. In fact the event which stands out most clearly during Byington's time in the OCA is the about face on the Consumer Protection Agency bill. Mrs. Knauer and her staff were favorable to the CPA until last spring. After President Ford listened to pleas from some corporate interests he came out against the legislation, reversing the position taken when he was a Congressman.

Knauer and Byington were unable to get the President to see the desirability of the CPA and unable or unwilling to secure appointments with the President for consumer advocates who might have argued the case more convincingly.

Byington responded to the President's reversal in position on CPA by reversing his own. This about-face was probably helpful in securing his nomination as chairman of CPSC. However, such a good soldier devotion can hardly be listed as a qualification for chairmanship of an independent regulatory agency.

If this is the quality of nomination to be expected from the President, perhaps empty chairs are preferable. For these reasons, we urge the Senate to refuse to accept Mr. Byington and other nominees who are unsuitable as protectors of the public interest.

affect the price of beef through their jurisdiction over beef grading standards, has a very direct relationship to consumers.

Further, the USDA plan does not specify in any way what kind of input will be sought from consumers, or what guarantees there will be that consumer recommendations are considered. It also fails to detail what recourse consumers will have if they believe the agency has not given their suggestions full consideration. The USDA Committee for Consumer Responsiveness is made up of the same USDA officials who have been ignoring consumers for years. Plans for that committee state that consumer liaisons may be invited to attend committee meetings. There is no right to attend. There is no right to participate. There is no guarantee that relevant information will be made available. There is no appeal.

The Administration has announced a series of hearings across the country to secure public comment on the plans. The dates of these special briefings are listed on the accompanying chart. CFA urges all interested consumers to attend these briefings and to expose them for the pathetic sham that they are.

What will all this cost? It would appear that implementation of the new plan, plus the cost of the travelling road show extravaganza will cost taxpayers much more than the Agency for Consumer Protection.

Consumers must let the Administration know that we will not be fooled by this new bag of tricks. Perhaps Ralph Nader has summed it up best by calling it "a transparent and phony attempt to mislead the public into thinking that the Administration's consumer activities are anything more than a window dressing deception."

published. Holt, Rinehart, the author's originally intended publishers, for reasons not clearly stated, refused in 1966 to publish the book unless it was drastically toned-down, and then almost immediately after, refused to release it all. In 1972 Sam Stewart, the book's original editor, who in 1966 had left Holt, Rinehart, bought the book again for Abelard-Schuman and succeeded in getting it released.

Author of *High Cost of Dying*, a report on abuses in the funeral business, and *Unfit for Human Consumption*, a documentation of the power of the pesticide industry, Ms. Harmer is currently teaching in the English department of California State Polytechnic University. She is also First Vice President of the Continental Association of Funeral and Memorial Societies, a member of CFA.

Former Congressperson Jerry Voorhis, in his forward, says, "Ruth Harmer is no 'Johnny-come-lately' author. She is an experienced defender of the public good, a careful, seasoned expositor of wrongs and dangers in our society. . . She should be listened to."

## Is the Pillsbury Dough Boy really a consumer?

Last September, Consumer Federation of America received a letter from William T. Bagley, Chairman of the Commodity Futures Trading Commission, announcing the establishment of a public advisory program to the Commission.

CFA applauded the announcement and dutifully submitted a list of six knowledgeable and responsible consumer spokespersons for consideration.

Our letter to Chairman Bagley noted that when Congress was considering the creation of the CFTC, CFA testified in favor of the creation of a new regulatory framework adequate to prevent the unnecessary speculative and price fluctuations in futures markets which the consumer ultimately pays for in the marketplace.

CFA's letter concluded, "In order to insure that consumers have maximum opportunity to protect their own interests and to make a significant contribution to the operations of the CFTC, we urge you to have a number of consumer representatives on each of your advisory panels.

CFA never heard from Chairman Bagley, but we did obtain a list of his appointees. Only one of the four advisory committees has specific "consumer representatives." They are W. Gordon McCabe, Jr., Vice-President of the J.P. Stevens Co. of Greenville, South Carolina, a textile firm, and Charles Dean McNeal, Group Vice-President of the Pillsbury Company.

