



# Banding Together:

How Check-Offs Will  
Revolutionize The  
Consumer Movement

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Foreword by  
Ralph Nader

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--Andrew Sharpless

## Foreward

by Ralph Nader

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The history of the consumer movement in the United States has reflected two continuing characteristics hampering the evolution of a more just and efficient marketplace economy. First, sellers have been organized, but buyers and consumers have not been organized. Second, consumers have no regular, inexpensive communication system accountable to them that can organize their actions and resolve their basic grievances through mobilized advocacy.

Major corporations like their consumers to remain without a capacity for group purchasing action, group legal action, group participating action before regulatory agencies. The prospect that consumers can have their specialists and advocates working full time on their behalf does not exactly send ripples of excitement through the Fortune 500. The possibility that consumers banding together can muster the organized intelligence to play a major role in shaping economic policy and the future of our political economy is an unsettling one for the megacorporations that plan much of the world's economy. So too would be an organized consumer initiative to assess the hazards of technology or forestall the marketing of products which use consumers as test subjects or guinea pigs.

The mechanism or facility for the informed empowerment of consumers is the consumer check-off, an invitation to consumers to join together, transmitted via a notice carried by the sellers to their customers. Such a carrier function would be required by state or federal law, as would the chartering of the non-governmental consumer group that receives the members and their dues. After those stipulations, however, the responsibility shifts to the designated consumer group to make its efforts successful. The check-off notice would be required

for all legal monopolies--electric, telephone, gas, water etc.--and for all companies using pre-printed contracts or what lawyers call contracts of adhesion. These contracts would include insurance policies, landlord leases, installment loan arrangements and warranties. Also included would be licensees of public property such as radio and television. The proposal would involve a reversion of a portion of time which an audience network (the designated consumer group) with its professional staff would program. The audience network, chartered by Congress, would be open to anyone who chooses to pay the modest annual dues. Finally, certain public services, such as the U.S. Postal Service, would be required to **notify their** customers periodically of the opportunity to join with other so-inclined customers into an advocacy group.

The Center for Study of Responsive Law in previous publications has developed the structures for many of these consumer check-off groups.\* All have these similar features--they do not create a government agency, they do not burden the taxpayer, they are privately funded, their membership is voluntary to the consumer, the organization is accountable to its dues-paying members who elect the Council of Directors, and there is a full-time staff possessing the requisite skills for consumer organization and representation. The enabling laws would provide that the consumer groups can exercise all the rights that corporations possess to petition all three branches of government and to engage in marketplace negotiations.

When I suggested the check-off mechanism in October 1974, the consumer movement was busily engaged in trying to enact needed consumer protection laws

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\*Leflar & Rogol, Consumer Participation in the Regulation of Public Utilities: A Model Act, 13 Harv. J. Legis. 235 (1976)

Best & Brown, Government Facilitation of Consumerism: A Proposal for Consumer Action Groups, 50 Temp. L.Q. 253 (1977)

or to make laws already on the books work better. The corporate and trade association counterattack, with abundant campaign money, lobbyists and propaganda, had not yet begun systematically to focus on consumer protection standards and laws. Now, that corporate tidal wave is very much in evidence. Its burgeoning presence points out an important verity--that laws are not usually implemented unless there is outside private power organized to support them. This is a lesson the consumer movement must learn. Without consumer power on the outside, there is little metabolism behind the laws on the inside.

In late 1979, Wisconsin pioneered the consumer check-off for utility consumers by enacting a law requiring utilities to carry several times in their billing envelopes a statement and invitation to consumers to join the Citizen Utility Board (CUB) for minimum dues. The CUB structure was established in the legislation. After sending enclosures to the average Wisconsin resident just three times, over 50,000 people have joined. CUB has a professional staff and case-by-case consultants to help prepare its position before the Public Service Commission (PSC). CUB also has its own newspaper, called "CUB Prints," and conducts meetings in cities and towns throughout Wisconsin where members learn about utilities and deliberate their positions on rates, service and general utility practices. Early actions by CUB involve consumer positions on PSC rate of return proceedings for electric companies, the future of the automatic fuel adjustment clause, the technical, economic and social effects of local measured telephone service, co-generation and other renewable energy policies and the pricing of natural gas. Already, CUB's moderating effect on proposed rates is occurring--foreshadowing more comprehensive and successful representation in the future.

The idea of consumer sovereignty is central to the classical view of market economics. For it is before such sovereignty that a competitive marketplace of sellers is to submit for discipline. Yet as economies have become more industrialized,

more multinational, more impersonal (most consumers do not know their sellers as in the old days) and far more latently complicated in their diverse and adverse consumer impacts, the modes of achieving such consumer sovereignty have not been brought up to date.

Big business is a fact. Computers are a fact. Rising inflationary trends are a fact. Generational and ecological hazards are a reality. Concentration of conglomerate corporate power is here. The costs imposed on individual consumers who complain are increasing. The know-how needed to win is more difficult to obtain. And alternative economies such as co-ops and improved buying practices would benefit from the organized power of consumer check-offs.

Imagine ten years from now headlines featuring the following news events: "Chevrolet Owners Force GM to Buy Back Defective Cars;" "Sears Agrees to Change Installment Loan Contracts in Negotiations With Customer Alliance;" "Electricity Consumer Consortium Obtains Cessation of All Nuclear Power Construction by Nation's Utilities;" "Policyholders Association Wins Demand for Reduced Rates and Greater Company Safety Push;" "City Tenant Association Scores in Revisions of Standard Landlord Lease;" "Motorist Group Secures Improved Fuel and Safety Specifications from Auto Company;" "Consumer Network to Launch Reform of Federal Reserve: Interest Rates at Issue;" "Food Consumers Win Nutrition Advances in Supermarket Chain's Offerings;" "Shoppers Lobby Establishes Computer System to Link Complaints Instantly into Central Pool;" and "Giant Buyers Association Demands Equal Role in Nation's Economic Policy Groups."

Achieving these results requires a new consumer culture that bands together with resources and staff because of a keen appreciation that consumer justice pays off mightily in dollars saved, a higher quality of life and a respect for natural resources and future generations. But simply having the instruments of organization through check-offs is not enough. There needs to be a growing

will by citizens to shape their economy from a consumer perspective that measures the progress of economics not just from quantitative GNP rates or production increases but from the health and economic well-being of consumers. That is the ultimate measure of an economy's progress.

The mechanism for organizing and the will to follow up by consumers tend to be mutually encouraging. If there is a CUB, more people are likely to learn and be a part of making CUB effective. But to obtain a CUB, people need to begin to have a vision of the possible, where they can cooperate to achieve common goals. We believe this report: "Banding Together: How Check-offs Will Revolutionize the Consumer Movement" can stimulate this Beginning.

Ralph Nader

Washington, D.C.

September 1981



"It has been rightly said that the power to tax is the power to destroy. Conversely, the withholding of tax money can also destroy.

"May I say that the right to deny voluntary self-assessment for a worthwhile cause is equally destructive."<sup>1</sup>

J. Nelson Gibson, President  
North Carolina Cotton Promotion Association

## INTRODUCTION

The validity of Nicholas Johnson's frequently quoted remark that "the best way to keep the government upright is to lean on it from all sides,"<sup>A2</sup> is reflected today in the many efforts to win substantive procedural, judicial, and legislative changes that will assure representation in the government decision-making process of the full spectrum of citizens and causes.<sup>A3</sup>

Dozens of public interest advocacy centers and thousands of ad hoc citizens groups have been established in recent years, but equal participation is still just a goal. "Citizen participation beyond the electoral process now is an essential part of representative democracy in America,"<sup>A4</sup> concluded a 1979 study by the Advisory Committee on Intergovernmental Relations. But, the group notes, greater efforts are needed to expand and improve citizens' access and influence.<sup>A5</sup> The Council for Public Interest Law (CPIL) reported even more forcefully in 1976 that "...policy formulation in our society is too often a one-sided affair--a process in which only the voices of the economically or politically powerful are heard."<sup>A6</sup>

Producers are generally represented far more extensively than consumers. The CPIL study stated: "The formulation of public policy affecting both corporations and the ordinary citizen has too often been shaped by the vigorous and one-sided advocacy of industry lawyers."<sup>A7</sup> This shows up clearly in arenas where these interests collide regularly, such as in the deliberation of federal regulatory agencies. "Participation by regulated industries predominates," a 1977 Senate Committee report found, "and nearly all regulatory agency advisory committees seriously lack representation for consumer and other broad public interests."<sup>A8</sup> This imbalance is echoed in some state regulatory bodies, where

producer interests are presented by technical experts and well-trained lawyers, and consumers' interests are advocated, if at all, by citizens intervening in their nonworking hours.<sup>A9</sup>

The imbalance grows from the difficulty of organizing consumers and the relative ease of organizing producers. Producers, both because they are smaller in number, and because they identify a more specific self-interest, are relatively easy to mobilize. Since they gather through trade associations and conferences, and communicate through trade publications--informing each other about common problems--producers build the mutual trust needed to work together for their interests. When crises develop, producers generally have the funds to purchase written and broadcast advertisements as an emergency communication device. None of these communication and education systems are readily available to consumers. Not only do consumers face barriers caused by inadequate financial resources, but the tax system works to subsidize producer-to-producer communication while penalizing consumer-to-consumer exchange, by allowing producer communication costs (e.g. membership dues for trade associations, publication costs, and expenditures for meetings) to be deducted from taxable income as an operating expense. No such opportunity is provided to individual citizens/consumers.

Except for a few member-supported groups, consumer organizations have been dependent on a few far-sighted foundations and to a much lesser and temporary extent on the government itself to help fund representation of their interests. Consumers have not successfully developed effective communication links between themselves to mobilize as a community. The absence of an effective communication mechanism means that very few citizens have had a voice

in important forums of government and the private sector where key decisions affecting them are made.

