moved closer to a voluntary system of offering insurance to home owners under an inspection plan.

(8) FAIR TRADE. The Consumers Council sponsored a bill repealing the Massachusetts Fair Trade Act. It obtained a long list of signatures to a petition to the legislature asking for repeal of Fair Trade. This petition was signed by many members of the academic and legal profession in the Commonwealth. However, the repeal bill failed to pass. A similar statement in opposition to Fair Trade was prepared for presentation to the U. S. Senate Committee holding hearings on that subject in Washington. However, the Senate Committee never did get around to scheduling opponents of the measure, and therefore, no official appearance at a hearing was made.

(9) THE STATUS OF THE CONSUMER COUNCIL ITSELF AND NEW MEMBERS OF THE COUNCIL. A bill sponsored by the Council to erect a statutory consumer protection agency in Massachusetts, though supported by a fairly large group of witnesses before the hearing, was denied even a vote on the floor of the Massachusetts House. Instead it was referred to a study with fifty-eight other bills—a quiet death.

Meanwhile, however, the membership of the Attorney General's Advisory Consumers Council was increased by the addition of the following members: (1) John Tully, a small business man and manufacturer in the frozen food field; (2) Mrs. Melnea Cass, the Boston President of the N.A.A.C.P.; (3) the Rev. Bruce Jones, working with the former Seamen's League in Boston; and (4) William Martin, of the Credit Union League.

The Attorney General of the Commonwealth, the Honorable Edward J. McCormack, Jr., continues to give consumer protection and the Consumers Council a maximum of support and enthusiasm. The Chairman of the Council spoke at Mr. McCormack's request before the Conference of Attorneys General held in Boston in early May.

One of the most important functions of the Council will be the sponsorship of a 1962 Consumer Conference, out of which it is hoped a permanent Massachusetts consumer association will develop. Planning for this Conference has been going on all year.

MICHIGAN

Maxine Boord Virtue

The Consumer Protection Division in the office of the Attorney General of Michigan was established in January, 1961, after an exploratory period of ten months in which existing consumer protection functions of the office (e.g., criminal fraud litigation, enforcement
of state licensing and regulatory laws) were coordinated and new directions outlined.

The immediate impetus for this project was a rapid increase in requests for intervention by state law enforcement personnel from Michigan consumers who felt themselves cheated or unfairly overreached in the marketplace. This increase coincided with a request by former Attorney General Rogers of the United States for state attorneys general to carry a larger share of the burden of consumer protection, by more vigorous prosecution of criminal frauds and by increased enforcement of state antitrust laws. Both these endeavors are essential to assure consumers the benefits of a free competitive market, and both are as essential to the business community as to its customers.

In the introductory period, Michigan began by reviewing the legal basis for consumer protection and the remedies available to the state. At the same time, state agencies and the principal community agencies were canvassed to learn the extent and nature of current complaints. The results of this combined library and fact study were presented to a conference to which were invited national and state resource people and representatives from lay and legal groups in Michigan. As a result of this conference, and with the advice of a small consultative group of legal experts, the program was launched as a separate division of the Attorney General's office.

Its staff now consists of two attorneys, two secretaries and a part-time investigator, with other attorneys brought in on a case by case basis. The emphasis is upon coordinating and expanding existing techniques and remedies, rather than pushing for new laws or facilities at this time. In addition to consumer protection, the staff assigned to this function carries a full load of additional duties, serving half a dozen state agencies as general counsel and advocate.

During the year, the Attorney General has issued a series of biweekly newsletters to more than 500 newspapers, radio stations and television stations in the state, describing cheats and frauds currently producing numerous complaints. Designed to alert the public to protect itself, these brief paragraphs are simply written for laymen, but each has been thoroughly checked out by the Attorney General's office and, in most cases, by one or more prosecutors.

A related effort resulting from cooperation with local prosecutors, sheriffs and other local law enforcement personnel, is a series of consumer protection bulletins issued from time to time on specific cases describing in detail the individuals' modus operandi, probable route and legal status of suspect activities known to be moving about the state. This consumer protection bulletin program has proved unexpectedly popular with and useful to local law enforcement personnel, and is, at their request, being expanded into a "master index" which will periodically issue reports in depth on all cases to local and federal law enforcement agencies.
At the end of its first year, the Consumer Protection Division has accepted approximately 356 complaints. Of this number, 106 were closed after successful adjustment or reference to prosecutor or private counsel. More than a dozen intensive investigations were conducted by the division.

