



news news news news news

consumer federation of america

Washington, D.C.

June 1976



Butz' gag leaves consumers speechless. Consumers gather in front of the Department of Agriculture before staging a symbolic "gag-in" at the initial meeting of the new U.S.D.A. Advisory Committee on Regulatory Programs.

PHOTO BY MICHAEL JACOBSON

## Consumers—No Say at U.S.D.A.

A coalition of the nation's major consumer and public interest organizations concerned with food and nutrition recently charged Secretary of Agriculture Earl Butz with attempting to undermine essential regulations that protect the health and safety of American consumers.

In a May 4 letter to the Secretary, the coalition blasted the composition of the new U.S.D.A. Advisory Committee on Regulatory Programs, calling it a "biased and conflict-of-interest ridden panel which could strip away clean meat and other vital consumer protection regulations.

When the Secretary failed to answer the coalition's letter, a group of irate consumers staged a symbolic "gag-in" at the Committee's first meeting on June 8, protesting the absence of an independent consumer representative on the panel. The protesters were completely ignored by Richard Feltner, U.S. D.A. liaison to the new committee, and the other committee members, but representatives of the consumer coalition returned the next day to present a legal challenge to Secretary Butz regarding the make-up of the panel. Kathleen O'Reilly, Legislative Director of CFA, stated before the Committee that "As presently constituted, the U.S.D.A. Advisory Committee does not have consumer representation....Consumer Federation of America believes the committee...is in violation of the Federal Advisory Committee Act and asks what you intend to do to achieve compliance." Under that law, advisory committees created by agency heads must be fairly balanced in terms of points of view represented.

The Advisory Committee on Regulatory Programs was created in March and charged with evaluating selected regulations affecting the food industry and recommending whether certain U.S.D.A. programs should be improved or eliminated. The protest took place because, although it is obvious that consumers are significantly affected by many U.S.D.A. programs and regulations in such areas as meat and poultry inspection, grading, quality control, food stamps, and marketing orders, Butz did not give consumers a seat on the committee.

The Coalition charged that Butz had demonstrated the fraudulence of President Ford's Consumer Representation Plans by

appointing no consumers to his advisory committee. While Butz originally considered Jane Armstrong, Vice President of Consumer Affairs for Jewell Food Stores, to be the consumer representative, Ms. Armstrong has herself acknowledged that "she doesn't wish to be designated that way" and has recommended that a "grassroots" consumer be added as a ninth member of the Advisory Committee. Nancy Steorts, Consumer Advisor to Secretary Butz, has also made such a recommendation.

The academic member of the committee is E.M. Foster, a University of Wisconsin professor who is on the board of directors of the Stang Company, which manufactures artificial food coloring.

The consumer groups charged that Ms. Armstrong is unacceptable as a consumer representative because she is a paid employee of an industry directly affected by the regulations she is now supposed to study. The groups have no objection to Ms. Armstrong serving on the committee as a representative of the retail food industry.

The day following the protest, Secretary Butz appeared before the Committee to state "bluntly" that he doesn't want a "politically-motivated consumer representative" to join the committee, and characterized the demonstration as political.

"The issue is not political," responds CFA executive director Carol Foreman. "We refuse to let him (Butz) change by rhetoric what is required by law (The Advisory Committee Act)." She added that the consumer organizations do not have partisan attachments, and that they are political only in that they are engaged in influencing the public policy making process.

CFA has submitted the names of five persons who are involved with food issues and would be well qualified to serve as the consumer representative on the panel. There was some discussion by the committee as to whether a member of a home demonstration club or the president of a woman's club would do as the "grassroots" consumer representative. CFA has specified that the person should be a legitimate consumer representative who has background and experience in the subjects under discussion and a knowledge of USDA regulations, and not someone "selected from a supermarket aisle."

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## New Policies Approved

### CFA To Endorse Congressional Candidates

Consumer Federation of America will endorse political candidates this year for the first time in its history. This new policy is made possible by a change in the Internal Revenue Service code which allows 501(c)(4) organizations to endorse candidates if the support is not the basic activity of the organizations.

"We think that American voters will be anxious to find out which candidates are endorsed by the nation's largest consumer organization," stated Carol Tucker Foreman, CFA's executive director. "A CFA endorsement will reveal which candidates are working for consumers instead of big business."