The CFTC is off to a great start in proving their commitment to the American consumer.

## Schedule of White House regional conferences

Date: Tuesday, Jan. 13, 1976.  
Location: Northwestern University, Chicago.  
Contact: Carol Morrison, P.O. Box A-3878, Chicago, Ill. 60690. (312) 353-6790.

Date: Wednesday, Jan. 14, 1976.  
Location: Muehlebach Hotel, Kansas City.  
Contact: Tony Zahn, P.O. Box 15263, Kansas City, Missouri 64106. (816) 374-2666.

Date: Friday, Jan. 16, 1976.  
Location: Sheraton Boston Hotel, Boston.  
Contact: Frank Prout, P.O. Box 8948, Boston, Mass. 02114. (617) 223-6300.

Date: Monday, Jan. 19, 1976.  
Location: Stouffer's Atlanta Hotel, Atlanta.  
Contact: James Field, P.O. Box 20636, Atlanta, Georgia 30320. (404) 526-7526.

Date: Wednesday, Jan. 21, 1976.  
Location: University of Houston, Houston.  
Contact: James Evans, P.O. Box 20694, Houston, Texas 77025. (713) 226-4851.

Date: Friday, Jan. 23, 1976.  
Location: Sheraton Hotel, Philadelphia.  
Contact: Joy Wadleigh, P.O. Box 320, Philadelphia, Pa. 19105. (215) 597-2766.

Date: Monday, Jan. 26, 1976.  
Location: Brown Palace Hotel, Denver.  
Contact: Janice Cavaliere, P.O. Box 25628, Denver, Col. 80225. (303) 234-4215.

Date: Thursday, Jan. 29, 1976.  
Location: Stanford University, San Francisco.  
Contact: Cynthia Gray, P.O. Box 2600, Oakland, Calif. 94626. (415) 466-2162.

Date: Friday, Jan. 30, 1976.  
Location: Biltmore Hotel, Los Angeles.  
Contact: Frank Terry, P.O. Box 50, Los Angeles, Calif. 90053. (213) 688-3063.

Date: February  
Location: Washington, D.C.  
Details on the dates, times and places will be announced shortly.

## BOOK REVIEW

## American Medical Avarice exposed

Ruth Mulvey Harmer's recently published book, *American Medical Avarice*, is an explosive expose of the rampant corruption in the American Medical profession. This fully documented book reports on the history of the AMA which led to the powerful and profit hungry organization it has become. Ruth Harmer reveals appalling facts about human experimentation, unnecessary surgery, physician-owned pharmacies and labs, and the AMA's frequent endorsement of harmful drugs. She deals with monopolization in the medical establishment, the inadequacy of health insurance, and the shocking situation in nursing homes.

Not only does Ms. Harmer criticize the present system—she also presents viable alternatives. She discusses successful health care systems in other countries, the possibility of new medical organizations here, and the need for a renewed sense of responsibility in health fields.

*American Medical Avarice* has a long history of suppression. Only after 10 years and 2 publishers was it finally

## Focus On Local KonsumerS

This month: Consumer Alliance of Michigan



December 1970. Consumers are just beginning to feel the economic pinch that was to wreak havoc with their checkbooks like nothing seen since the late twenties/early thirties. In spite of or because of the surge of consumer awareness and advocacy spawned by "Nader's Raiders," Consumer Reports and the like, depending on which side of the fence you're on, "Caveat Emptor" is being discarded as the single philosophy of the marketplace. The voices in favor of corporate responsibility, product efficacy and safety and legal remedies for seller abuse are getting louder... and finally being heard.

It is only a small effort, but a few far-sighted people who made it their business to sense some hope for relief decide that now is the time for all those groups and individuals working to improve the quality of life in Michigan to form an alliance, a statewide coalition of informed activists. It is felt, and rightly so, that the combined membership and commitment to unity of purpose will add to the momentum of the movement, establishing a visible strength at all levels of commerce and government.

And we are born: The Consumer Alliance of Michigan.