Foundation support has never been viewed as adequate for consumer representation efforts.<sup>A10</sup> Moreover, a 1979 study of financing for public interest law, showed that although foundations have provided crucial support for the public interest effort, this support is declining and cannot be relied on heavily in the future.<sup>A11</sup> While the total income available to public interest law centers increased two percent in constant dollars between 1975 and 1979, the percentage of support provided by foundations dropped from thirty-seven to thirty-one.<sup>A12</sup> And in the four years covered by the CPIL study, the decline in the number of consumer centers was matched by an increase in the number of business-oriented law centers.<sup>A13</sup> These business-oriented centers received nine times as much from foundations as consumer-oriented centers.<sup>A14</sup>

Though the federal government has provided more support than foundations for the legal service programs designed to represent consumer problems, providing sixty percent of the groups' total support government funding has drawbacks.<sup>A15</sup> First, federal funds are an unstable base on which to build continuing consumer representation, particularly since consumer representatives will at times need to "bite the hand that feeds them" by challenging government regulators or legislators. As the history of the Community Action Program of the late sixties demonstrated, persisting with these challenges can threaten a group's funding. Another fundamental problem is that producers not only attempt to influence government officials on the substance of government decision-making, but try to limit the funding available to consumer representatives. In recent years, these efforts have been successful at several federal agencies. Finally, and most importantly, government funding, like foundation funding, does little

to educate, inform, and involve the general public. Structuring a grant giving system that provides strong incentives to promote citizen participation is extremely difficult. Thus, though government funds have helped increase consumer representation, this has solved only part of the consumer-producer imbalance in our society--it still leaves the average consumer largely uninformed and unable to communicate with other consumers or to participate directly in key governmental decision-making. For example, creation of state counsels to advocate consumer interests before state regulatory commissions has done little to involve average citizens in broader decisions made by these bodies. Even more seriously, when these commissions refer policymaking to the state legislature, citizen participation in the legislative process has been limited.

Against this background of declining foundation support and undependable government support for consumer representation, the continuing concentration of numerous industries into oligopolies and shared monopolies, the promotion of complex goods and services about which there is little information available for consumers to apply in making a reasoned choice, and the symbiotic relationship of some corporations to their governmental overseers, all intensify the need for self-protective citizen action.<sup>A16</sup>

Consumer groups need a funding source that is efficient, stable, responsive to the individual, establishes a communication link, and which encourages citizen participation. The history of citizen efforts to exercise their potential political and economic power suggests their best hope for developing such a funding base is to "piggy-back" on existing financial transactions. This method is presently used by labor union members whose dues are checked-off from payrolls. Farmers also use it to fund commodity promotion organizations through check-offs on transactions with their wholesalers or the

federal government. The government uses it to collect all sorts of taxes, and more recently, students at over a hundred universities have funded their citizen-educational organizations through a check-off on tuition bills. This "piggy back" fundraising technique has been evolving for over a hundred years. However, except for some student groups, until recently, the check-off has never been used by American consumers to finance consumer education, participation, and representation in governmental decision-making.

To examine the potential for new applications of the check-off, we review the range of existing check-offs, outlining the principal arguments for and against the check-off in its various manifestations, and the main reasons for its continued success.

We reach two particular conclusions. First, the check-off is a neutral mechanism through which funds can be raised for virtually any interest or issue that has sufficient popular support. Indeed, the arguments made in its favor, as well as those made against it, are remarkably similar regardless of whether the check-off benefits workers, producers, the government, students or consumers. Second, the check-off is an enormously successful means to raise money and encourage broader participation. It succeeds because it is efficient; it is usually democratic; it could help encourage leadership to be responsive to members; it can facilitate communication among large numbers of people; and it is flexible enough to fit different and/or changing situations. Perhaps most importantly, a check-off system can enable decision-making participation both from particular and broad interests without adding layers of bureaucracy, burdening the taxpayer, or displacing duly authorized agencies.

### WHAT IS A CHECK-OFF?

The check-off's adaptability makes a precise definition impossible. Essentially, it is the use of an existing payment, billing or communication mechanism to collect funds for another group or purpose. The new purpose may be completely unrelated to the original payment or billing system. In many cases, in fact, the check-off funds an organization or effort which plays an adversarial role to the administrator of the wage payment or billing system. Thus, some check-offs are established by law (income tax deductions); some through negotiation (union dues check-off); some by the operators of the original system for their own purposes (commodity check-offs); and some are begun voluntarily at the behest of an outside group (such as United Way payroll contributions).

Although the details of check-offs vary widely, they fall into three categories: mandatory, refundable, and contributory. The mandatory check-off is used in agency shops and by the sales tax system. Essentially a self-imposed tax mandated for a particular purpose or organization, it is almost always established through majority vote. Everyone in the relevant group pays the tax, and there are no refunds. The refundable check-off is similarly established by a majority, and paid by all. However, refunds of the mandatorily contributed money are available to the minority who do not wish to support the beneficiary organization. The refuseable check-off, a slight variation of the refundable type, allows nonpayment--effectively an immediate refund--to people who check a box or complete a form indicating they do not wish to participate. (This form is used by some of the college Public Interest Research Groups.) Finally, a contributory check-off arrangement usually does not proceed from a

majority mandate. It permits people who make an affirmative gesture to add a piggy backed contribution above the amount of their bill or payment.

These check-offs can also be distinguished from a theoretical point of view, since each acts to counterbalance a specific sort of market failure. Over all, the check-off is a collective act that corrects a situation in which uncoordinated individual action has not (or will not) produce the result the majority desires. A check-off can do this in three ways: by lowering transaction costs; by shifting the incidence of these costs from one group to another; and/or by providing an enforcement mechanism for collective agreement. Each of the check-off forms can be distinguished by its differing effects in these areas.

For example, the contributory check-off simply lowers transaction costs. By "piggy backing" on an existing exchange, it not only saves the time of devising and implementing a separate billing system, but in some cases saves postage, paper, accounting, and other operating costs. Without this efficient mechanism, certain voluntary transactions might collapse simply under the weight of their transaction costs. For example, in most situations the effort of making a charitable contribution, combined with the expense, is great enough to overcome the potential pleasure of being generous. United Way payroll deductions by making giving easier, significantly increase participation rates.

The mandatory check-off provides an enforcement mechanism which is virtually essential when what is sought is a "public good."<sup>A17</sup> Most people will agree to help finance purchase of a "public good" such as clean air if they are certain that everyone will bear their fair share of the cleanup cost. But since an individual cannot provide this certainty (which requires an effective enforcement mechanism), collective action--like establishing a mandatory



check-off--is nearly always necessary to provide these "public goods." The mandatory check-off that prevails in a closed shop is an example of a collective agreement that solves the problem by providing an enforcement mechanism. It is successful because it assures that no worker will benefit from the gains won by the union without contributing to its support.

A refundable check-off shifts the incidence of transaction costs from one group to another. It, therefore, can be seen as a bridge between the mandatory and the contributory check-off, since it does more than simply lower transaction costs, but fails to provide the strong enforcement mechanism of the mandatory check-off. When instituted after a democratic show of support from the people affected, the refundable check-off reverses the situation under which the majority who wish to acquire a public good must bear a higher transaction cost than the minority who do not want it. The "refundable" facilitates the acquisition of the public good and discourages "free-riding" by raising its cost, but, unlike the mandatory check-off, permits people who do not value the public good to receive a refund. The PIRG funding system, for example, reflects this democratic reallocation of transaction costs.

As will become clear in the following discussion, the mandatory or refundable check-offs are far more effective than the contributory check-off in situations where there are obtainable "public goods" and/or a strong tendency to free-ride. In contrast, if the good to be bought is essentially private, like a health insurance policy, contributory arrangements will work well. Check-off organizations which have ignored this distinction have been lucky to survive at all. Those which have heeded it have often been able to use the check-off to great success; today there are hundreds of check-off funded organizations raising millions of dollars in the United States.

## HISTORY OF THE CHECK-OFF

### The Workers' Check-Off

The oldest check-off still widely used is the union dues check-off. Ironically, it was inspired by the practice, common in isolated communities close to coal mines, in which the "company store" permitted workers to charge purchases to their next paycheck. At the end of the month when wages were due, the operator simply deducted the debts and paid in cash whatever remained.<sup>1</sup> Though some workers resented this practice because it threw them into an apparently perpetual debt, the range of deductions made by some operators grew to contain much more than staples. One firsthand observer listed them as:

House Rent. Premium for Insurance and Beneficial Funds. House Coal. Taxes. Company Store Accounts. Air Drills and Jack Hammers. Hospital Charges. Compressed Air. Medicines and Surgical Supplies. Carbide. Cotton. Fuse. Oil. Squibbs/firecrackers/detonators. Black Powder. Dynamite. Permissible Explosives. Electric Firing Batteries. Oilskins and Rubber Clothes. Rental of Electric Lamps. Oil and Carbide Lamps. Wages to Laborers. Tools and Repairs. Pay to Check Weighman. Steel for Rock Work. Liberty Bonds. Red Cross Contributions. Contributions to Community Chests, embracing Y.M.C.A., K. of C., Salvation Army, and Charitable Organizations.<sup>2</sup>

The creditor for these deductions was usually the operator. However, in some instances, the operator served as collection agent for other creditors as well. Physicians and insurance salesmen in company towns were sometimes able to convince operators to check off bills (and incidentally, were thereby sometimes able to extract exorbitant fees).<sup>3</sup>

These operator-sponsored check-offs were the precedent often cited by the United Mineworkers Union (UMW) in their efforts to establish a union dues check-off. John L. Lewis, the union's president, by emphasizing the precedent set by the older check-offs, developed an argument that has been used by check-off advocates ever since, including supporters of the consumer check-off.