CFA's Candidate Endorsement Committee, chaired by Lee Richardson, president of CFA, will oversee endorsements of Congressional candidates in three different categories. The first category pertains to support for incumbents who either scored 100% on the CFA Voting Record or who rated less than 100% only because of absenteeism. In the second instance, CFA can endorse candidates who have a pro-consumer stance and are

running against one of CFA's designated "consumer zeroes", those members who scored very poorly on CFA's vote tally. Third, in Congressional races where no incumbent is running, endorsement can be made if one candidate is strongly pro-consumer and the opponent is not. Since in this case there would be no CFA Voting Record on which to base choice, endorsements would be determined by responses to a questionnaire developed by CFA and by past performance by the candidate.

No endorsements will be made in the primaries, and no candidate will be endorsed without his/her consent. CFA will also consult local consumer groups in the candidate's district and will seek their approval before carrying through with the endorsement. No endorsement will be made if the affected state or local group objects.

CFA's endorsements will be implemented with a letter informing the candidate of CFA's support, and a press release to the home district media to assure wide publicity. A separately administered fund will be set up to handle any expenses incurred in the endorsement process.

## Associate Members Gain Voting Rights

The Board of Directors of Consumer Federation of America voted at its meeting on June 2 to accept a committee recommendation to grant voting privileges to state and local consumer protection offices which join CFA under its new associate membership category. The question of associate member voting status within CFA had been raised at the Annual Meeting in January. It was referred at that time to a Committee on Associate Membership Voting Privileges, which included Sharon Stark (CUNA), Ellen Haas (Md. Citizens Consumer Council), Fred Cowan (Arkansas Consumer Research), and Warren Braren (Consumers Union).

While expressing special concern for the continuation of a strong, active role by state and local consumer groups, the Committee concluded that democratic tradition required provision for voting privileges for associate members. The Committee made several recommendations with regard to the voting structure of CFA, all of which were approved by the Board at the June meeting.

The recommendations include doubling the number of votes available to both consumer groups and support organizations (consumer groups will be allowed from 2-20 votes depending on membership and dues paid; supporting groups will be allowed 2 votes) and providing one vote per associate member. The Committee also recommended that the Board of Directors be enlarged by one seat each year and that, when their numbers reach 15, the associate members be represented by a seat on the Board. This process would continue so that 30 associate member groups would be represented with two board seats, and 50 groups would have at least 3 seats on the board.

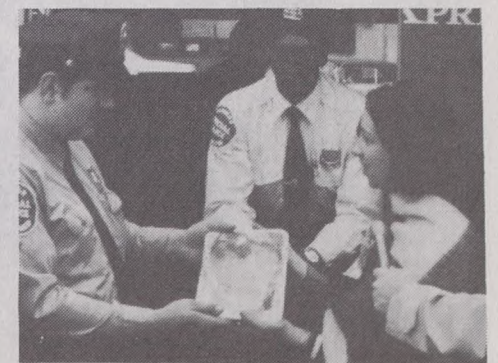
The Committee also raised the question of associate member representation among the CFA vice presidents. This matter will be dealt with by the board when associate member numbers and participation in CFA have reached major proportions.

## Focus On Local Consumers

### This month: Virginia Citizens Consumer Council

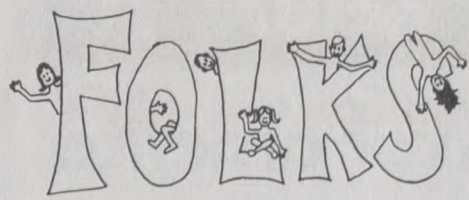
In 1966 three Northern Virginia women, outraged over spiraling food and utility prices, founded the Virginia Citizens Consumer Council. The purpose of the organization was to foster a greater interest in the role of the consumer in the economy through education, representation and legislation.

Now, ten years later, the purpose of the organization remains the same. The membership has increased to include 500 individual and family members throughout the state, plus numerous organizational affiliates. At present the Council has three active chapters located in Northern Virginia, Richmond and Roanoke.



Lynn Jordan of VCCC loads an armored car during the meat boycott.





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While food and utility prices continue to be of major concern to VCCC volunteers, the Council has expanded its project base to include credit, product safety, complaint resolution, medical and professional services, leadership training, and consumer education.

Over the years, VCCC's accomplishments and successes have been numerous and varied. Their most recent victory involves the U.S. Supreme Court decision in the case of the Virginia Board of Pharmacy vs. the VCCC. The Court rendered a 7-to-1 decision that it was unconstitutional for Virginia and other states to prohibit pharmacists from advertising prescription drug prices. The FTC estimates that savings to consumers of \$300 million annually are possible as the result of drug price advertising.

