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Recently, the spotlight of public attention on the plight of the American consumer has been brought sharply into focus by dramatic events of the last seven or eight months. The Kefauver Committee hearings on concerted price-gouging by the multi-million dollar drug manufacturing industry, the tragic ridicule heaped upon the vigorous enforcement of the nation's pure food laws in the cranberry episode, and the monumental exposure of pervasive and corrupt commercialism in television and radio programming, has served as a rude awakening to the public that it is being contemptuously victimized. The Kefauver hearings, as well as early exposures of the FTC and the Department of Justice, reveal a pattern of collusive patent licensing and price maintenance by the large drug manufacturers at the expense of the public. The consumer of drugs, in jeopardy of his life or health, is a captive market. The industry has been successful in persuading the nation's physicians, for instance, to prescribe drugs by their trade-marked names rather than by their generic composition. The ceaseless drive for ever-higher profits means that among the new drugs being produced each year by the pharmaceutical houses, there are many which are inadequately tested and a multitude which do not match in performance the extravagant claims made for them.

We have watched the refusal of the Department of Health, Education, and Welfare to tolerate the distribution of contaminated cranberries or the marketing of poultry containing cancer-inducing chemical agents. These situations are only a few of the illustrations that can be drawn to document the victimization of the consumer by unrestrained market practices. For the individual consumer, the battle is a hopelessly unequal one. He is in no position to bargain down the price of a life-preserving drug; he cannot, by any stretch of the imagination, detect the evidence of cancer-producing residue on the cranberries; nor is he able to sort out the valid claims for products from the misleading ones thrown at him through the various mass media of communication.

Today, the consumer is being aroused and the AFL-CIO counts itself among these aroused consumers. Union members and their families are not only an organized group seeking higher wages and better employment conditions for working people. They also include the buyers of drugs. Organized labor has always taken the consumer's fight as its own and it is through the efforts of the AFL-CIO, among others, that the laws on the statute books that permitted the Secretary of the Department of HEW to hold up distribution of the tainted cranberries.

In view of this situation, the AFL-CIO, through its Executive Council, has taken the following positions with regard to a number of situations at the national level. They have said that a way must be found to break up the price-gouging policies of the drug manufacturers, including over-emphasis on promotional gimmicks and other marketing practices which have raised the cost of medical care. They have said that there must be a maintenance of federal activities on behalf of the consumer and the the government agencies which function directly in relationship to the health and pocketbook of the consumer must be safeguarded.

In the case of the Food and Drug Administration, the AFL-CIO has warned consumers to be alert to any attempts to limit or transfer its authority as an attempt at reprisal as a result of its strong and forceful activities. In addition, the AFL-CIO feels that the Federal Food, Drug and Cosmetics Act should be amended to modernize existing authority to protect consumers against harmful color additives in food, drug and cosmetic products. The AFL-CIO feels that the FTC should stop considering itself as the special protector of the industry it is supposed to regulate and instead start considering the public interest. It should have obligatory authority to police malpractices in the broadcasting industry.

Deceptive practices and the exorbitant charges in consumer credit, particularly installment credit, should be regulated by law. In this connection the AFL-CIO supports the Douglas Bill to require a full statement of interest charges on all installment purchases expressed in terms of simple annual interest, a move that would do much to alert the consumers to the high prices they now pay for money. A stronger voice for the protection of the consumer is needed in the federal government. Greater coordination of consumer protection programs as well as more imaginative and interested activity on their behalf is necessary. To this end, the AFL-CIO urges the creation of a department of consumers, and has supported legislation directed toward this end.

At the state level, we feel that machinery is needed to bring the consumers' interest effectively to the attention of administrative and policy officials in all activities of state government related to the consumer. A few states have pioneered in the establishment of such machinery as a means of initiating programs of consumer education and legislation, and in stimulating the articulation of the consumers' viewpoint before state regulatory agencies. Some mechanism for the education and protection of the consumer should be established in every state.

The program that I have outlined is by no means all that we in the AFL-CIO are doing in relation to the consumer. Many AFL-CIO state organizations are actively behind many kinds of legislation for the protection of the consumer. Let me cite just one example of the sort of legislative program that one AFL-CIO state body has proposed. In the legislative program of this particular AFL-CIO state body, they proposed the prohibition of wage attachments and time-payment contracts, the creation of a department of weights and measures, enactment of a conditional sales contract law, regulation of credit life insurance and credit accident insurance rates, enactment of the model auto financing and sales contract, establishment of a consumer protection department.

Legislative action on behalf of the consumer is an important part of AFL-CIO's program but it is by no means the whole program.

The day-to-day job of educating and informing the union members and their families about the myriad problems they must solve as consumers is an equally important aspect of the AFL-CIO program.

Consumer Counselling is an AFL-CIO program designed to safeguard the hard-earned dollars of union members and their families. A priority program of AFL-CIO Community Service Activities, Consumer Counselling, is a common-sense, practical effort aimed at informing and educating union members on consumer problems.