Member organizations comprise a wide variety of consumer interests: the broad-issue student group, PIRGIM (Public Interest Research Group in Michigan); Citizens for Better Care, working to improve the lot of senior citizens; Consumer Research Advisory Council, providing education and transportation services for low-income consumers and senior citizens in Detroit; Michigan Mobile Homeowners Association, addressing one of the most abusive housing industries in the state; retirees, co-ops, unions and consumer-oriented attorneys, educators, non-profit service providers, and lots of concerned consumers.

In the five years that CAM has been alive, the credibility of the consumer movement in Michigan has been strengthened immeasurably. Though not alone in its efforts to effect long-needed changes in the system, CAM, without a paid staff, has participated in programs and proposals that have resulted in:

- Model state legislation removing in part the historically pervasive discrimination of women in credit.
- One of the most comprehensive auto repair regulatory systems in the country, which, under the direction of the secretary of state, will register auto repair facilities, establish

training and examination programs for auto mechanics, standardize classifications and procedures for both repairs and consumer business practices and provide a mechanism for complaint handling and remedial action for violations.

- A generic drug substitution act, providing some relief for incredibly high and inconsistent prescription drug prices.

### More successes

- The elimination of the so-called "holder-in-due-course" doctrine that forced consumers to fulfill third-party installment contract agreements whether or not the goods and services lived up to their claims. Applying now to only installment contracts for auto repairs and home improvements, we are very near to the application of the law in the most important marketplace: new cars.

- One of the nation's first no-fault insurance systems.
- The removal by initiative ballot of the state sales tax on food and prescription drugs.
- The successful campaign to place public members on over 100 state boards of licensing and regulation.
- The regulation of ghoulish private debt-management firms who charge more to consolidate consumers' bills than the consumers owed in the first place.
- The establishment under a new city charter of the Detroit Department of Consumer Affairs, responsible not only for consumer information and education, but for the licensing and regulation of retail and commercial businesses in the city as well. Former C.F.A. President Esther Shapiro is now Director of that department. She is also a past president of CAM.

- The formation of a Consumer Protection Agency within the Wayne County (Detroit) Prosecutor's office under an LEAA grant, with prosecutor assistants handling the criminal caseload and Legal Aid attorneys working the civil end. (Serious funding problems following the expiration of LEAA money has forced curtailment of services with little, if any, civil redress still available.)

- The intervention in rate request hearings before the Michigan Public Service Commission brought by the

privately-held utilities in Michigan. Utility rates in this state have risen by several hundred million dollars in the last three years alone. In addition to the granted increases, the major companies have raised their rates over 30% without Commission approval by way of the exploitive fuel adjustment clause and continue to pass the cost of poor, perhaps criminally-negligent management practices on to the rate-paying public.

After ten years of failure, Michigan is on the verge of enacting a strong, effective consumer protection bill. CAM, working closely with the Michigan Attorney General's office, the state Commerce Department, the Michigan Consumers Council, key legislators and other consumer organizations has helped move this legislation to a possible February effective date. The state's Republican governor has both worked with and endorsed the strongest bill possible. The act would prohibit unfair, unconscionable and deceptive trade practices in the marketplace, defining some and creating an intergovernmental committee with two public members to meet and define new, additional practices on a regular basis. Both the attorney general (either at the state level or through county prosecutors) and consumers are provided the tools of recourse to marketplace rip-offs. It will be the first time that state and local law enforcement agencies have had civil redress powers in Michigan. The law would provide for both individual and class actions to enjoin deceptive practices and recover damages. Industries otherwise regulated by Michigan law will be subject to co-enforcement of the act by both the attorney general and the various regulatory agencies of the Commerce Department. Despite intense pressure by powerful banking, insurance, utility and retail lobbies, passage seems assured. CAM is proud to have played a major role in the development of this legislation.

Finally, CAM's other major thrust of this year has been toward enactment of an item-pricing law.

All of this activity by CAM is supplemented and punctuated by the publication of consumer information pamphlets (fact sheets), a quarterly newsletter and frequent public speaking and media appearances.

Repeating, this has all been done without a single paid staff member, a situation we hope to improve within the coming year as we attempt to increase our individual membership, establish local chapters outstate and seek additional funding through available local and national grant providers.