The Council has long been involved in utility cases. They have waged several David-and-Goliath battles against the Virginia Electric and Power Company, and in one such case were able to save Virginia consumers \$12½ million. It became apparent long ago that to be effective in fighting utility rate increases, it is necessary to raise funds to hire qualified persons to present a case for consumers. In September 1974, VCCC was instrumental in the formation of a coalition of organizations to fight rate increases. The outgrowth of this effort, Consumers Congress of the Commonwealth of Virginia, solicits funds from consumers and uses these monies to hire attorneys, accountants, and energy consultants to represent consumers before the State Corporation Commission.

#### Dial-A-Consumer

Of course not all accomplishments are as dramatic as a Supreme Court decision or a \$12½ million savings to consumers. In 1968 VCCC installed Dial-A-Consumer, the nation's first two-way telephone consumer service. The service was used to relay information about dangerous products and product recalls, meetings/hearings of interest to consumers, status of legislation, and helpful consumer tips. It was also used to poll callers for experiences and opinions regarding issues under investigation, and this information is used in preparing testimony. The service was also used to record numerous requests for information.

VCCC has been involved in complaint handling and related matters for several years. The Complaint Committee has successfully resolved complaints for hundreds of consumers. To extend the effect of their expertise, the Committee wrote and published the Consumer Complaint Action Guide. Written on the premise that most complaints are due to lack of understanding between the consumer and the company, the Guide outlined ways to open communications.



A member of VCCC's Norfolk branch displays a collection of unsafe toys.

Twenty-five chapters ranging from Advertising to Utilities were included, and each chapter contained techniques for writing effective letters of complaint, names and addresses of companies, trade associations, and government agencies, and laws applicable to the problem. Two-thousand copies of the Guide have been sold to consumers, libraries, and organizations throughout the country.

The Complaint Committee was also responsible for the creation of the Springfield Mall Merchant-Consumer Committee which represents a different approach to complaint resolution. Each merchant in the Mall designates an employee who is responsible for dealing with complaints against that establishment.

VCCC members worked with legislators and with county and city government officials to document the need for local consumer protection commissions. They testified at state and local public hearings in favor of legislation/resolutions which created consumer affairs offices. VCCC members currently serve on the Arlington, Alexandria and Fairfax Commissions and currently chair the Alexandria and Fairfax commissions.

#### Important Surveys

VCCC has conducted large scale surveys which have been far-reaching in their impact. In 1973 a statewide survey of prescription drug prices was conducted, the results of which formed the data base for the recent Supreme Court decision. In another instance, a survey of the pull-dates on infant formula revealed stores with stock as much as two years past the expiration date. Survey results plus consumer pressure contributed to the passage of an Infant Formula Regulation.

VCCC members serve on many commissions, committees, advisory groups, and panels. On the Federal level, members serve on consumer advisory boards to USDA and FDA, and have participated in a standard writing activity for the Consumer Product Safety Commission on bookmatches and playground equipment. One member participates on a Congressional committee on consumer credit. On the State level, VCCC'ers have been appointed to the Governor's Electricity Cost Commission, the Governor's Commission on Shoplifting, and the General Assembly's Committee on No Fault Insurance. VCCC has a representative on the Consumer Liaison Committee of the American National Metric Council. VCCC representatives also meet regularly with industry representatives on supermarket, direct selling and insurance issues.

The Council is participating in two court cases with decisions pending. VCCC and Consumers Union have sued the American Bar Association and the Virginia Bar Association in a challenge of the provision against lawyers advertising. VCCC plans to issue a lawyers directory for the Northern Virginia area if a favorable decision is rendered. A second suit, the Comprehensive Health Planning Council of Northern Virginia and VCCC vs. the Virginia Medical Board, challenges the provision against physician advertising. In this case also, a directory of physicians will be published if a favorable decision is handed down.

The Council has a number of on-going projects throughout the State. The Roanoke Chapter participates bi-weekly on an hour-long television program dealing with consumer issues. Chapter members host the show, present information, interview guests, and answer questions phoned in or presented by the studio audience. Because the consumer protection commission in Roanoke is only empowered to investigate consumer complaints involving criminal charges, the Roanoke chapter is also becoming a complaint-handling mechanism.

