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bickering and quarrelling. Their efficient, peaceful and capable utilization of our aid will be a source of continual satisfaction and expanding power. Thus we shall make our large friends invulnerable, ourselves secure and obtain peace in our time. Once the world has grasped our policy, Communist nations will attack only small countries. Inasmuch as we will defend only large ones, there will be no more East-West conflict.

Of course, there will come a time when all the small, weak and divided countries have been reduced by aggression. But any war that follows that development is bound to be cozily close at hand. In order to fight it, we will not have to run the risks of transporting troops great distances. Our soldiers will not have to give battle in strange surroundings or in a disagreeable climate. They will not be exposed to the temptations of alien brothels but can revel in the luxury of home-grown sexual immorality.

Such are the lessons of adversity to be gained from the difficulties encountered in South Vietnam.

FAIR PACKAGING AND LABELING ACT

Mr. MONDALE. Mr. President, the Commerce Committee has just reported an amended S. 985 to be known as the Fair Packaging and Labeling Act. The original bill was introduced by the distinguished senior Senator from Michigan, and I was privileged to be a cosponsor. Senator HART deserves great credit for his long and skillful championing of this bill, as the New York Times has stated in an editorial last Sunday.

I now urge passage of the bill as it has emerged from committee, and I believe that it will be of great benefit to the consumer and the ethical business community as well.

The consumer, Mr. President, is being bilked. He is a member of an abused majority, and it is not his fault. He spends some \$80 billion a year on "kitchen and bathroom" articles, as Senator HARR has pointed out, and because of existing packaging and labeling practices, he has great difficulty in spending it wisely.

As an example, 33 women who were college graduates were told to buy the lowest priced of a representative 20 supermarket items. They took nearly two and one-half minutes per item, which is nearly three times that taken by the usual shopper.

With 43 percent of the items, these women decided wrong and failed to select the cheapest product. All of them selected the cheapest sugar, because sugar comes in standard 1-, 5-, and 10-pound packages. But none of them selected the cheapest detergent.

When soap powder is sold in a "regular" size package of 1 pound, 6 ounces at 32 cents, in a "giant" size of 3 pounds, 5½ ounces at 79 cents, and in a "king" size of 5 pounds, 11 ounces at \$1.33, it is virtually impossible to tell that the regular size is in fact the cheapest. And this is not a fictitious example.

I was impressed with one letter which appears in the committee hearings from a man and his wife who have solved the problem by doing all of their shopping with the aid of a slide rule, which they found necessary to determine which items were the best buy. I admire

this couple, but suggest that when a consumer cannot do a decent job of shopping in a supermarket without a slide rule, something is really wrong.

The shopping problem is further complicated by the fact that in many cases the weight or volume of the contents is so placed on the package that it is nearly impossible for the shopper to find it.

The Fair Packaging and Labeling Act will help correct these abuses. It proceeds from a recognition that the very heart of our economy is open competition in a free marketplace. In the final analysis, the full and free play of competition is the best protection the consumer can have. But competition is meaningless unless there can be an informed choice by the buyer. Price and quantity must be easily compared. The bill in its present form represents a good faith compromise between the need for consumer protection and the realities of modern merchandising. For that reason it is not as sweeping as the original bill. But it still contains important consumer protections which will set ground rules benefiting the ethical packager as well. It recognizes the mutual interests of the producer and consumer.

The first thing the bill would do is to require a clear and conspicuously placed statement on the label of the net quantity in the package. It would be a plain factual statement, such as "8 ounces," not a "giant half pound."

Another major protection for the consumer is in section 5(d) of the bill. When the regulating agency concludes, after a hearing, that the weights or quantities in which a commodity is being distributed are likely to impair the consumer's ability to compare prices per unit, the agency can issue regulations establishing reasonable weights or quantities in which the commodity can be sold.

In other words, instead of having potato chips sold in 71 different weights making true comparison impossible, a reasonable number of standard sizes could be established. This does not mean that there is any authority to make packages look the same; there will be plenty of room for variety. It does mean that no matter how differently styled they are, the housewife will have one 12-ounce package to compare with another 12-ounce package, and she can draw sensible conclusions when one costs more.

When the regulating agency decides that standards of weight or volume should be set, the industry concerned can move to work out its own voluntary standards under procedures established by the Secretary of Commerce, and it has a year or in some cases a year and a half to do it. We would hope that industry will in most such cases take the lead in establishing standards in a process where consumers are represented, as the bill requires.