The Consumer Alliance of Michigan is proud to be giving its share of impetus to the movement for a better, more responsible consumer atmosphere in the state. We look for increasing involvement on the part of individual consumers and a renewed and strengthened commitment on the part of the consumer leadership in light of our successes.

### SPEAK OUT!

By Rodney Leonard, Director  
Community Nutrition Institute

## Are marketing orders milking consumers?

The American family is paying a monopoly overcharge for milk they drink of between \$500 million and a billion dollars a year, or between 15 and 25 cents a gallon.

Part of the increase is due to the way in which the Federal government regulates the price of milk, and part of the increase is the result of monopoly control of milk supplies by giant dairy cooperatives—whose growth is a product of Federal regulation of dairying.

These are the economic conclusions of speakers at a Conference earlier this month on "Milk Prices and the Market System" sponsored by the Community Nutrition Institute.

The social costs, as well as other economic costs are even greater, according to Jonathan Rose, deputy assistant attorney general of the Department of Justice's anti-trust division, who spoke at a luncheon during the conference.

In addition to higher milk prices because of the operation of present regulatory programs, Rose identified these social costs:

- Lower income to some dairy farmers. He noted that Wisconsin, Minnesota and northern Iowa are regions which produce milk at less cost than elsewhere in the U.S.; but that producers in these regions take a declining share of the nation's fluid milk sales. In a competitive market, the comparative advantage of producers in these areas should lead to greater sales and income.
- Even though improved transportation, refrigeration and other technologies greatly expand the potential geographical area where lower cost milk can be sold, Federal regulation contributes to increased cost of locally produced milk.
- Entry of new producers in dairying becomes more difficult because the cost of monopoly regulation is capitalized into the price of existing production facilities.
- Consumers are denied other goods and services because they have several hundred million dollars less to spend as a result of the monopoly charges from Federal regulation.

The cost of this system will only continue to grow, according to John E. Kwoka, an economist with the Federal Trade Commission.

Consumer demand for milk, as a result of higher prices, is continuing to decline, Kwoka noted. The immediate effect of this will be to cause pressure to increase the price of the fluid milk that is consumed in order to make up for the income lost to lower sales.

Other speakers noted that the revenues generated by monopoly power has not always found its way to the individual dairy farmer. Robert T. Masson, an economist with the Justice Department, pointed out that the Associated Milk Producers, Inc., the largest single dairy cooperative and the largest cooperative economic entity in the U.S., used its monopoly revenues to finance internal cooperative activities. AMPI members in the southern part of its territory, which extends from Chicago to San Antonio, Texas, earned less probably with the monopoly than they would have without the monopoly.

Conference participants heard a range of proposals to deal with these conditions, but within a framework to achieve equity for producers, processors and consumers described by Sen. Edward Kennedy, (D-Mass.), who opened the second day of the conference.

Sen. Kennedy said that those who defend the system must identify "clearly and accurately" the benefits of the system, including the income transferred from consumers to producers, and the size and number of these producers.

"It may be, as I found in the field of airline regulation, that only a small fraction of those consumer dollars actually end up in the hands of those intended to be benefited by regulation."

He said that some form of regulation may be necessary, but "if a subsidy to dairy farmers is to be the national policy, then there may be more efficient and less expensive ways to provide it than the present system."

Kennedy said that critics also have a duty to identify and explain who will be harmed by regulatory reform, noting that the thousands of dairy farmers who have invested in land and equipment in a regulated environment are not responsible for that environment.

The third constraint which Sen. Kennedy set out is to

"examine whether the millions of dollars said to be unreasonably extracted from milk consumers will in fact simply be transferred to processors and retailers."

Legislative reforms were proposed by Justice's Rose, including a review of the anti-trust exemptions now provided by law to cooperatives. Specifically, Rose said that market allocation agreements, which are illegal per se under the Sherman Act, should be expressly prohibited among cooperatives. Mergers or federations also should be challengeable under the Clayton Act if they reduce competition or tend to create a monopoly.

Other remedies than legislative reform or anti-trust action were proposed by Peter Barton Hutt, a lawyer who formerly had served as legal counsel to the Food and Drug Administration.