The Richmond Chapter is heavily involved in monitoring the activities of the General Assembly and testifying on bills in the areas of utility reform, item price marking, restructuring of small claims courts, and the Virginia Public Protection Act. Richmond members participated in the Consumer Product Safety Commission's Consumer Deputy Program

## SPEAK OUT! Humphrey-Hawkins Offers Hope to Unemployed

By Coretta Scott King,  
Co-Chairperson,  
National Committee  
for Full Employment

It probably requires someone who is black to fully comprehend the helplessness, loneliness, and anxieties of the unemployed. They are consciously and deliberately ignored as much as possible by the larger society. With the same design, great effort is made to hide the unemployed; to erase them from visibility and to blank out the constricted lives they live.

A very intense campaign has been underway to establish that no one really cares about unemployment. It is contended that only inflation engenders concern and fear. After all, it is said, 92.5 percent are employed and only 7.5 percent are unemployed. It does sound small put in these bland, cold terms, and there are no cries of anguish to disturb the sleep of the vast majority. But now put it another way: seven million, three thousand people, mostly adults, are without jobs. True, they eat—but not too much; they have some sort of shelter; some even have health care. But many, including children, are in chronic ill health, or are ill nourished; and are living a life of punishment and systematic abuse as if they had done some evil to this nation.

Psychologically, they are mauled even more terribly. Because they are what the English call "redundant", they are struck with the sledge hammer of inferiority. To be deprived is bad, but to be deprived among the secure and privileged is far worse.

The truth is millions of jobless living among us have lives of misery and we have the ability to change it. The truth is, we should change the condition out of our moral concern. But if that be too feeble, there is another reason. The sordid existence they endure today may be ours tomorrow.

Let us put the issue sharply:

We say the unemployed can be provided jobs at productive labor with decent wages. It has been done in other developed countries without curbing profits or liberties. Indeed, where some of the nations have encountered small increments of unemployment lately, it is due to the slowdown of our economy impinging on their's.

We say full employment does not entail galloping inflation. This period has demolished the myth of the "Phillips curve". As jobs moved down and prices went up, exactly the opposite of its predicted motion occurred. The auto industry dramatically threw hundreds of thousands out of work and simultaneously lifted the prices of its cars. The building trades have not seen such unemployment since the depression of the thirties, and yet the prices of houses are so high that home ownership is once again the American dream for only 15 to 20 percent of the dreamers.

The most appalling waste in times of high unemployment is the human deterioration that idleness induces. The question that should haunt us most is that self-respect and self-confidence are drained away as enforced idleness keeps people from the sense of usefulness a job provides. How haunted are we by the presence of parents without employment who must retain the respect of their children? How haunted are we by the literally millions of young people who are entering adulthood without any work experience or any possibility of finding a job?

Recently, the Humphrey-Hawkins Bill (H.R. 50 - S.50) has been introduced in Congress: my belief is that this wise piece of legislation would go a long way toward making the American dream - of fruitful work and a place in society - a reality. Passage would be in the American tradition that brought about the enactment of Social Security Legislation and Unemployment Compensation Insurance, which over the years has done much to provide dignity and a sense of security to many who would otherwise be leading lives of misery. The Humphrey-Hawkins Bill would place the responsibility on government to plan for jobs for all who are willing to work:

1. The President is directed to shape both short-term and long term plans for a full employment economy and submit the plan to Congress. The President's budget must be tailored to produce full employment.
2. Most jobs would continue to be provided by private business. But if the economy falters, there would be permanent provision for public service and public works jobs, and special grants to cities and states.
3. The Federal Reserve Board must report to the President and Congress on the plans it will follow in such areas as setting interest rates and the money supply.
4. There would be special programs to help so-called depressed areas, and to assist young people completing school who have to find jobs.
5. The Council of Economic Advisers must keep an eye on the cost of living and be prepared with recommendations to keep prices down if inflation threatens.

For millions of Americans, the current governmental policies have substituted welfare for work. The Humphrey-Hawkins Bill, if enacted, would put the resources of the federal government behind the efforts to reduce unemployment to 3 percent in four years.

Everyone has a sense that the seams of society are under intense strain. The powers that be are engaged in a substantial gamble. They may succeed for a time in diverting attention from unemployment and its solutions. But nothing would so resolve our national strife as the elimination of competition for jobs.

What this country needs, now and permanently, is a change of heart and an iron determination to provide work for all. It is long since due that all Americans, black and white, young and old, men and women, are able to earn an adequate living for themselves and their families.

last December. In this regard they surveyed stores for christmas-tree lights.