The bill authorizes the regulating agency to take other actions when necessary to prevent deception or to permit price comparison. Regulations can be passed to eliminate confusion over "king size," "giant size", and such names in a product line. Labels such as "4 cents off" can be regulated. "Four cents

off" what? The producer or distributor who puts the label on does not know, and neither does the consumer.

Such regulations may also be issued to set a quantity for a "serving" when foods are labeled by the serving. I would hate to sit six people down to dinner at my house and give them courses of some packaged foods represented as "serving six." If a "serving" always meant the same thing, I could adjust for it according to my appetite, but the point is that it doesn't mean the same thing each time.

When there is no standard, two persons suffer. The first is the consumer, who unknowingly pays more for a product because it supposedly has more servings. The other loser is the ethical producer—the one who means a full serving when he says "serving." This bill will remove the unfair advantage of the producer who says a "serving" when he means a half a serving.

It may appear that we are talking about pennies, and in the case of any individual item, we are. But the total economic effect of misleading packaging is great, to the individual consumer and to the economy.

In the example of the 33 college-educated housewives who failed 43 percent of the time to select the cheapest product, they paid a total of 9 percent more than they would have if they had selected the cheapest item in every case. We can only speculate how much greater this percentage may be in the case of the less educated consumer, and what impact such higher percentage has on the poor. True, the housewife may not always want the least expensive product. But she should at least be able to tell which it is and select it if she wants it.

The consumer who is a retired person on a small pension, or who has a large family and small salary, is the one most likely to try to select the least expensive goods. And when a consumer family spends up to \$250 per year extra just because it is impossible to tell which items are cheapest, it is not pennies at all.

We talk about preventing inflation. But has anyone realized the tremendous inflationary effect which occurs when consumers who are buying \$80 billion worth of packaged goods are spending 9 percent more than they need or want to? Nine percent extra spent for such items is greater than the total increase in consumer prices over the last 5½ years. This inflationary effect is caused by misleading packaging practices, and the money goes to those who are engaged in them. It does not go to the people who grow the food. Of the \$105 increase in per capita food expenditures over a 14-year period, less than 1 percent of that money has gone to the farmer.

The consumer will spend less if he can—that is what he is being asked to do to prevent inflation. But he cannot do that unless there is some way for him to determine which product on the shelf is cheaper. Enactment of the Fair Packaging and Labeling Act would give the consumer the weapon he needs for his own self-defense.

I ask unanimous consent to have printed in the RECORD the editorial from

the New York Times of May 22, 1966, entitled "Reforms for the Consumer."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York (N.Y.) Times,
May 22, 1966]

REFORMS FOR THE CONSUMER

After four years of public discussion, committee hearings and extensive revision, a truth-in-packaging bill is now nearing a vote in the Senate. Its approval by the Senate Commerce Committee is a tribute to the perseverance of the bill's sponsor, Senator PHILIP HART, of Michigan.

The bill would afford consumers some necessary and elementary protection when they shop for food, drugs, cosmetics and toilet articles. At the same time it meets many, though not all, of the objections of manufacturers who have expressed fear that strict Federal controls will inhibit competitive merchandising. In its mandatory sections the bill requires manufacturers to state on their labels the exact contents of the package and either a numerical count of its contents or its net weight in ounces. In this way the buyer will be able to compare the prices of different makes and sizes. Misleading verbiage is forbidden. The bill also grants discretionary authority to Federal authorities to develop additional regulations for specific kinds of products.

Although the bill could usefully have been more stringent in some respects, it is nevertheless a reasonable compromise. Its prospects for approval in the Senate appear to be good; but if action is to be completed in this Congress, it is imperative that the House Commerce Committee begin work promptly. And now that the truth-in-packaging bill has finally cleared its committee, this should be a signal to the Senate Banking Committee to take up a companion measure, the truth-in-lending measure introduced by Senator PAUL DOUGLAS, of Illinois. Consumers are as unwary—and as much in need of Federal protection—when they go shopping for credit as when they buy food in the supermarket.

Mr. LAUSCHE. Mr. President, while I voted in favor of reporting S. 985, the Fair Packaging and Labeling Act, to the full Senate, I reserved at that time the right to oppose the bill on the floor of the Senate.

I wish to point out that I want to protect the consumer in the fullest degree against any deceptions practiced by the manufacturers or distributors of packaged articles. There is no issue with me about the need of such protection. The issue is whether or not under existing Federal laws, the executive branch of the Government has already been vested with coercive powers adequate to protect the consumer and make the manufacturer or distributor answerable to criminal prosecution and injunctive relief favoring the consumer by ordering a complete cessation of practices that are deceptive.