Although there is some indication that the method was used previously by a small bricklayers' union in Texas<sup>4</sup> and by the coalminers' National Progressive Union as early as 1889,<sup>5</sup> Lewis' UMW first made the check-off a widespread and important union issue. The UMW won its first local check-off in 1898. Eight years later it was accepted by delegates to the union's first regional conference, and in 1911 the UMW could count successful dues check-offs in fourteen states.<sup>6</sup> The check-off soon became a principal bargaining issue in all UMW contract negotiations, and the object of a serious strike threat as early as 1923.<sup>7</sup>

Despite the Mine Workers' success in gaining the check-off--by 1933, 90 percent of coal tonnage was mined by workers covered by check-off agreements<sup>8</sup>--it did not become a common issue in labor negotiations for other unions until the 1920s and 1930s. The first statement by the U.S. Bureau of Labor Statistics on the check-off appeared in the January 1930 Monthly Labor Review.<sup>9</sup> The Bureau noted that the check-off provision first negotiated with mine workers prior to the turn of the century had spread to many other industries, including:

"...bakers; barbers; brickmakers; cleaners; dyers; and pressers; retail clerks; windowglass cutters; hotel and restaurant employees; meatcutters; sheet-railway employees; teamsters and chauffeurs; carpenters; cement finishers; hod carriers and laborers; lathers; painters; plasterers; plumbers; roofers; and sheet metal workers."<sup>10</sup>

The union dues check-off grew steadily thereafter. For example, the first Ford Motor Company-United Automobile Workers' agreement in June 1941 included a union dues check-off.<sup>11</sup> In 1946, more than six million workers, representing 41 percent of all those under collective agreements, were covered by a check-off.<sup>12</sup> In 1958-9, the total was 77 percent.<sup>13</sup> In 1975, the percentage of union members utilizing the dues check-off was still rising slowly

to 80.1 percent of the people under collective agreements.<sup>14</sup> All large-contract workers in that year in tobacco, textiles, chemicals, petroleum refining, rubber and plastics, and electrical machinery manufacturing; and all contracted workers in mining, crude petroleum, and natural gas were covered by some version of a dues check-off arrangement.<sup>15</sup>

The union dues check-off is now ordinarily accepted by employers and is virtually always the union's preferred method of dues collection. Operation is simple. After the worker has specifically and individually authorized dues withholding (this is required even in agency shops) the employer deducts the amount of the union contribution from his or her paycheck, and then forwards collections directly to the union.

In addition to providing regular dues, the check-off has been adapted to simplify other financial transactions between unions and their members. Strike funds,<sup>16</sup> union initiation fees, fines and special supplemental collections for the union local are sometimes collected through a union check-off.<sup>17</sup>

The supplemental union check-off which has had the largest impact in recent years is that for political action committees (PACs). Like the nonunion PACs, the union PACs endorse and contribute to candidates for offices from mayorships to the Presidency. They also lobby legislators for favorable bills. As with most PACs, the parent organization remains closely involved in decision-making, though the PAC is formally financially independent. For example, the National Education Association's (NEA) annual full union assembly chooses the candidates which the NEA-PAC will endorse,<sup>18</sup> and many union PACs share executives and decision-making procedures with the union that founded them.<sup>19</sup>

However, unlike many nonunion PACs, since 1975 the bulk of union PAC money has come from these special PAC check-offs.<sup>20</sup> Among the largest of the

union PACs receiving check-off money are the NEA-PAC, the AFL-CIO's Committee on Political Education (COPE), COMPAC sponsored by the UMW, and the Community Action Program (CAP) of the UAW. Interestingly, trade unions in Great Britain have taken a further step, and use the check-off to collect funds for the Labour Party itself.<sup>21</sup> Indeed, the British union check-off provides the financial backbone of that national political party.<sup>22</sup>

The union PAC check-offs are required by the Federal Election Commission to be contributory.<sup>23</sup> They are, therefore, one of the rare contributory check-offs which support a "public good"--election of candidates who support union policies benefits the union PAC supporter as much as the noncontributor--that consistently raises significant amounts of money. This success can be explained partly because unions can point to fundraising efforts of corporate management PACs as a stimulus to mobilize worker support, and partly by the heavy media attention given to candidates and elections.

The other contributory check-offs offered by unions are, as the theory suggests, designed to permit workers to acquire private, not public goods: check-offs are available for purchasing health, life, and burial insurance, or to allow contributions to pension funds or other savings plans.<sup>24</sup> Recently, some unions have experimentally offered prepaid legal services through a special contributory check-off.<sup>25</sup> Since these contributory check-offs are essentially conveniences, they are also offered by many employers to workers who are not union members.<sup>26</sup> This use of the contributory check-off to provide what is sometimes seen as a "fringe benefit" has brought the check-off to the attention of millions of workers who have never checked-off a union dues contribution.

Examination of the workers' check-off suggests several points of interest for consumer check-off advocates. First, the sheer duration of the fight for the workers' dues check-off (a 1970 Supreme Court decision even suggests that it still is not finished)<sup>27</sup> augurs that the struggle for consumer check-offs will require endurance. Second, the unions' tendency to use the contributory check-off to purchase private goods, and the refuseable, or refundable versions to pursue public goods, confirms the earlier conclusion--consumer groups working on problems that have the characteristics of public goods should try to avoid a contributory check-off. Interestingly, one important modification to this rule is suggested by the experience of the union PACs; insofar as consumer groups are forced to rely on contributory check-offs, they will be much more successful in maintaining public support if they concentrate their efforts on electoral politics and on issues being debated in the main political arenas which are receiving generous attention from journalists. As in the case of the successful PAC contributory check-offs, the regular publicity helps to clarify to consumers the importance of the check-off funded activity and promotes continued contributions. Finally, this history demonstrates that though victories for the check-off are difficult to gain, the benefits are significant. If this were not true, after nearly a century of experience with union dues check-offs, workers would not still be fighting for them, and still implementing them in new areas.

The acceptance of the check-off by the National Labor Relations Board provides another measure of its benefits. The favorable governmental attitude toward the union dues check-off can be traced back to a 1942 decision of the National War Labor Board (NWLB) which pointed out some of the ways in which the

dues check-off not only served the workers' interests, but was also in the public interest. Part of that decision read:

"The voluntarily accepted binding check-off will contribute to the security and stability of the union, and affords a basis for cooperation between the company and the union. Just as the union has the opportunity to cooperate with the company in maintaining shop discipline and promoting efficient production, so the company has the opportunity to cooperate with the union in its special problem of collecting dues...the check-off will save the time of the union leaders for the settlement of grievances and the improvement of production...The time, thought, and energy given in tense struggles for the organization, maintenance of membership and collection of dues, necessary and educationally valuable as they are, should as fairly and wisely as possible now be concentrated on winning the war. The intense struggle to maintain the labor unions should, by a stabilization of the union, give way to the more intense and larger struggle to maintain the American Union as the hope of freedom and peace in the world."<sup>28</sup>

#### The Producers' Check-Off

That the check-off serves the public interest has been reflected not only in the government's relations with organized labor, but also with one of the key producer groups in this country--agricultural commodity farmers. Producers of six different commodities--cotton, eggs, potatoes, wool and lamb, milk, and wheat--have gained congressional approval of laws enabling them to establish (usually refundable) check-offs to fund research and commodity promotion activities.<sup>29</sup> Each year, millions of dollars are collected through volume-based check-offs to support the work of these separate commodity organizations; work which includes the familiar advertising campaigns encouraging consumers to purchase more cotton and eat more potatoes.<sup>30</sup> Congress has twice passed legislation granting beef producers the seventh national commodity check-off, but both times it failed to gain sufficient support in a referendum of the cattlemen to be fully implemented.<sup>31</sup>

Governmental support for these check-offs has included supervision and funding of the ratifying referenda required to be held among the affected

producers. The Department of Agriculture uses its lists of producers to identify and locate eligible voters, and requests producers to mail their ballots back to regional USDA offices.<sup>32</sup> The Department even tallies the votes. If the check-off has gained the support of two-thirds of the producers voting (or a majority if they represent two-thirds of voters' production), the Secretary of Agriculture orders the check-off established.<sup>33</sup>

Following establishment of the check-offs, the USDA has continued to work very closely with the groups, exercising both formal and informal influence on the spending of the money collected. The formal relationships between the Department and the check-off commodity groups differ in detail, but the broad oversight and supervisory responsibility vested in the Secretary of Agriculture for the Cotton Board is fairly typical. The Secretary appoints the Cotton Board from nominations made by local producer organizations that have been certified by the Department. The Board's budget and research plans are subject to approval by the Secretary, who may also call a referendum at any time to ascertain continued producer support for the program. And the Secretary may suspend any project or order which "does not tend to effectuate the declared policy"<sup>34</sup> of the act creating the Cotton Board. The USDA's Agricultural Marketing Service (AMS) supervises the cotton research and promotion program.<sup>35</sup> Producers may specially petition the Secretary for rules to permit implementation of particular programs, and these rules are given the force of law. Finally, the Secretary has the authority to investigate compliance with the Act, including the holding of formal evidentiary hearings with subpoenaed witnesses.<sup>36</sup>

Check-off operations also differ somewhat among these commodity groups. The Cotton Board, the oldest of these check-off groups, has experimented with several arrangements during its history,<sup>37</sup> but currently is funded by a flat



refundable deduction on the first sale of every bale of cotton. Ginners make the collection, currently \$1.00 plus 1 percent of the sale price of each bale. This produces a generous supply of funds for the Cotton Board--\$22 million in 1979 alone.<sup>38</sup> No more than one-third of the cotton producers have ever requested partial or full refunds, and the portion has dipped as low as 3 percent.<sup>39</sup>

A new program for wheat, in contrast, will be financed by the end-product manufacturers rather than the producers. Wholesale bakers and other nonretail users of large quantities of processed wheat will be required to record a check-off payment in their own books based on the amount of flour or wheat they purchase, and to remit these funds quarterly to the Wheat Industries Council. Refunds can be obtained.<sup>40</sup>

The dairy industry's check-off makes deductions from transactions handled by USDA's Milk Market Administrators. These Administrators supervise the USDA program that equalizes the milk prices paid farmers by redistributing income from handlers who sell a high portion of their milk for drinking (which brings a higher price) to those who primarily supply industry (at a lower price). Refunds are issued quarterly by the Milk Market Administrator, and the remainder of the money collected is forwarded to the designated producers' representatives. (Each of the six areas that currently have an advertising and promotion program, direct their money to the United Dairy Industries Association.)<sup>41</sup>