The Northern Virginia Chapter is working on projects in many areas. Work is underway to compile a directory of Northern Va. merchants who will give discounts to consumers who make cash, rather than credit, purchases. The Consumer Complaint Action Guide is being updated and the Council plans to offer it for sale at its annual meeting in Richmond on September 18. The Chapter has conducted programs on saving money on food, utilities and cars, and recently held a seminar for homebuyers. Many members are working with Consumer's Congress on utility cases. The Chapter also writes consumer information columns which appear weekly in three area newspapers, and participates in two radio programs. Members have conducted a number of surveys, including small

appliances, lawn care products, and health and beauty aids. In the immediate future a large survey will be conducted on the availability of advertised "sale" items.

The officers of VCCC include Helen Savage, President; Barbara Bitters and Carole Evitts, Vice Presidents; Valerie Apollo and Janet Hutchison, Secretaries; Suzanne King, Treasurer. The Board of Directors is composed of John Atkeison, Jan Bohall, Evelyn Bratton, Jerri Brown, Laura Horowitz, Lynn Jordan, Gladys Keating, Al Linden, Frances Lowe, Linda Moore, Charlotte Newton, Patrick Portway, Stanley Slater, John Towler, and Etta Williams.

For further information about the Virginia Citizens Consumer Council, contact Helen Savage at (703) 941-1441.



## Faulty Lab Tests Endanger Consumers

Consumers spend some \$12 million a year on clinical laboratory testing—an area of the health care program which has a shockingly high error rate of 20% to 50%. Litigation has documented some of the tragic results from inaccurate or misread lab results. For example, as a result of an inaccurate bilirubin reading, an RH negative baby was not transfused and became mentally retarded. There have also been such serious mistakes as faulty blood sugar test readings of diabetic patients. Surprisingly there is at present little regulation of these laboratories in terms of personnel, equipment, procedures, methods of transporting the specimen for optimum accuracy in testing, etc.

Clinical laboratories which operate in interstate commerce (6% of the total) or participate in the Medicare program are subject to some federal controls. Enforcement is, however, left to the state inspection program and consequently there is a lack of uniform standards. Forty-nine states license hospitals but only 13 have specific standards for hospital labs. Twenty-seven states have requirements for independent labs. Twenty-seven states cover laboratory personnel. The states are obviously not doing an adequate job of protecting consumers.

### Relief in Sight?

The Clinical Laboratories Improvement Act, introduced by Sen. Jacob Javits (R-N.Y.) and Edward M. Kennedy (D-Ma.), is strongly supported by CFA. Kathleen F. O'Reilly, legislative director of CFA, submitted statements of support in both the Senate and the House. The bill empowers the federal government to establish standards for clinical laboratories. It would also require licensed laboratories to disclose any contractual relationship with physicians and to submit a fee schedule to health planning units. HEW would be required to set up a coordinating unit and advisory council which includes public members. The Senate version passed on April 29, 1976, with 64 yeas, 11 nays, and 25 not voting. This bill is broader than the companion bill introduced in that it has (1) tougher fraud penalties; (2) requires federal analysis of laboratory costs and pricing; and (3) authorizes the proposed Office of Clinical Laboratories to test automated lab equipment and report the results to potential users.

The Administration attacked the measure in a letter dated April 28, 1976, from Undersecretary of H.E.W. Marjorie Lynch to Minority Leader Hugh Scott, stating that the bill was administratively confusing.

On June 2, 1976, the House Subcommittee on Health and the Environment favorably reported to the full Commerce Committee the *Clinical Laboratories Improvement Act of 1976* (H.R. 113443) which was introduced by Rep. Paul Rogers (D-Fla.). Unfortunately the Subcommittee yielded to special interest pressure and their leniency led to a significant weakening of the bill. Efforts are now being made to persuade the Commerce Committee (which is about to consider the legislation) that the bill should be strengthened in several respects.

CFA is particularly opposed to the following features of the House bill: 1) *Exemption for laboratories located in the physician's office*—It has been shown that the vast majority of medical schools provide little if any training in laboratory testing. It is naive to assume that someone who holds a medical degree is capable of providing high quality laboratory testing. Of little consolation to the consumer/victim of inept laboratory work is the knowledge that the responsible party is a physician or physician's employee. There are sensible and efficient ways to assure some accountability factor for physician's office testing, including an affidavit procedure first suggested by Sen. Javits. All laboratories should be included.