At present, the Federal laws contain two acts which are intended to protect the consumer:

First, The Federal Food, Drug, and Cosmetic Act:

Section 403 of this act states that food shall be deemed to be misbranded—first, if its labeling is false or misleading in any particular; second, if it is offered for sale under the name of another food; third, if it is an imitation of another food, unless its label bears, in type of uniform size and prominence, the word "imita-

tion" and, immediately thereafter, the name of the food imitated; and fourth, if its container is so made, formed, or filled as to be misleading.

This section of the act also requires:

First, That labels show an accurate statement of the quantity of the contents in terms of weight, measure, or numerical count; and further second, that all information required by the act to appear on the label must be prominently placed thereon with such conspicuousness and in such terms as to render it likely to be read and understood by the ordinary individual under customary conditions of purchase and use.

While the foregoing major provisions apply only to foods under this act, similar provisions are contained in the act relating to drugs and cosmetics.

It should be further noted that general regulations were issued by the Food and Drug Administration, section 1.9 (1) through (6) amplifying existing law which takes into consideration smallness or style of type, insufficient background, contrast, obscuring designs, etc.

Second, The Federal Trade Commission Act:

Section 5 of this act declares unlawful "unfair methods of competition in commerce, or unfair or deceptive acts or practices in commerce."

Section 12 of this act arms the Federal Trade Commission with additional procedural weapons to combat practices of false advertising of foods, drugs, devices, and cosmetics, thus giving these broad provisions coverage over all unfair or deceptive packaging and labeling and advertising practices relating to all products in commerce.

It has been my opinion that under these two acts, the Federal Government is vested fully with the power to bring prosecution against manufacturers or distributors who in any manner practice deception in the packaging of their goods and also vests the Federal Government with the power to go into a court of equity and procure injunctive relief against any manufacturers or distributors who indulge in such practices.

In addition to the two foregoing acts of the Federal statutes, each State has laws which subject individual manufacturers or distributors engaged in fraudulent practices in the sale of their goods to criminal prosecution and many States have laws giving the State government the right to seek injunctive relief to procure a remedy against fraudulent practices.

During the Commerce Committee's consideration of this bill, I supported the proposal which requires manufacturers or distributors of packaged goods to print on the outside of such packages in clear, understandable, conspicuous lettering the weight, measure, or numerical count of the pieces contained in the package and if the content is not in pieces but in weight, then the weight contents should not be identified in pounds and ounces but in ounces alone to simplify the housewives task in making comparisons.

My interest in protecting the buyer is just as deep as the interest of anyone else, but I do not subscribe to the policy

of passing new laws on a given subject when existing laws are adequate to reach the desired objective.

Every time you pass a new law of this type, you create new bureaus with their plethora of public employees bringing about a scandalous, indefensible expansion of public workers duplicating the work that is already authorized under existing law.

SELECT COMMITTEE ON INTELLIGENCE OPERATIONS

Mr. MONDALE. Mr. President, I wish to speak in support of the resolution of the senior Senator from Minnesota to establish a Select Committee on Intelligence Operations, as that resolution was ordered reported by the Foreign Relations Committee.

Recent stories in the press indicate that there is a need for oversight over some aspects of the activities of the Central Intelligence Agency with particular reference to the effects of this activity on our general foreign policy. Participation of members of the Foreign Relations Committee will permit and be particularly appropriate to such scrutiny.

It appears, for example, that CIA agents used Michigan State University as a "cover" for intelligence activities, in a technical assistance project undertaken in South Vietnam from 1955 to 1959.

What effect does such activity have on our technical assistance projects elsewhere in the world? Surely it gives opponents of U.S. activity in such countries a handle with which to beat our supporters. If so, is the gain from this particular activity worth such a cost? These questions of foreign policy can best be answered by a broadly based Select Committee.

It is reported in the series of New York Times articles of April 25-29 on the Central Intelligence Agency that the Agency has used money to influence the results of elections in foreign countries on occasions where it appeared that Communists were doing so. Certainly such activity cannot be carried on without becoming known. If the report is correct, how does this affect other foreign policies which we wish to pursue?

The junior Senator from New York recently spoke in this Chamber on the Alliance for Progress, and urged that the United States should take an active part in encouraging democratic forms and traditions in Latin America. I think nearly everyone agrees with him. How is such a desirable policy affected in its execution by the fact that we are in some places using bribery to influence the outcome of elections? Will they not do as we do, not as we say?

Answering such questions involves weighing the intelligence advantages in light of our long range foreign policy—an exercise most appropriately performed by a committee including members of the Armed Forces, Appropriations, and Foreign Relations Committees.

Another question which might well be taken up by the Select Committee is the degree to which our foreign intelligence activities may properly extend into this