Hutt presented a paper which argues that cooperatives which charge more than the Federally regulated price for milk are acting in violation of the act which authorizes the regulation of milk prices.

Under the Act, Hutt pointed out, the Secretary must establish a producer price that is justified by supply and demand conditions. Any price in excess of that price is contrary to the finding of the Secretary since "a price increase will not tend to effectuate the declared policy of the Act."

The ultimate benefit from milk price reform should not be lost in the discussion of legislative, judicial or regulatory action. Rose pinpointed the issue in his speech when he said "Despite Congressional concern that Americans consume adequate quantities of milk, federal regulation has pervasively contributed to declining consumption by creating a price beyond the financial means of those who need it most."

Reprints of the conference proceedings will be available in 30 days from the Community Nutrition Institute, 1910 "K" St., N.W., Washington, D.C. 20006.

## Legislative Wrap-Up

### Attorney's Fees

On November 20, 1975, S. 2715 was introduced by Senator Edward M. Kennedy (D-Mass), Charles McC. Mathias, Jr. (D-Md.) and sixteen co-sponsors. This important consumer legislation amends the Administrative Procedure Act and authorizes the payment of legal fees and other costs to qualified public intervenors in federal administrative agency proceedings and in actions to secure judicial review of agency decisions. The bill is designed to open the Administrative process to the full participation of the American public and to increase the responsiveness of federal decision makers by insuring that all sides are presented in agency proceedings.

Consumers will be well served by this legislation because it increases the ability of consumers to contribute input into federal agency decisions without incurring the often severe financial burden of attorney's fees. It is a fact of life that few consumer and public interest groups and few individuals can afford the prohibitively high cost of participation. This legislation gives meaning to the federal administrative goals of openness, fairness and informed decision-making. Public interest and consumer lobbyists are actively engaged in efforts to have similar legislation introduced in the House.

### Equal Credit Opportunity Act Amendments

The Senate Banking Committee reported out the Equal Credit Opportunity Act Amendments of 1975 on December 16, 1975. Senator Alan Cranston (D-Calif) introduced an amendment that would reinstate Aid to Families with Dependent Children (AFDC) recipients in the class of public assistance beneficiaries protected by the bill.

Senator Adlai Stevenson (D-Ill) attempted to justify the AFDC exclusion on the grounds that AFDC payments may not be garnished. Interestingly enough, the wages of Federal employees (including US Senators, likewise, cannot be garnished.) Senator Cranston was the **only** Senator present to support inclusion of AFDC recipients as a protected class. Senators William Proxmire (D-Wis), Adlai Stevenson (D-Ill) and Jake Garn (R-Utah) did not support this much-needed amendment but chose instead not to vote. Thus the amendment fortunately won by a margin of 1-0.

Despite attempts by Senator Joseph Biden (D-Del) to delete the exemption from the bill for business credit, it was a compromise amendment offered by Senator Edward Brooke (R-Mass), which received the full support of the committee. Under the compromise, the Federal Reserve Board will essentially be given the power to provide exemptions where there is equal bargaining power between the lender and credit applicant and where the exemption would not substantially impair the goals of the legislation.

Senator Biden introduced another amendment which would have deleted that provision of the bill which allows the use of empirically derived credit scoring systems which consider age or public assistance income. This clearly discriminatory provision was regrettably retained in the bill when Senators Proxmire, Brooke, Garn and Stevenson opposed the Biden amendment.

### Beef Research and Information Act

After a disappointing House-Senate conference where both the consumer representation amendment and the House-passed, "one person, one vote" procedures for referendum voting were dropped, the House agreed to recommit the bill to the committee of conference by a vote of 263 to 112. CFA hopes this terrible piece of legislation will die a quiet death in the conference committee.