2) *Limitation of Bill to sophisticated testing*—The bill does not include definitions



PHOTOS BY MARY CLARE GEIGER

**Pictorial highlights of CFA's Sixth Annual Awards Dinner include: A. Robert and Lola Redford receive CFA Distinguished Public Service Award. B. Betty Furness is delighted with her original painting by Washington artist Di Stovall, presented by Rhoda Karpatkin, Executive director of Consumers Union. C. Head table guests pose before dinner. D. Rep. Lenore Sullivan receives a pewter pitcher as part of CFA's Special farewell tribute to the retiring Congresswoman. E. Senator Frank Moss admires his Distinguished Public Service Award with presenter Evelyn Dubrow, Legislative Representative of the International Ladies Garment Workers Union.**

of "sophisticated" or "routine", but we would certainly hate to think, for example, that a pap smear (routinely conducted even when no symptoms appear) would be considered "routine". After all, there has been documentation of unnecessary hysterectomies performed as a result of inaccurate pap smears. In light of H.E.W.'s track record on office-laboratory responsibility, it is unlikely that consumers can expect a narrowly drawn definition.

3) *Inadequate consideration of health planning*—When the current system of Health Systems Agencies (HSA's) was devised, the independent laboratories were successful in obtaining an exemption. As a result, HSA's cannot achieve their ultimate goal: namely, efficient and comprehensive health planning for any given area.

Evidence has been presented that a major cause of high priced laboratory testing is overutilization. In order to recoup their investment in expensive, and often underused equipment, laboratories will run a large and often unnecessary series of laboratory tests. HSA's could minimize that problem if they were given comprehensive jurisdiction. CFA favors a requirement that all laboratories (including independents) should be required to apply for a certificate of need before they are authorized to erect or expand facilities or to purchase expensive equipment.

## Divestiture Squeaks by Antitrust Committee

A landmark in the effort to break up the major oil company monopolies was reached on June 15 when the Senate Judiciary Committee, by a narrow margin, favorably reported out S. 2387, the Petroleum Industry Competition Act of 1976. The action came 2½ months after the bill was reported out of the Senate Antitrust and Monopoly Subcommittee.

The bill would require that the 18 largest oil companies limit their activities to either production or refining and marketing, and would create an independent common carrier pipeline system in the United States. In addition, it would prohibit the major refiners from acquiring more retailing outlets, it would set up a special temporary Court to handle all divestiture litigation, and it would give the FTC review powers over all divestiture plans.

The close 8-7 vote was preceded by a two hour debate over whether the bill would be of benefit to the free enterprise system and whether it would help the individual consumer of petroleum products.

Senator Birch Bayh (D-Ind.), who strongly favored the bill, said that the major oil company control over all aspects of the petroleum industry, in conjunction with their dependence on OPEC, violated the free market system. Senator William Scott (R-Va.), on the other hand, feared that the bill constitutes undue government meddling in private oil businesses. Senator Philip Hart (D-Mich.) responded that "at some point, something in the private sphere becomes so big that the government has to do something." He said that divestiture was the only alternative to complete government regulation of the oil industry, because divestiture would allow the oil market to regulate itself, through competition between different industries, replacing the current intolerable situation, in which the market is subject to control by the top oil executives and the OPEC cartel.

Senator Hiram Fong (R-Ha.), basing his opposition to the bill on concern for the consumer, expressed his satisfaction with current low oil prices in the United States compared with European prices. Senator James Abourezk (D-S.D.) countered by pointing out that the lower prices here are not due to free competition but to the fact that the U.S. produces much of its own oil, while Europe must import all of its supplies. Senators Abourezk, Hart and Charles Mathias (R-Maryland) expressed concern that even though oil prices here are currently lower than in other countries, they may not stay low once price controls expire and OPEC sets the US price for oil. "The effect would be so devastating that the '73 crisis would look like a small ripple," Senator Mathias said.

Senators Hart, Kennedy (D-Mass.), Bayh, Tunney (D-Cal.), Mathias, Byrd (D-W.Va.), and Scott (R-Pa.) and Abourezk voted in favor of the bill.

Senators McClellan (D-Ark.), Burdick (D-N.D.), Hruska (R-Neb.), Fong, Scott (R-Va.), Eastland (D-Miss.), and Thurmond (R-S.C.) voted against the bill.

### More Oil Decontrol?

As this newsletter goes to press, the question of whether price and allocation controls on middle distillate products will be allowed to expire, still hangs in the balance. Either House of Congress must have acted by June 30 if controls are to be maintained.