There are three important parts in a effective consumer program:

1. The consumer information course
2. The consumer conference
3. The consumer clinic

Consumer information courses generally consist of eight weekly sessions, although this may vary according to the needs and desires of a local group. These once-a-week class sessions last from two to three hours and are usually held in the evening.

Initial emphasis in the course is on setting family goals. One family may want to establish a workable budget. Another may want to concentrate on a savings plan. Still another may want only to secure consumer information so that it can enjoy additional luxuries now, rather than looking to the future. These consumer courses do not seek to impose any one family budget or any one set of standards upon those taking the course. Instead, each course participant is encouraged to set his or her family goals at the outset of the course.

The course is open to the husbands and wives of union members. We think of consumer information as another community service activity of the AFL-CIO that attempts to strengthen family life. As such, it will have greater value if there is greater family representation.

A typical eight-session consumer course includes:

OPENING SESSION:

Purpose and operation of course; importance of the Union Label; how to plan sensibly for spending and saving; establishing a family spending plan.

SECOND SESSION:

Buying the most for your money - general techniques

THIRD SESSION:

Buying specific products and services - clothing, appliances, etc.

FOURTH SESSION:

1. Food marketing and nutrition
2. Family meal planning

FIFTH SESSION:

Credit and installment buying

SIXTH SESSION:

Legal assistance and Consumer protection

SEVENTH SESSION:

Health Care - paying the doctor, hospital and druggist

EIGHTH SESSION:

Insurance - personal, auto and home

Often a ninth session is held to include a subject or subjects of special interest to the class or to evaluate or summarize the course.

The second part of our program is the consumer institute or conference. This is an action-oriented program. The consumer information course is designed to give information. The institute or conference is action-oriented in the sense that it attempts to deal with some immediate problem or problems in the community. These conferences focus on such issues as consumer credit, wage assignments and garnishments or consumer protection agencies.

The union leaders in a given community may feel the need to call to the attention of the community the unfairness of the laws dealing with garnishments. Using the conference approach, they invite both labor and community leaders to participate in a meeting at which this problem will be discussed. Out of such meetings, at which the facts are presented by people conversant with the problem, can come the spur for the corrective action which is needed to remedy or solve the problem.

Then there is the third element of our program - consumer clinic. This is a direct service to the union member who is in trouble.

The consumer clinic is intended to provide the union member with a resource to which he can turn when he becomes involved in a specific consumer problem which requires legal or other expert guidance.

The clinic is usually established in consultation with the appropriate legal agencies, and is set up in a union hall or office one or two evenings a week under the direct sponsorship of the central labor body's Community Services Committee.

The clinic, staffed by a union lawyer or a representative of the Legal Aid Society, is a strictly voluntary service. This service is publicized through union channels and local news media.

The consumer clinic, similar to all other parts of consumer counselling, is based upon the highest ethical standards. The program is not designed

to promote any specific service or brand, and special care is exercised against its possible use for personal gains.

The content of the Consumer Information Course is only a suggested one. We are not rigid about it. We hope that our local committees will use it to fill the needs of their members and their communities. The great difficulty in actually developing these courses at the community level revolves around the question - where do we get the resource people? We don't have them at the AFL-CIO. We have to look for them outside in the community. To get people from the extension services is comparatively easy because they are spread all over the country. They are good people; they are willing; they are competent. But, where do we get people to talk about some of these other things, especially about such as credit. Sometimes there are credit unions that are large enough to hire full-time staff who can be used, or perhaps the state credit union association may have someone available. But there are many areas in this program for which we just can't find competent people who can really do the kind of job that needs to be done.

There are a couple of general observations that I should like to make in conclusion:

1. I suggest that there are a number of things that the sociologists have said to us which are very important if we want to have real impact on the consumer of America. They have said to us that middle-income people were upwardly mobile, and that working people were not. Therefore, I think we can assume that the values and attitudes of people who are upwardly mobile - middle-class, middle-income people - are going to be one thing, but people who are static are going to have other needs and other desires and other attitudes. I think we ought to investigate the implication of this assumption in the hope that we can remove a barrier in communication.

2. Then, I think we have to do a lot better with our printed materials. I'm not talking about content because I'm not qualified to talk about content; I'm talking as one who's interested in getting ideas across to people in the best possible way. I think we have something to learn from Madison Avenue, and I think there is no reason why we should not reach out and master these skills.

We in the AFL-CIO know that the consumer movement hasn't been a phenomenal success in America. We didn't kid ourselves when we went into this program. We went into it because we saw the great need for this kind of program among America's organized workers. I would like to think that we are partners and that if we are partners, we ought to help each other and to learn from each other. We need your knowledge and your skills if we are to develop an effective program with the people that are in the labor movement. There are 13½ million members in AFL-CIO affiliated unions and these people are the source of much of America's buying-power and they also are the source of much of America's motive-power for social change. I think that we can do a good job in consumer education and that we can look forward to a new day for the American consumer.