### Energy Conservation and Oil Policy Act

At press time, President Ford has on his desk for signature the Energy Conservation and Oil Policy Act, the result of months of compromise and heated debate. If the bill does not become law, prices of crude oil will be immediately deregulated, causing consumer costs to skyrocket abruptly. If enacted, the legislation will roll back crude oil prices from an average price of \$8.75 a barrel to \$7.66, thus reducing gasoline prices from one to two cents a gallon. While this rollback is far weaker than earlier provisions we had advocated, it is better than total decontrol. Other provisions of the bill include a General Accounting Office audit of the major oil companies' books, efficiency standards and labeling for household appliances, and mandatory gasoline mileage standards for automobiles such that cars of each manufacturer average 18 miles per gallon in 1978 and 27.5 miles per gallon in 1985.

### Unique help in Puerto Rico

As the fight to create an Agency for Consumer Protection continues at the Federal level, consumer activists throughout the country are waging similar battles to establish effective state, local and county consumer protection offices of their own. Perhaps all consumers will gain inspiration from the example set by the Departamento de Asuntos del Consumidor (DACO)—Puerto Rico's Department of Consumer Affairs. Its experiences detail what can be done if a consumer agency has sufficient power, legal ammunition, clout and financial resources.

For example, restaurants in Puerto Rico are prohibited from charging more than 15 cents for a cup of coffee. When one did, and the customer complained, the restaurant was slapped with a \$100 fine plus another \$25 for the consumer.

The Department has the combined authority of a price control board, regulatory agency, complaint bureau and small claims court. These broad consumer protection powers are desperately needed in Puerto Rico, where massive poverty and illiteracy prevail.

DACO is also the local deputy of the Consumer Product Safety Commission, the authority for allocating gas and oil in accord with Federal Energy Office instructions, and the enforcer of its own truth-in-lending, deceptive advertising and retail installment rate laws and regulations.

The Department dispenses consumer information and handles complaints with the help of a computer data bank and a mobil unit which has been averaging 1000 visits each day.

For more information about this unique agency, write: Departamento de Asuntos del Consumidor, Apartado 41059, Minillas Station, Santruce, Puerto Rico 00940.

### -Consumer Assembly (cont. from p. 1)

national and local experts will share success stories and offer constructive suggestions for raising money—something public interest groups never seem to accumulate in abundance. The final state and local consumer group workshop, "Food: Working for Better Quality and Lower Prices," focuses on such topics as food cooperatives, direct farmer to consumer markets, supermarket negotiations and lobbying for retail grocery store reform.

For the state and local government consumer protection official, Consumer Assembly '76 will offer a special two-part Federal Trade Commission workshop. During part one, key FTC staff members will describe pending and future regulations on advertising, including prescription drugs, nutritional ads, and children's television. The second session will be a catch-all panel covering such consumer topics as warranties, funeral practices and automotive repairs.

The final two workshops will be called "Effective Consumer Complaint Handling" and "Consumer Education: Reaching the People." Both will be guided by persons with considerable field experience and demonstrated results.

If you have not already done so, please fill out the registration form in this newsletter. You will not want to miss the opportunity to hear the candidates, meet your colleagues, exchange new ideas, gain practical knowledge and help draft a consumer platform for '76.

### CONSUMER ASSEMBLY '76

January 21-24, 1976/Statler Hilton Hotel  
16th and K Street, N.W./Washington, D.C.

Members of Consumer Federation of America, similar consumer and labor groups, government officials (includes conference, Congressional Reception and two luncheons.) .....\$50

Industry Representatives..... \$200.00

Luncheons only..... \$12.50 each

Congressional Reception only.....\$10.00

Check enclosed

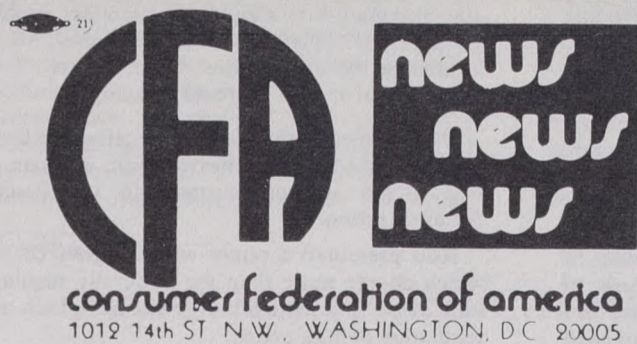
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