Yet another check-off arrangement is used by the Wool and Lamb Program, which makes deductions for its promotion fund not on sales of sheep, but on incentive payments to farmers made when prices are low. Refunds are not available, but the Agricultural Stabilization and Extension Service conducts a ratifying referendum each time the Act is extended (about every four years).<sup>42</sup>

Finally, in the international arena, there is the coffee check-off. In 1975, the Department of State participated in the negotiation of the International Coffee agreement. In addition to offering planters a minimum price for their future crops, the U.S. agreed to let the producers add one-tenth of 1 percent to the price of each pound of coffee to establish a "promotion fund." According to Joan Braden, former consumer coordinator Department of State, "we agreed to charge the consumer for the cost of propagandizing him in favor of buying coffee."<sup>43</sup>

The government's involvement in collecting commodity check-off funds, and its assistance in establishing these commodity boards, indicates that the check-off mechanism is perceived to be in the public interest. This conforms with the NWLB's judgement about the union dues check-off,

Ironically, strong governmental support for the commodity check-offs became one of the key contributors to the failure of the national beef check-off. A generalized anti-government attitude among beef producers<sup>44</sup> led to opposition to a national check-off program requiring close cooperation with the Department of Agriculture. This hesitation (also present among other farm groups), was not offset for beef producers by a potentially catastrophic "public goods" or sales problem, like that posed for the cotton industry by the invention of synthetic fibers. The most important reason for the rejection of the national beef check-off was the existence of the National Meat and Livestock Board, funded by beef check-offs at the state level.<sup>45</sup> Thus, the rejection of the national beef check-off was in no way a rejection of the check-off mechanism.

Perhaps the most revealing lesson of the beef check-off is that it again demonstrated the need for a specific threat to clarify people's interdependence and their need to cooperate for the common good. Since the check-off is a

mechanism to permit acquisition of a "public good," people often work together to establish it only after they realize that they share a powerful and potentially devastating opponent. Without this kind of specific and shared peril, the supporters of the check-off are often unable to develop sufficient enthusiasm to gain its enactment. Examples to illustrate this point are plentiful. The Cotton Board has become the largest and most significant commodity organization in large part because it faced a more concentrated and powerful opponent than any other commodity organization--the development and marketing of synthetic fibers by a small group of oligopolistic chemical firms.<sup>46</sup>

Similarly, the first trade union to widely implement the dues check-off was in an industry in which the power balance was skewed so far in favor of the employer that many workers faced a monopsony situation. The lack of accessible and cheap transportation, combined with the isolated location of many mines, gave mine operators a dominance over many aspects of a worker's life that was rare in other industries. Many miners were forced to choose between continuing to work for the operator and the risk of a long and difficult period of unemployment. This history suggests that the consumer check-off will make its first appearance in an industry in which the power imbalance between consumer and producer is equally great--a monopoly situation. As will be discussed later, this is exactly what is happening.

#### The Government's Check-Off

It is, therefore, not surprising that the most pervasive and lucrative national check-off in America, the income tax, was instituted at the height of World War II. Though the notion of withholding income taxes from paychecks was not new, and had even been tried briefly early in the century, the Nazi menace

provided the catalyst for establishment and operation of this massive and very successful check-off.<sup>47</sup> Hitler's threat to American national security dramatized the importance of solving the "public good" problem (e.g. assuring that there were significant discouragements to free-riders), for all American citizens.

The federal income tax withholding program, a mandatory check-off collection piggy backed onto virtually every paycheck issued in this country, has been in continuous operation since 1943.<sup>48</sup> It was designed not only to assure less tax dodging, but also to help distribute the growing tax burden over the year.<sup>49</sup> This helped to solve the problem of tax delinquencies<sup>50</sup> caused by the unintentional failure to budget adequately.

In 1954, withholding provided almost three-fourths of gross federal tax collections and covered virtually all categories of employees except casual labor not in the employer's business, farm labor, and domestic servants.<sup>51</sup> In 1979, over 90 percent of gross federal tax collections were provided through withholding.<sup>52</sup> Needless to say, though federal income tax withholding is the largest check-off that accrues to government, it is not the only one. The tax check-off is also currently used by many state and local governments for their tax collections. Indeed, most individual taxes--property and value-added taxes are the only significant exceptions--are essentially mandatory check-offs.<sup>53</sup>

Three characteristics--efficiency, communication and planning--of the check-off have encouraged the government to use the check-off in its efforts to sell Baby, War, Defense and now Savings Bonds. The practice of establishing contributory check-offs designed to permit regular deductions to purchase these bonds began in 1935<sup>54</sup> and became widespread in World War II, when it was promoted by an intensive enrollment campaign. As the Treasury recounts, "With the

coming of World War II, the Payroll Savings Plan with its 'everybody every pay-day' theme, became a universal way of life in business, industry, government, and the Military Services."<sup>55</sup> Checked-off payroll deductions were the leading source of financing for Treasury War Bonds issued during World War II.

The huge War Bond campaign was so successful that it has been continued to the present, although its name was changed to The Savings Bond Program. Popular acceptance of this application of the check-off was enthusiastic, partially resulting from the aggressive efforts of defense corporations, and included virtually all the groups involved in determining payroll policies. The Treasury credits the success of payroll savings in large part to "the cooperation of thousands of companies operating and promoting the plan, the endorsement of labor, and the enthusiastic participation of employees who find it the one sure way to accumulate reserves for the future."<sup>56</sup> Since the relatively low interest rates paid on Savings Bonds have made them a dubious investment in many years, their continued sales is in large part a measure of the advantages of the check-off mechanism. In a recent year, over 24 million families owned Savings Bonds.<sup>57</sup>

With this successful history behind it, the traditional government tax or bond check-off has branched out with new ideas in recent years. Among the more innovative of these new ideas designed to benefit governmental activities are three check-offs on income tax returns, which allow taxpayers either to route a small portion of taxes to a specific program, or to contribute an amount above their tax obligation to a quasi-public group. The Presidential Election Campaign Fund is the leading instance of the former arrangement, and a proposed check-off for the National Endowment for the Humanities and the Arts on federal income tax returns is an example of the latter. The two arrangements are synthesized in a third check-off initiated in Colorado to support the state's

Non-Game Wildlife Fund, a check-off which has been so successful that it has been adopted in four other states.<sup>58</sup>

Congress established the Presidential Election Campaign Fund check-off in 1972 in response to the abuses of private financing of presidential campaigns. Presidential aspirants who accept money on a matching basis from the special Fund must meet mandated campaign expenditure limitations. The Campaign Fund is capitalized by a check-off on individual income tax returns that allows taxpayers to designate \$1.00 of their tax liability, or \$2.00 on a joint return, for the Fund. The check-off initially gained support slowly, a problem that a Common Cause suit attributed to a failure by the Treasury to publicize it effectively,<sup>59</sup> and in 1972 only 10 percent of taxpayers utilized it.<sup>60</sup> However, by 1975, the Fund held \$61.5 million, about half of which was collected that year,<sup>61</sup> and in fiscal 1979 alone, collections were \$79.3 million.<sup>62</sup>

Representative Fred Richmond (D.-N.Y.) has proposed a National Endowment for the Humanities and the Arts contributory check-off.<sup>63</sup> If passed by Congress, two check-off boxes would appear on federal income tax forms allowing citizens to contribute any chosen amount separately to the arts and/or the humanities. Eighty percent of collections would go to the national organization, and 20 percent to the state council or commission in the taxpayer's local area. Supporters emphasize that since it would be a contributory check-off, it would not drain the Treasury, and suggest that it would be used most heavily by people who expected to receive tax refunds.<sup>64</sup> While the bill has enjoyed moderate cosponsorship in three Congresses, no hearings have yet been held--probably because the Ways and Means Committee does not see this as an issue of overriding importance,<sup>65</sup> and also as a result of that committee's reluctance to consider arts legislation.<sup>66</sup>

The Colorado Non-Game Wildlife Fund is financed through a legislated check-off on state income taxes that provides the taxpayer with an opportunity that is similar to the two described above.<sup>67</sup> Colorado taxpayers may mark a box on their income tax forms to contribute \$1.00, \$5.00, or \$10.00 to the Non-Game Wildlife Fund from any tax refund due them. The donation is tax-deductible in the following year; people not due refunds cannot participate in the check-off. In its first year, the check-off raised \$350,000 from 90,000 taxpayers; in its second, \$501,000 and in its third, about \$750,000.<sup>68</sup> The State's Division of Wildlife uses the funds to manage nongame wildlife, including threatened and endangered species.

Since the Colorado legislature had previously refused to appropriate general funds for nongame wildlife work, the check-off program has given the Non-Game Wildlife Program its first substantial funding. Colorado's is now the largest such state program in the country; its success has spawned similar check-off programs in Utah, Oregon, Kansas, and Minnesota. One also passed the Illinois state legislature, but failed to survive a veto. The check-offs success has also encouraged its Colorado legislative sponsor to consider trying to establish a similar check-off system to benefit the state parks.<sup>69</sup>

A comparison of these three innovative tax check-offs suggests several observations relevant to consumers. First, neither the Non-Game Wildlife Fund nor the National Endowment for the Humanities are likely to be anyone's top priority. Their popular support will depend upon the other issues that are demanding public attention. Many people may reasonably be reluctant to fund this kind of conservation and arts work with traditional tax funding techniques which tend to establish a fairly inflexible bureaucracy. The contributory check-off, which permits people to stop and start contributing quickly and

easily, solves this problem, as do the refundable and refuseable varieties. The responsiveness of these three check-off arrangements to the changing preferences of citizens make them especially appropriate funding mechanisms for matters that are considered of lesser priority.

This responsiveness is also important for consumer groups, though not for the same reason. Though consumer groups rarely would choose to work on issues of marginal concern to large numbers of people (since they rely on voluntary donations), these groups often focus on a limited number of issues at a time, and adjust their efforts over time to reflect changing concerns among consumers. It is, therefore, important for these groups to provide supporters with a flexible funding mechanism--people may agree with the group's current stance on issues, but wish to preserve the freedom to withdraw support should they disagree with a future position or priority.