We have concentrated on making maximum use of existing remedies before seeking new ones; however, the office was successful in obtaining an amendment to the Corporation Code which now enables us to reach any agent or officer of a foreign corporation doing business in Michigan in violation of law. This has proved an important tool in dealing with some foreign corporations, such as those engaged in running diploma mills, magazine solicitations, and insurance and land sales schemes, which set up shop just across the state line.

In one important case, the division was successful in asserting the right of the Attorney General to intervene in the public interest on behalf of a large number of carpet buyers being pressed for payment by a bank which held their notes, when the alleged circumstances indicated that the original sales were fraudulent and the bank may have been on notice of the fraud. Although the buyers' case was finally dismissed because of a flaw in pleadings drawn before the state intervened, the precedent established for intervention by the state on behalf of the consumer has been clearly laid down.

In our biggest case, the office has brought an action for treble damages against half a dozen manufacturers who had sold bleachers to the state of Michigan for violation of the antitrust laws by conspiring to fix prices of folding school bleachers. We are joined in this law suit by more than 155 local public school districts, and, recently by certain private schools. Other litigation in preparation cannot now be described for security reasons.

We have pioneered in establishing a routine mechanism for reporting identical bids in public purchases to the Attorney General and to the U. S. Department of Justice, and in working out practicable methods for rapid and flexible cooperation with federal departments of Justice, the Post Office, the Federal Trade Commission, and others.

The Second Annual Attorney General's Conference on Consumer Protection was held in Detroit on November 2, 1961, with the theme of "Everyday Household Buying." Speakers were Mrs. Helen Ewing Nelson, California's able Consumer Counsel, Dr. Kenneth L. Milstead of the Federal Food and Drug Administration, and Senator Philip A. Hart, who has been conducting the hearings on packaging and labeling practices held by the Antitrust and Monopoly Subcommittee of the Committee of the Judiciary of the Senate. Panelists in five panels included distinguished lay and legal resource people. Several hundred persons attended this conference, which has given considerable impetus to knowledge of our service and its function, and has enabled us to improve working liaison with community groups, federal agencies, and business.
As our program develops, we become more selective in accepting cases and more skillful in cooperating with agencies outside the office which are or should be active in the consumer protection field.

Following is an analysis of subjects most often encountered:

<table>
<thead>
<tr>
<th>Subject</th>
<th>Open Files</th>
<th>Closed Files</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advance fee</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Collection agencies</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td>Diploma mills</td>
<td>10</td>
<td>6</td>
</tr>
<tr>
<td>False advertising</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Food freezers</td>
<td>14</td>
<td>6</td>
</tr>
<tr>
<td>Franchises</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td>Holland Furnace</td>
<td>15</td>
<td>3</td>
</tr>
<tr>
<td>Home Improvement</td>
<td>20</td>
<td>10</td>
</tr>
<tr>
<td>Insurance</td>
<td>4</td>
<td>10</td>
</tr>
<tr>
<td>Magazines</td>
<td>25</td>
<td>8</td>
</tr>
<tr>
<td>Vacuum Cleaners</td>
<td>9</td>
<td>106</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>75</td>
<td>106</td>
</tr>
</tbody>
</table>

The following subjects fall under the heading of miscellaneous and there have been more than one complaint filed on same:

- Auto repossession (method)
- Auto sales
- Carpet fraud
- Carrying charges (excess)
- Garbage disposals
- Oil securities
- Real estate frauds
- Referral sales
- Vending machines

We believe we have demonstrated the Attorney General has an important function in consumer protection. It will be our continuing endeavor to strengthen the performance of this function.

NEW YORK

Barnett Levy
Assistant Attorney General

At the outset, I wish to state that it is a pleasure to be here to participate in the Eighth Annual Conference on consumer information. Meetings such as these serve a very useful purpose in understanding the complex problems of consumer protection and in exploring ways of dealing with them through law enforcement, consumer education, and self-compliance.