The issue exploded quietly onto the legislative scene on June 15, when the Federal Energy Administration submitted a proposal to decontrol middle distillates, barely two weeks after residual fuel oil had been decontrolled. Congress had only 15 days to act if it wanted controls maintained. On June 22, the Senate Interior Committee, by a 6-2 vote, reported out a resolution to disapprove the FEA proposal. Neither house has acted on the resolution to date. The Energy Policy Task Force and its member organizations have solidly united in support of this resolution. The energy industry, which is waging a massive effort to block EPTF's work, has reportedly spend over \$56,000 to bring 1000 independents to town to lobby.

The stakes for the consumer are high. According to Library of Congress and FEA figures, if middle distillates are decontrolled, consumers could end up annually paying over a billion dollars more than they now pay for home heating, an increase of up to \$129 per household each year.

### U.S.D.A. (cont. from p.1)

The next meeting of the Advisory Committee will take place in September, when the impact of marketing orders will be reviewed. In order that the consumer representative have sufficient time to become familiar with the issue, CFA has requested that the decision on consumer representation be made by Secretary Butz by July 10.

The groups objecting to the composition of the U.S.D.A. panel included Consumer Federation of America, Public Citizen's Congress Watch, and Health Research Group, the Community Nutrition Institute, the National Consumers Congress, Consumers Union, the National Council of Senior Citizens, and the Center for Science in the Public Interest.



## Legislative Wrap-up

### Antitrust Improvements Act

After eight days of debate, a tedious filibuster, numerous amendments, and compromise, the Senate on June 10, 1976, passed a major antitrust bill by a vote of 65-19. Of special importance is the provision (*parens patriae*) which would allow state attorneys general to bring antitrust actions on behalf of the citizens of their states. Additionally, large companies must now notify the Justice Department of proposed mergers, and the Justice Department's investigative power has been expanded.

A massive lobbying effort had been waged by the Business Roundtable, U.S. Chamber of Commerce, and National Association of Manufacturers to kill or cripple the measure. CFA assumed a leadership role in the coalition which supported the bill, which had the support of all fifty state attorneys general and their well-organized National Association of State Attorneys General.

General debate had begun on May 27 and there was considerable apprehension over a cloture vote (to cut off the filibuster) on June 3. It was anticipated at the time that cloture would be decided by one vote. Persistent communications from individuals and consumer organizations in California and Minnesota were instrumental in securing the presence of Senators John Tunney (D-Cal.) and Walter Mondale (D-Minn.) for the floor vote. We are particularly appalled that Sen. Beall (R-Md.) did not vote on cloture after his staff had indicated that there would be no problem. Instead, he disappeared so as not to be recorded on the vote.

The flood of amendments was finally halted by a compromise amendment which was accepted by the leaders of the opposition, Senators James B. Allen (D-Ala.) and Roman L. Hruska (R-Neb.). This amendment included three major features which 1) limit treble damages to pricefixing and patent fraud litigation; 2) prohibit payment to outside attorneys who bring *parens patriae* suits from receiving a contingency fee calculated on the basis of a percentage of the anticipated final settlement; 3) eliminate a provision which would have allowed the Justice Department to obtain a preliminary injunction against potentially illegal mergers.

Consumers are particularly grateful for the leadership roles assumed by Senators Philip A. Hart (D-Mich.), Edward M. Kennedy (D-Ma.), James Abourezk (D-S.D.) and Robert Morgan (D-N.C.). On final passage, consumers were disappointed with the "no" vote of Sen. Gary Hart (D-Col.) who explained his vote by saying the final bill had been too weakened by amendments.

The Justice Dept. had testified in support of the bill and President Ford had specifically supported the measure until the day before the Illinois primary when he met with an executive from Sears Roebuck.

### Public Participation in Government Proceedings Act

As reported last month, the *Public Participation in Government Proceedings Act*, S. 2715, has been favorably

reported by the Senate Judiciary Committee and is expected to come before the full Senate within one month. It is important to write your Senator urging him to vote for S. 2715. On the House side efforts are still underway to secure as many co-sponsors as possible for the companion House bill, H.R. 13901. Please write your Representative urging co-sponsorship.

### Debt Collection Practices

On May 12, 1976, the House Banking Subcommittee on Consumer Affairs, under the leadership of Rep. Frank Annunzio (D-Ill.), marked up and favorably reported the Debt Collection Practices Bill which is a new title to the Consumer Credit Protection Act. The legislation severely restricts the circumstances under which a debt collector may communicate with consumers or their spouses at their place of employment with respect to an alleged debt. In the home, the consumer (and spouse) are protected from early morning, late night, or too frequent communications from a debt collector.