These three innovative arrangements also highlight the check-offs ability to serve as a means of communication. The Wildlife Fund and the Presidential Election Fund check-offs are in some measure successful simply because they remind people of a problem they are already concerned about.

The Presidential Election Campaign check-off is similar to the commodity, the trade union, and the income tax check-off in that it attempts to provide a democratic response to an imbalance of power. Just as the trade union check-off was, in its most characteristic early expression, part of a mass-based response to the concentrated economic power of the coal operators; the cotton check-off part of an industry-wide response to the oligopolistic chemical companies; and the income tax a reaction to the ominous threat of Hitler's Germany; the campaign check-off was a key part of the reform of abuses resulting primarily from the dominance of a small handful of contributors.



But even more importantly, the check-off, by its very nature, helps make possible reform that at least holds out the promise of remaining democratic over the long-run. For example, by assuring that a large number of workers can each make a very small contribution, the dues check-off makes possible a union financing system more immune to the temptation of company unionism than a personalized fundraising arrangement. It does not guarantee this immunity--the lack of real internal democracy in some modern check-off funded unions demonstrates this--but it increases the defenses against corruption.

The mandatory check-off, of course, provides less incentive for the maintenance of internal democracy in the organization or the program it funds. The refuseable, refundable, and contributory check-offs each provide a stronger--though once again, not absolute--immunity against corruption, since they each permit people to stop contributing at any time. Because these check-offs are so responsive to the individual, organizations that rely on them must also remain responsive to their individual members in order to survive.

### The Students' Check-Off

These four characteristics of the check-off--its responsiveness, its ability to serve as a communication link, its efficiency, and its ability to raise significant amounts of money in a process that reinforces internal democracy--also help explain why it has grown to be an essential element of the organized student movement in this country. Since 1971, statewide nonprofit entities called Public Interest Research Groups (PIRGs)<sup>70</sup> have been established by college students across the country, and all have attempted to institute a check-off funding procedure. In those cases in which they have succeeded, they have often gone on to become effective advocates for the interests of students and consumers at the state level.

The PIRG concept was outlined by Ralph Nader and Donald Ross in a 1971 book Action For a Change. They wrote, "The essence of the proposal was that students tax themselves a nominal sum in order to hire advocates to seek creative solutions to public interest problems."<sup>71</sup> The plan is direct: through petitioning and/or referenda, a majority (or, in a vote, a plurality) of students at a school agree to pay a small fee for each semester in order to establish PIRG on their campus. Following approval by the school's governing board, a contractual arrangement is established under which PIRG fees are collected through a check-off piggy backed on the college's bills, and then remitted periodically to the PIRG. The minority of students who do not wish to contribute to PIRG are given a refund. In other words, a refundable check-off.

Each of the approximately hundred and fifty campus PIRGS in twenty-five states<sup>72</sup> is directed by an elected student board. The board decides which issues the PIRG will address, administers its budget, and hires and directs the staff. In most states (and Ontario, Canada) where there are several PIRG chapters, students have chosen to pool some of their resources for a statewide organization. The state office then coordinates the efforts of the several campus groups, helps them to share ideas and information, provides aid to newly-organizing schools, and often is the locus for campaigns directed statewide. PIRG budgets have varied greatly from a small state's like Vermont of \$30,000 to New York's multi-office network with a budget of over one million dollars.<sup>73</sup>

The problems PIRGs choose to focus on vary from state to state, and depend upon the nature of the state, the interests of the students, and the expertise of the staff. For example, in 1976 Minnesota-PIRG prepared a groundbreaking study on the technological, economic and health problems of nuclear

power.<sup>74</sup> The District of Columbia PIRG has compiled a women's health care guide,<sup>75</sup> the PIRG in Oregon has pushed successfully for bottle deposit legislation, and New York PIRG has organized residents of Brooklyn and Bronx to combat discriminatory mortgage policies.

The diversity of these projects reflects above all the responsiveness of the PIRGs to students and to local problems. This responsiveness, promoted by the refundable check-off that funds many PIRGs, is especially important to students because of their relatively short stay at college. Students prefer a funding system that helps assure the advocacy group will be sensitive to changes in concerns that occur as the student body changes with each graduation. But most importantly, students find the responsiveness of PIRGs especially valuable because many discover the education bureaucracy at their school to be largely resistant to change and ready to wait out any student-sponsored change proposals they find disagreeable. Students do not want to establish another institution with similar inflexibility.

The transiency of the student population means that the communication component of the check-off is also very important. Students who want to work together to solve common problems generally lack sufficient funds to take out newspaper advertisements or to personally put together a door-to-door canvass or even a telephone canvass of their classmates. The check-off statement is a cheap substitute for these costly techniques.

The limited budgets of most students also explains why the fundraising efficiency of the check-off is so important to this group. The student, like the consumer, struggling in an inflationary economy, needs to assure that the largest possible portion of his PIRG contribution goes toward a PIRG program, by keeping fundraising costs minimal.

Finally, the PIRG check-off permits students to hire professionals without undue concern that the staff members will become unaccountable to PIRG members. Though specialists often display this failing in other organizations, those employed in PIRGs discover that the organization's voluntarily funded check-off arrangement assures that there is little money available for obscure studies or activities. Instead, the breadth of the funding base provided by the check-off rewards persistent and professional work on issues that reflect a reasonable interpretation of the public interest.

#### The Consumers' Check-Off

Efforts are underway to establish the rights of consumers' to utilize the check-off along with organized labor, producer groups and the government. Not surprisingly (as in the case of the trade union check-off), the first industry for which such check-off funded consumer groups have been proposed is one in which consumers are at an extreme disadvantage.

Indeed, outside of the post office, it is the one industry in which the consumers face legal monopolies. Since 1976, legislation to establish check-off funded statewide organizations of residential consumers of gas, electric, and telephone utility service has been introduced in more than a dozen state legislatures.

Though the names vary, all the proposals resemble a model statute for a Residential Utility Consumer Action Group (RUCAG).<sup>76</sup> Summarized briefly, the bills would create a nonprofit, nongovernmental consumers' organization funded by a contributory check-off. Any consumer may become a member by contributing more than a set minimum (up to a set maximum) amount each year. The group solicits membership through notices enclosed with utility bills, and may have

a brief statement and a check-off box printed on the bills themselves. RUCAG is mandated to represent the interests of residential utility consumers at all levels of government and in the courts. It may educate, research, lobby, and litigate. An unpaid board of citizen directors elected from among members makes all policy decisions, and uses the funds raised to hire a professional staff to implement its legislated charter and specific policies.

In November 1979, after three and a half years of legislative battling, supporters of the Wisconsin proposal secured passage of a modified RUCAG bill.<sup>77</sup> Called a Citizens' Utility Board (CUB), the group has the right to enclose membership solicitations in utility bills, but is not allowed to include a check-off box on the face of the utility bill. The modifications to the model bill, including strictures on the number and format of bill enclosures, were compromises proponents made in order to maintain CUB's support against ardent opposition lobbying by the utility industry. Their opposition was strong enough to leave the CUB proposal a victory margin no larger than two votes on five crucial occasions; four in the Assembly and one in the Senate.

Over 50,000 people--approximately 3 percent of residential consumers--have joined CUB in response to solicitations--included in their telephone and their electric bills during the past year. Membership is expected to reach 100,000 next year. In January these members elected board of directors which has hired staff and consultants to intervene in utility regulatory proceedings and begin public outreach.

Many of the arguments used against CUB's financing system, which dominated the legislative debate, echoed those historically used against other check-offs. Indeed, the anti-consumer lobbyists in virtually every state where RUCAG legislation is under consideration have resorted to these same time-worn asser-

tions about check-off funding.<sup>78</sup> This pattern suggests that these same discredited claims are likely to reverberate through debates over future proposals to establish check-off funded consumer groups in other industry areas (e.g., insurance, automobiles).<sup>79</sup> It will perhaps help discourage continuous repetition of the debate to summarize these anti-check-off arguments--as well as the responses--with special emphasis on the most recent check-off debate over RUCAG (or CUB).

First, despite the ubiquitous and long-established worker, producer, government, and student check-offs, opponents charge that the consumer version is unworkable. RUCAG/CUB supporters, of course, respond that the wide check-off precedent makes this claim untenable. They go on to point out that the utility companies already have the ability to enclose special materials with their bills, and also to charge people for special services, such as shutting service off for the summer, or installing a special new phone.

Check-off opponents often fall back and argue that the consumer check-off would at best be inefficient. While acknowledging the requirement that CUB reimburse the utilities for the cost of handling the check-off, utility lobbyists insist it would be immoderately expensive (for them or a citizens' group) to reprogram utility billing computers to allow for the check-off. Once again, echoing the words of John L. Lewis,<sup>80</sup> supporters of consumer check-offs have pointed to the successful operation of existing check-offs as the most direct refutation of this claim. The efficiency of the check-off mechanism is further demonstrated by the actions of some of the utilities themselves--since some of these companies have voluntarily established contributory check-offs to facilitate purchase of particular kinds of insurance, or, for example, donations to the United Way. Supporters go on to point out that consumer groups already are able to raise some money through familiar citizen efforts--bake sales, door-to-door canvasses, direct mail collections--for RUCAG/CUB-type activities. Since the check-

off is more efficient than these arrangements, it will permit more donated funds to be devoted to the purposes of the organization and less to the costs of fund-raising itself. (Several Wisconsin utility company executives have now admitted that CUB enclosures can be inserted in the bills for practically no cost. The utilities have acknowledged that actual costs for nearly 3 million enclosures were quite low. CUB, in any case, has paid the costs.)

In emphasizing the efficiency of the check-off, consumers are making a vital point. Prior to the miners' check-off, for example, the UMW collected dues at periodic inspections at the entrance to the mine, by sending its officials traveling around the countryside to meetings and miners' homes, through mail bills, or at union meetings.<sup>81</sup> None of the collections systems was satisfactory. As consumer groups have since discovered, these dues collections procedures consumed time and money extravagantly, produced inadequate returns, and sometimes created disruptive side effects.

