

MASSACHUSETTS

The Reverend R. J. McEwen, S.J.

Activity of the Massachusetts Consumers Council during the year 1961 concentrated on the following areas:

(1) FOOD, HEALTH AND NURTITION. Several complaints have been received about radio programs allegedly misleading and misinforming the public about vitamins, food and nutrition. At the meeting on December 1, 1961, at his own request Carleton Fredericks appeared and discussed his background, education, qualifications, finances, and so forth, for nearly two hours. The Council questioned him closely on the matters that had been brought to its attention.

(2) TRANSPORTATION. The regular November meeting of the Council was cancelled in order to hold a public hearing on the threatened one-day strike by the railroad unions against all New England rail service. An all-day hearing was held at which an

opportunity for expression of all shades of opinion was given to interested parties. Visitors from Philadelphia's Major's office spent much time explaining the so-called "Philadelphia Plan for Mass Transit."

(3) FISH-FLOUR CONCENTRATE. After much discussion a letter was sent to the Health, Education and Welfare Department supporting the Food and Drug Administration's efforts to set strict standards for the use of so-called "fish-flour concentrate".

(4) AUTOMOBILE INSURANCE. The Council went on record at a public hearing and in newspaper releases condemning the compulsory automobile insurance system at present in operation in Massachusetts. It advocated a merit-rating system for individual drivers. In the same area of automotive matters, the Council called attention to inequities in the excise tax structured by which owners of standard shift cars are charged the same excise tax as automatic shifts. It filed legislation extending the time in which standard shift owners may file for rebates on such taxes.

(5) TAXICAB FARES AT LOGAN AIRPORT IN BOSTON. The Council held a long discussion of the serious chaos that prevails in taxicab rates charged by cabs operating from the Boston airport. It addressed a letter to the Port Authority Chairman asking for the position of the Port Authority in the face of this problem.

(6) CONSUMER FINANCING. Under two headings our Council has taken action in this area. (a) It appeared and testified at length before the Douglas Committee hearings on the full disclosure of finance charges. It supported the Douglas Bill. (b) Its major achievement for the year was the successful enactment by the Massachusetts legislature of a bill sponsored by the Consumers Council that would make financing agencies accepting consumer installment paper liable for any frauds or delinquencies perpetrated by the original seller on the buyer of consumer goods. Consumer financing notes now executed for the purchase of consumer goods must have stamped on their face the words "Consumer Installment Note" and any financing agency that accepts such a note is liable for any defenses which the buyer may have against the original seller of the goods. I know from the testimony of many manufacturers and sellers that this act has had a tremendous effect on the willingness of banks to finance certain types of paper. It has had the desired effect of making financing agencies very careful about the character of the sellers whose financing paper they accept. This has been noted as one of the high-lights of the year's activity for the Massachusetts Consumers Council.

(7) FIRE INSURANCE. Throughout the year the Council continued its interest in cooperation with some members of the State Insurance Department in securing some solution to the problems posed by the refusal of insurance companies to write any fire insurance in the so-called "poorer sections" of the city. Partly as a result of the attention directed to this problem by the Consumers Council, it can be fairly said that the companies and the Insurance Department have

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.