The bill (HR 13720) also limits the substance of permissible communications between the debt collector and third persons for the purpose of acquiring information about the consumer. Harassment or intimidation are also specifically prohibited. Prohibited harassment or intimidation actions include the following: violence, criminal harm, abusive or profane language, publication of lists of consumers who allegedly refuse to pay debts, advertisement for sale of any debt to coerce payment of the debts, communication to acquire information about a consumer if the debt collector either already has the information or does not reasonably believe such person has access to the information, the making of harassing or threatening phone calls or visits to the consumer's (or spouse's) home or place of employment or repeated or constant telephoning.

The bill further prohibits (and defines) numerous false or misleading misrepresentations and unfair practices and curtails the legal actions which can be brought by debt collectors.

With respect to civil penalties, those held liable for a violation of the Act will be liable for actual damages plus an amount of at least \$100 but no greater than \$1,000. Class action recoveries can reach a maximum amount of the lesser of \$500,000 or 1% of the net worth of the debt collector. Attorney's fees for successful litigants are also included.

Criminal sanctions (fines up to \$5,000, imprisonment up to one year, or both) are provided for those who willfully and knowingly give false or inaccurate information or fail to provide information required to be disclosed, or who otherwise fail to comply with the title. Enforcement is the responsibility of the Federal Trade Commission.

On June 1 the full Banking Committee favorably reported the bill having made few substantive changes. We were disappointed to note, however, that the burden of proof provision in the section protecting consumers from continued direct communications from the creditor once the consumer has refused to pay or further discuss an account, has been

shifted from the creditor to the consumer. It is hoped that the bill will reach the House floor in the very near future.

Rep. Annunzio is to be commended for an excellent pro-consumer bill.

### National Commission on Food Marketing

Two types of bills to establish a new National Commission on Food Marketing are currently moving in Congress. The better bills, H.R. 9182, sponsored by Rep. Edward Mezvinsky (D-Iowa), and S. 3045, sponsored by Senator George McGovern (D-S.D.), include provisions for the Federal Trade Commission, Department of Agriculture and Department of Justice to make annual reports and indices on the state of competition in the food industry. The less desirable bills, H.R. 11998, sponsored by Rep. Joseph Vigorito (D-Pa.), and S. 3004, sponsored by Senator Hubert Humphrey (D-Minn.), would create a new Commission but would not provide the essential follow-up mechanisms.

The Vigorito bill has been reported out of the Agriculture Committee and is currently pending before the Rules Committee with no hearings scheduled. The Mezvinsky bill has been ordered reported out of the House Judiciary Committee.

The Senate Agriculture Committee held hearings on the two Senate bills on June 23, 1976, and CFA testified in favor of the McGovern bill. It has been ten years since the last National Commission on Food Marketing was held. Since that time there have been many changes in the structure and degree of competition in the food industry. Yet, no complete analysis of these changes has been done and consumers still have no definitive answers as to whether they are paying fair food prices or inflated prices due to monopolistic price fixing and other anticompetitive practices.

It is uncertain whether any of these bills will be voted on during this session of Congress. Consumers would most likely derive more results from a Commission whose membership was appointed by a new Administration.

### Wheat and Wheat Foods Research and Nutrition Education Act

Despite the pro-consumer title of this bill, it is unfortunately a euphemism for another industry commodity board, which seeks public funds for a private industry promotion program. Midge Shubow, CFA Information Director, testified against H.R. 13099 before the House Agriculture Committee Subcommittee on Livestock and Grains on June 16, saying that the effect of this legislation would be to unnecessarily increase the costs of wheat to consumers.

The bill seeks to establish a Wheat Council, paid for by assessments on end product wheat manufacturers (bakers, cereal makers, macaroni and cookie manufacturers). The funds, estimated at \$1 million to \$9 million per year, would be used to promote the consumption of wheat. CFA pointed out that many segments of the end product manufacturers are already oligopolistic and the funds would be better spent to study the effects of shared monopolies on consumer prices.

The bill does provide for consumer representation on the Wheat Council.



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CFA News is published each month except  
August by the Consumer Federation of America,  
1012 14th St. NW, Washington DC, 20005  
Annual Subscription rate: \$20.00/yr.

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