Collection at the mine, for example, was so inefficient and disruptive, that Lewis was confident mine operators would voluntarily institute an informal check-off by advancing dues to miners who did not have the money on hand to meet their union obligations.<sup>82</sup> But, collecting dues by visiting homes was perhaps the most labor-intensive and expensive of all, and the Steelworkers' protest to the NLRB provided a clear example of the problem:

"At present the company forbids the collection of dues on company property and provides no facilities anywhere for this purpose. The problem is further accentuated by the difficulties and complications of many different nationalities and races among the workers, the widely separated and far flung locations of mills and homes and the limitations on transportation."<sup>83</sup>

Collection at union meetings was not much easier. Not all miners attended regularly, and as with the postal collection of dues, the bookkeeping was cumbersome. Accounting systems required dues stamps, membership books, dues receipts, and all the "archaic and disorderly" work of distributing and maintaining them.

The magnitude of the effort required to collect dues in person is indicated in a 1941 submission to the National War Labor Board. The Steelworkers' Organizing Committee (SWOC) estimated that 242,000 man-days a year were expended in collecting dues by its staff and local officials; SWOC's figure was fully accepted by their opponents in the case.<sup>84</sup> The committee also estimated that it cost \$89,654 to produce and \$4,980 to ship dues collection materials in 1940.<sup>85</sup> This estimate is comparable with the experience of consumer groups using door-to-door canvassing to raise funds and to inform people about the organization.

Though the advocates of the commodity, tax and consumer check-offs rarely provided an estimate of collection costs as precise as that calculated by SWOC, the efficiency of the check-off has been very important to them. The cotton check-off, for example, was collected at the gin, "...because it was far easier and less expensive to make collections agreements through 11,000 or 12,000 gins than to try to collect from more than 2 million cotton producers."<sup>86</sup> The even wider geographical dispersion of meat and cotton producers than of the miners meant that the personal collection method used by labor unions was not inconvenient, but impossible. Except for direct mail, the check-off was essentially the only fundraising method suitable for these producers. Today fewer than one person per million dollars collected handles the administration of Cotton Board funds including enforcement audits, collections and refunds.<sup>87</sup>

As mentioned earlier, the income tax check-off also was advocated as more efficient than a separate payment system. This fact became especially clear when the growth in tax obligations during the second World War produced a dramatic increase in the number of delinquent taxpayers. The government was faced with a choice between establishing an ongoing check-off system, or



instituting an extremely expensive and politically impractical mechanism to corral the outstanding debts.

On hearing the list of fundraising arrangements used in lieu of the check-off, some opponents argue that the consumer check-off is evidently not necessary. Since consumer groups are sufficiently well funded to do some good work, they say, why take the trouble to establish a check-off? Opponents of RUCAG/CUB often further assert that reforming the state regulatory commission or appointing a state attorney to represent consumers is a better solution than a check-off funded consumer group.

The response to these claims emphasizes that consumer groups, due to lack of funds, are seriously limited in the scope and nature of their activities. Very simply, the "public good" problem, described earlier, makes it difficult for consumer groups to raise sufficient funds to begin to correct many consumer problems. For example, PIRGs are one of the few consumer-oriented groups with the funds for a full-time professional staff.

Moreover, consumers need more than expanded activities by consumer groups; they need a means to communicate with each other about their problems, and a more effective way to participate directly in governmental decisions that affect them. Many consumer groups, overloaded with demands simply for litigation or for consumer complaint handling, are able to devote only a fraction of their time to informing, educating and involving consumers.

Reform of the state regulatory commission also fails to solve these crucial problems since these bodies must maintain an impartial attitude in weighing the interests of consumers and corporations. This impartiality prevents them from being effective as consumer advocates or educators. Appointment

of a state "Peoples' Counsel"<sup>88</sup> is also an inadequate solution, since such an office is likely to have neither the resources nor the incentive to involve people in crucial governmental decision-making. This "inside" Counsel is also essentially accountable only to the single government person who appointed him and, therefore, is less likely to take tough positions that conform with the general interests of the people. An "outside" constituency is needed which transcends the quality of specific officeholders and is a force in its own right.

Curiously, at the same time that many opponents of RUCAG/CUB are arguing that existing agencies (which are often largely unaccountable to consumers) are doing a good job, they attack the RUCAG/CUB proposal for establishing an organization that would be an unaccountable "lobby monster."<sup>89</sup> The implicit suggestion that a consumer check-off is somehow coercive repeats claims first made against workers' check-offs. Employers initiated this assault in a dual attack on the closed or agency shop and the check-off. This is depicted in a cartoon in the Chamber of Commerce's Nation's Business which showed two bullies, "Check-off" and "Closed Shop" blocking the doorway to "the Right to Work and Live" from a humble worker.<sup>90</sup>

In evaluating the charge of coercion, it is important to remember that the cartoon depicts two bullies, not one, and that the alleged coerciveness of the closed shop should be considered separately from that of the check-off. In unrestricted workplaces (as were all the earliest mines organized by the UMW), each worker chose individually to join the union, and then whether or not to have dues deducted.<sup>91</sup> UMW miners commonly had to sign a card specifically requesting that dues be withheld. It is difficult to find any element of coercion in this arrangement. As the SWOC summarized:

"Once it is conceded that union security is to be provided for in the contract, then the check-off is merely a routine business relationship between the corporations on the one hand and the union and their members on the other."<sup>92</sup>

Since the UMW first requested and implemented dues check-off, further safeguards against coercion have been established. The Taft-Hartley Act requires that every employee individually authorize dues withholding from his or her paycheck.<sup>93</sup> The check-off must also sustain majority support since it can always be revoked.<sup>94</sup>

In a related effort, some early opponents of the unions and of the check-off charged that the check-off established a personal power base for union leaders that made them unaccountable to their membership. The allegation was directed especially at John L. Lewis, the leading early check-off advocate. One of his opponents, for instance, claimed the check-off was designed by Lewis to "put himself not only into a perfect Heaven, but into a perfect Heaven permanently."<sup>95</sup> Historian Robert Zieger, who examined this claim, found that throughout these early decades the push for dues check-off came more often from rank and file workers than from the union leaders. He comments:

"The desire for the check-off was not a device of powerful union bureaucrats to gain control of the membership. In many instances, union leaders and organizers sought to discourage local unionists from premature insistence on check-off and union shop contract demands, arguing that these union security devices could only be achieved after membership in the union had reached overwhelming proportions. But new union members insisted on union security and check-off provisions, largely because they feared that nonmembers would benefit from union-secured gains and because they believed that all workers should share equally in the expense of union representation."<sup>96</sup>

This issue has also come up in the debate over check-off funded commodity representatives. Representative Paul Findley, testifying on the proposed cotton check-off in 1966, said, "The central question--should the Federal Government sanction a scheme to force cotton farmers to pay assessments for cotton promotion--resembles closely the question of compulsory union membership..."<sup>97</sup>

Since the Cotton Board provides refunds to farmers who do not wish to support it, the cotton check-off is not coercive for the same reason that the union check-off is not.<sup>98</sup>

The charge that a check-off funded consumer organization would be coercive is equally invalid. As a structure it also would be established by democratic mandate (usually of the state legislature) and would, since it is a contributory check-off, require affirmative action from all participants. People who did not support the group would not participate. Moreover, as mentioned earlier, the voluntary characteristic of the check-off makes the check-off funded consumer group especially responsive to members' (and potential members') concerns and interests.

The charge that a check-off funded consumer group would be unaccountable makes sense only if one asks the question "unaccountable to whom?" Industry opponents of the consumer check-off emphasize its lack of accountability to industry people and overlook its real responsiveness to consumers. Producers, government people, workers, and students all utilize the check-off and find it a responsive means to help finance efforts to solve problems ranging from the purchase of life insurance to the maintenance of satisfactory wage levels. Clearly, the check-off mechanism has helped fund groups which are accountable to a very wide range of interests in our pluralistic society. It is now reasonable to add consumers and their pressing problems to that list.

The final argument frequently used against consumer check-offs is that it is somehow unfair to require producers to piggy back their own opposition. Utility companies, for example, tend to argue that the obligation to enclose RUCAG/CUB materials along with their bills is not fair. RUCAG/CUB supporters responded simply that utilities are monopolies and the state may place special

requirements on the utilities in exchange for granting them their monopoly status. . . . Indeed, a strong argument can be made that these requirements are not only fair to the utility, but are an essential part of the states' duty to promote the general welfare. This state duty is also the essential justification for the extension of the consumer check-off to aid consumers in non-monopoly industries. Finally, the trade union dues check-off precedent demonstrates that it is fair to require a corporation to administer a check-off to benefit its adversary.

Given the invalidity of the arguments made against the check-off, the key issue should not be the funding mechanism itself, but the work it will support. Ironically, shifting the debate from the check-off itself to the purposes for which the money is raised would represent a return to the arguments over the first UMW check-off. Then, company store and union check-offs flourished together, and since both parties had a stake in preserving the mechanism, the arguments over its merits and weaknesses were infrequent and perfunctory. Mine operators opposed the union check-off, not because it was a check-off, but because it was for the union. In 1898, the UMW, equally ambivalent toward the check-off mechanism, worked "to establish as speedily as possible and forever our rights to receive pay for labor performed in lawful money, and to rid ourselves of the iniquitous system of spending our money wherever our employers see fit to designate."<sup>99</sup> The central issue was not the funding mechanism, but the purposes for which the funds it raised were spent.

This survey has described the importance of the check-off as a way to fund representation of workers, producers, citizens, and students. It is now time to carry forward the long battle for the check-off into the consumer arena. The check-off establishes needed communication links between consumers, provides incentives for citizen participation, and assures that consumer

representatives remain directly accountable and responsive to average consumers. Its fundraising efficiency means more money will be available for the needed programs, and less devoted to fundraising itself. This more generous supply of funds will permit broader efforts to inform and educate consumers about "public good" problems, and to assist them in voluntary efforts to join together to work for their solution. This money can also be used to hire the experts and professional staff needed to make these efforts more focused, more credible, and more constant. Moreover, a check-off system can accomplish all this without adding layers of bureaucracy, burdening the taxpayer, or displacing duly authorized agencies. In short, it is a means through which consumers can join together in a voluntary but nonetheless effective effort to solve common problems, and to balance the corporate pressures and information that reach governmental decision-makers.

The pervasiveness of the check-off in American society shows that it is fully consistent with American political and cultural traditions. But its history demonstrates that it has rarely been established without a fight. Consumers should take heart from the hard fought battles of workers, producers, and students to win the check-off. The recent victory by Wisconsin citizens in their battle for CUB is proof positive that equal persistence by consumers will surely bring them victory in their effort to secure their right to the check-off.

FOOTNOTES

A1. U.S. Congress. House. Committee on Agriculture. Cotton Research and Promotion Act Amendment. Hearings before the Subcommittee on Cotton of the Committee on Agriculture on H.R. 10930, 94th Congress, 1st sess., 1975, "Statement of J. Nelson Gibson, President, North Carolina Cotton Promotion Association," p. 66.

A2. Public Interest Perspectives: The Next Four Years, Public Citizen, Inc., Washington, D.C., 1977, p. 20.

A3. Advisory Commission on Intergovernmental Relations, Citizen Participation in the American Federal System, U.S. Government Printing Office, Washington, D.C., 1979. Also, Council for Public Interest Law, Balancing the Scales of Justice: Financing Public Interest Law in America, Washington, D.C., 1976.

A4. Advisory Commission on Intergovernmental Relations, op. cit., p. 309.

A5. Ibid., p. 309.

A6. Council for Public Interest Law, op. cit., p. 8.

A7. Ibid., p. 8.

A8. Advisory Commission on Intergovernmental Relations, op. cit., p. 286.

A9. This is confirmed by our review of appearances in proceedings at state regulatory commissions in New York, Wisconsin, Maryland, and elsewhere.

A10. Consumer law centers received only 2 percent of the public contributions given to law centers; 1 percent of foundation money goes to fund consumer work. (Council for Public Interest Law, Survey of Public Interest Law Centers, Narrative Report, Washington, D.C., 1980, Table J, p. 19).

A11. Ibid.

A12. Ibid., p. 12, 16.

A13. Ibid., p. 6.

A14. Ibid., Table J.

A15. These groups received but 2 percent of their funds from fees awarded by agencies for their participation in particular cases. Ibid., p. 26.

A16. See, for example, Morton Mintz and Jerry S. Cohen, Power, Inc., The Viking Press, NYC, 1976, especially Chaps. 13, 14, 18, 24.

A17. A "public good" is one which cannot be possessed by individuals. If I get it, you receive it also. Clean air, the wage level in a particular industry, and the prices of gas, electric and telephone services are all to some extent "public goods."

1. "The mine worker, possessed of no cash or credit elsewhere, and being inaccessible to other sources of supply and credit, found in the arrangement a convenient means of payment." John J. Lewis, The Miners' Fight for American Standards, Indianapolis, Cornelius Printing Company, 1925, p. 145. Check weighing, paid by the miners to defend them from shortweighing of the coal they mined each day, was often cited by organizers as a model essentially pre-figuring dues check-off to support the UMW.

2. Ibid., pp. 156-7.

3. "West Virginia Disagreement: Equitable Settlement will be Welcomed by Miners," United Mine Workers Journal, vol. XXV, No. 5, June 11, 1914, p. 2.

4. F.A. King, "The Check-off System and the Closed Shop Among the United Mine Workers," Quarterly Journal of Economics, vol. XXV, No. 4, 1911, p. 732 (n).

5. Ibid., p. 734.

6. Ibid., p. 735.

7. Ibid.

8. Efren Cordova, "The Check-off System: A Comparative Study," International Labour Review, vol. 99, No. 5, May 1969, p. 465.

9. "The Check-off in Collective Agreements," Monthly Labor Review, Bureau of Labor Statistics, vol. 30, No. 1, January 1930.

10. Ibid., p. 1.

11. Cordova, op. cit., p. 465.

12. Ibid.

13. This included 21.3 percent paying only dues, 28 percent subject to dues, and initiation fees, and 25.3 percent paying dues, initiation fees and fines. Abraham L. Gitlow, Labour and Industrial Society, Richard Irwin, Inc., Illinois, 1963, p. 440.

14. Eighteen and six-tenths percent paying only dues, 38.4 percent paying dues and initiation fees, and 24 percent paying dues, initiation fees and fines; of large contract workers.



15. U.S. Department of Labor, Bureau of Statistics, Characteristics of Major Collective Bargaining Agreements, July 1, 1975, Bulletin 1957, Government Printing Office, 1977, pp. 18-19.

16. Lewis, op. cit., p. 484. Lewis discusses also the Typographical Union's dues-supported strike funds; and Jim Hepe, United Mine Workers, Washington office, interview with Patricia Hennessey, July 6, 1976.

17. Monthly Labor Review, op. cit., p. 4. Also, Lewis, op. cit., p. 155.

18. NEA Presidential Endorsement Fact Sheet, 1976, "Questions and Answers," p. 2.

19. COMPAC Pamphlet: "COMPAC: UMWA's Political Clout;" also, NEA Presidential Endorsement, 1976, "How NEA-PAC Works."

20. Wall Street Journal, November 23, 1976, (short note), p. 1.

21. Great Britain, British Information Services, Reference Division, Organization of Political Parties in Britain, Manpower and Employment in Britain, (ser.), Hillingdon Press, Oxbridge, Middlesex, 1975, pp. 3-4. Great Britain, British Information Services, Reference Division, Trade Unions, Manpower and Employment in Britain, (ser.), Ebenezer Baylis and Son Limited, The Trinity Press, Worcester, England, 1977, p. 10.

22. All figures in unadjusted British pounds. (\*est.)

	1945	1950	1951	1955	1959
Trade union:	111,154	156,178	101,199	99,815	325,678
All other:	14,284	15,603	17,981	5,065	20,000*
	<u>125,438</u>	<u>171,781</u>	<u>119,180</u>	<u>104,880</u>	<u>345,678</u>

Martin Harrison, Trade Unions and the Labour Party Since 1945, Detroit, Wayne State University Press, 1960, p. 66.

23. In 1976 union PACs began to consider payroll deduction. (WSJ November 23, 1976 p.s., short note). In 1978 NEA-PAC led the way with a negative check-off. They lost a challenge suit before the Federal Election Commission, which ruled that a union member must take a positive step to show he or she wishes to pay into a campaign contribution coffer. The loss was hardly crippling, as it still allowed union PACs to use a contributory check-off whenever management was collecting contributions for its own campaign PAC. The NEA refunded all the negative check-off contributions it received in 1978.

In addition to contributory check-offs from campaign contributions, PACs may also use a mandatory refundable check-off to cover PAC expenses which are not political in nature. A negative check-off pays most operating expenses, and refund rates have been very low, probably because of the small amounts involved. The Miners' COMPAC, for instance, has a refund rate estimated under 1 percent for its \$1.00 or \$2.00 nonpolitical PAC levy.

Union PAC check-offs are popular. Four of the largest union PACs, affiliated with the NEA, UAW, UMW, and AFL-CIO, all use it to some extent. While most have had too short an experience with it to have compiled results, PAC personnel are cautiously optimistic. As a trial, the Autoworkers are aiming

for \$.25 per month from a third of their members, and negotiated a nonpolitical PAC levy into their 1979 Chrysler contract.

Sources: Don Arbergast, NEA-PAC, June 27, 1980; Edie Van Horn, UAW CAP, June 27, 1980; Joe Mangone, UAW-CAP, June 30, 1980; Bill Banig, COMPAC legislative staff, June 27, 1980, and Walter Bartkin, COPE, June 27, 1980.

24. Jeremy Rifkin and Randy Barber, The North Will Rise Again: Pensions, Politics and Power in the 1980s, Beacon Press, Boston, 1978, especially pp. 87-9.

25. See, for instance: "Prepaid Legal Aid on Rise," Washington Post, p. 1, August 9, 1976; John R. Donne, "Prepaying Lawyers," New York Times, March 15, 1976, p. 31; John R. Donne, "Prepaid Legal Services Have Arrived," Hofstra Law Review, Long Island, New York, vol. 4, No. 1, Fall 1975, especially p. 19; Connecticut General Life Insurance Company, specimen Group Legal Expense Insurance Policy, Hartford, Connecticut, 1976.

26. Bankers Trust Company, Study of Employee Savings and Thrift Plans, NYC, 1972, pp. 9-19.

27. Porter v. NLRB, 397 U.S. 99, 9 S. Ct. 821 (1970).

28. United States National War Labor Board, The Termination Report of the U.S. National War Labor Board 1942-45: vol. 1, pp. 101-2.

29. A small program in structure identical to the wool and lamb check-off exists for mohair producers, nearly all of whom are in Texas. However, incentive payments were last made on mohair in 1971 when the check-off raised about \$225,000. Reactivation of the mohair check-off in the near future is not foreseen as the 1980 market price is approximately three times support payment level.

30. See table--33a,

31. John Houston, Vice President for Public Relations, National Livestock and Meat Board, interview with Patricia Hennessey, 1976, and Karen Darling, Washington office, National Cattlemen's Association, interview with Sarah Gallup, June 7, 1980.

32. U.S. Department of Agriculture, Agricultural Marketing Service, Information Division, Comparison of Research and Promotion Programs for Farm Products, April 20, 1976, "Comparison of Referendum Procedures."

33. The Beef refund had a more strict requirement. In the first vote, a two-thirds majority in support of the check-off and a voting participation from more than half the people involved in cattle production was required. In the second referendum, 50 percent of those voting had to accept the check-off, and only one person from any single ranch unit could vote.

## 33.- COMMODITY CHECK-OFFS

	<u>Cotton</u>	<u>Beef</u>	<u>Wool/Lamb</u>	<u>Milk</u>	<u>Eggs</u>	<u>Potato</u>	<u>Wheat</u>
Enabling Legislation	1966	1976 & 1979	1954	1971	1974	1971	1979
Referendum: Required	2/3#/vol.	2/3#;1/2#	2/3#/vol.	2/3#/vol.	2/3#/vol.	2/3#/vol.	2/3#/vol.
Latest Rec'd.	67%	56.5%; 34.3%	78%('77)	Varies	73%	70%	59%;63.4% by vol.
Levy							
Original	\$1/bale plus 1% of bale's sale \$	(0.3% of value added)	2.5¢/lb. shorn wool; 12.5¢ cwt+ w/shorn lamb	5¢/cwt.	5¢/30 dz. case	1¢/cwt.	2¢/cwt.
Current Proposed	\$2.25/bale	-	"	9-12¢/cwt.	(7-1/2- 10¢/case)	"	"
1979 budget (mil\$ after refunds)	16.5	(30-40 be- fore refund) (est. 1976)	2.6	9.7	7.0	2.3	(2; est. 1980)
% refunds('79 avg.) by \$ amt.	27-28	(allowable)	n.a.	82	14-15	12	(allowable)
Functions:							
Can advertise	x	x	x	x	x	x	
Can research	x	x		x	x	x	x
USDA role:							
Conduct & fund referendum	x	x	x	x	x	x	x
Absorb adminis- trative costs	x		x	x <sup>2</sup>	1st.yr.only	x	
Veto over budget	x	x	x	x	x	x	x
Veto over programs	x	x	x		x	x	x
Appoint Board	x	x			x	x	x
Admin. refunds				x			

+ - allocated according to value added.

2 - reimbursed to Milk Market Administration except approximately one person half-time in USDA's Washington office, Dairy Division.

34. Charlie Cunningham, Chief, Program Analysis Branch, Production Adjustment Division, Agricultural Stabilization and Conservation Service, USDA, interview, June 2, 1980
35. Beverly Bryant, Legislative Assistant, Legislative Liaison Office, AMS, USDA, July 16, 1980.
36. P.L. 89-502; 7 USC 2101-2119 (1976).
37. "Cotton: What Happens to Your Dollar a Bale," pamphlet, Cotton, Inc. for the Cotton Board, 1974.
38. Ed Gillespie, Cotton Board, Manager, interview, June 11, 1980.
39. U.S. Congress, Cotton Act Amendment Hearings, "Wilkinson," op. cit., p. 40.
40. Dave Spalding; Livestock, Poultry, Grain and Seed Division; Agricultural Marketing Service, USDA, interview, June 11, 1980, and AMS Information Division, op. cit., "Comparison of Research and Promotion Programs for Farm Products."
41. Ed Coughlin, Dairy Division, Agricultural Marketing Service, USDA, interview, June 6, 1980.
42. Gerald Schiermeyer, Agricultural Program Specialist Indemnity Branch, Emergency and Indemnity Programs Division, Agricultural Stabilization and Conservation Service, USDA, interview, June 11, 1980.
43. Wall Street Journal, November 30, 1976.
44. Houston, op. cit.; also, Darling, op. cit.
45. Bill Siarny, Librarian, National Livestock and Meat Board, Illinois, interview, June 9, 1980.
46. U.S. Congress, Cotton Act Amendment Hearing, op. cit., "Statement of Chauncey L. Denton, Jr., President, National Cotton Council of America," p. 24.
47. The earlier check-off was stopped because it was described by the Treasury Secretary as crude and ineffective as administered. See: Herbert Stein and Joseph A. Pechman, Essays in Federal Taxation, Council for Economic Development, NYC, (1959), p. 65.
48. U.S. Congress, House, Committee on Ways and Means, Individual Income Tax Collection Act of 1943, H. Rept. 268 to Accompany H.R. 2570, 78th Congress, 1st sess., 1943, Part I (Majority Report), pp. 3-11.
49. U.S. Congress, Income Tax 1943 Report, op. cit., Part I.
50. Ibid., Part I, p. 3.

51. Richard Goode, The Individual Income Tax, Studies of Government Finance, The Brookings Institute, Washington, D.C., 1954, p. 302.
52. Charles Hicks, Statistics Bureau, IRS, Washington, DC. Interview 9/8/81.
53. Sales and excise taxes are mandatory check-offs piggy backed on bills rather than, as income tax, on wage payments.
54. U.S. Department of the Treasury, U.S. Savings Bonds Division, A Short History About the U.S. Savings Bonds Program, 1976.
55. Savings Bonds Division, op. cit., p. 2.
56. Ibid., p. 3.
57. U.S. Department of the Treasury, U.S. Savings Bonds Division, Bicentennial Year First-Quarter Sales are Highest Since the War Loans of 1945, (press release), April 13, 1976, p. 1.
58. John Torres, Director of the Colorado Non-Game Wildlife Fund, interview, May 22, 1980.
59. "Money and Politics-Impact of Supreme Court Ruling," U.S. News and World Report, vol. LXXX, No. 6, February 9, 1976, p. 30.
60. "The Question of Federal Financing of Congressional Election Campaigns: Pro and Con," Statement of Senator Lowell Weicker, The Congressional Digest, vol. 56, No. 3, March 1977, p. 79.
61. U.S. News and World Report, op. cit., p. 30.
62. Larry Datdorf, U.S. Department of the Treasury, Internal Revenue Service, Public Affairs Division, interview, June 18, 1980.
63. H.R. 1042.
64. Barry Nickelsberg, legislative aide to Representative Fred Richmond, interview, May 29, 1980.
65. Mike Boe, Committee on Ways and Means, U.S. Congress, interview, June 17, 1980.
66. Barry Nickelsberg, op. cit.
67. Section 1, Article 22 of Title 39, Colorado Revised Statutes 1973, Part 7, "Non-Game Wildlife Voluntary (sic.) Check-off."
68. Torres, op. cit.
69. Representative Lee Richardson Jones, Colorado State Legislature, interview, May 21, 1980

70. Ralph Nader and Donald Ross, Action For a Change: A Student's Manual for Public Interest Organizing, Grossman Publishers, NYC, 1972, p. 24.
71. Ibid., p. 55.
72. Robert Chlopak, former Executive Director, National PIRG, interview, June 16, 1980.
73. Donald Ross, Executive Director, New York PIRG, interview, June 12, 1980.
74. MPIRG, Nuclear Power in Minnesota: The Illusory Bargain, Minneapolis, 1976.
75. D.C. Public Interest Research Group, Health Care for Women: A Guide to Services in the District of Columbia, Sherman-Lank Communications, Washington, D.C., 1978.
76. Model statute available: CUB, P.O. Box 19312, Washington, D.C. 20036.
77. Wis. Stat. § 199.01 et seq. (1981).
78. David Greenberg, Marty Rogol, CUB organizers: interviews, June 4-17, 1980.
79. Just as the opponents of the check-off use similar arguments regardless whether the check-off benefits workers, producers, the government, students or consumers, the defenders of the check-off share a familiar set of responses.
80. Discussed earlier.
81. See supra, "Labor Unions and the Check-off."
82. Lewis, op. cit., p. 146.
83. Bureau of National Affairs, War Labor Reports, op. cit., p. 341.
84. Ernest S. Ballard and Merrill Shepard, Before the NWLB: Reply Brief of Inland Steel Company before Fact Finding Panel, April 22, 1942, p. 34.
85. Steelworkers Organizing Committee, National War Labor Board Panel Consisting of Arthur S. Meyer, Chairman; Richard Frankenstein; Cyrus Ching; In the Matter of Steelworkers Organizing Committee and Bethlehem Steel Company, Case No. 30; Republic Steel Corporation, Case No. 31; Youngstown Sheet and Tube Company, Case No. 34; Inland Steel Company, Case No. 35, (April 1943), pp. 192-3.
86. U.S. Congress, Cotton Act Amendment Hearings, "Denton," op. cit., p. 25.
87. Ed Gillespie, op. cit.

88. Maryland was the first state to establish a People's Council's Office.
89. This phrase was used in letters sent to Maryland legislators in opposition to that state's CUB proposal.
90. Whiting Williams, "What D' You Mean--'Check-off'?" Nation's Business, vol. 25, No. 11, November 1937, p. 39.
91. King, op. cit., p. 736.
92. SWOC, op. cit., p. 191.
93. Labour Management Relations Act, 1947, Sec. 302(c)(4).
94. A new worker in a closed shop can sign an agreement binding for one year to have dues withheld. After this period renewal is automatic, but the worker can revoke permission at any time. Even in closed shops, the check-off must pass two tests. First, a majority of the employees in the union must vote their support for the contract which provides for it. Second, individual workers must indicate they want their dues withheld.
95. Williams, op. cit., p. 39.
96. Letter from Professor Robert H. Zieger, Wayne State University, August 5, 1980, to Sarah Gallup, Center for Study of Responsive Law. See also, Zieger, Robert H., "The Limits of Militancy: Organizing Paper Workers, 1933-35," Journal of American History, vol. LXIII: 3 (December 1976), pp. 638-57.
97. U.S. Congress, House, Committee on Agriculture, Marketing Order for Cotton Research and Promotion, H. Rept. 1300 to Accompany H.R. 12322, 89th Cong., 2d sess., 1966, statement of Representative Paul Findley, p. 15.
98. See, i.e., U.S. Congress Cotton Act Amendment Hearings, op. cit., "Statement of E. Harvey Evans, Jr., Chairman of the Board, Cotton, Incorporated, Vice President, National Cotton Council," p. 5. The argument is made with particular vehemence when comparing independent commodity producers' rationally low portion of income spent on advertising to the large advertising budgets of nonindependent oligopolistic sectors. See, in this respect, U.S. Congress, Beef Act Report, op. cit., "Statement of O. J. Barton, Jr., Chairman, Beef Development Task Force, Accompanied by William Amstern and Paul Rooney," p. 28.
99. "Preamble of the United Mine Workers of America," United Mine Workers Journal, January 6, 1898, vol. 7, No. 39, p. 6.

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