

Consumer Rights in the U.S. and Around the World

by Jim Guest

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and President of Consumers International**

at

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Thank you. It's great to be here with you today.

From where I stand, I see so many friends I've known for years in the consumer movement, and so many new faces as well. It's a thrill to see the mix.

I must say, I always look forward to the CFA Consumer Assembly. It's a great time for us to come together to share our experiences, and recharge our batteries for the battles ahead.

You know, just today I was reading what the President said about consumers.

For starters, the President said we need to do more to help consumers.

He touched on a lot of issues. He said the FDA needs more funding to make sure our food and our medicine are safe.

The President talked about a major investigation into the securities market.

He said the government was cracking down on false advertising.

He talked about a White House inquiry into energy prices.

And he suggested new programs to help people find affordable housing.

But then the President said, we can't stop there.

He said consumers still need better protections from financial rip-offs.

And we need to strengthen the laws that promote competition.

That's exactly what the President said ... (pause) ... March 15 ... (pause) ... fifty years ago...today.

That's right.

I'm not talking about President Obama and this day in the year 2012, although certainly President Obama has been a leader on these same issues.

I'm talking about what President John F. Kennedy said on this day in 1962.

It was March 15th, 1962, this very day, here in Washington.

President Kennedy delivered an extraordinary special message to Congress with a Declaration of Consumer Rights for protecting the consumer interest.

It was a watershed moment in the consumer movement.

Kennedy said, "Consumers, by definition, include us all. They are the largest economic group in the economy, affecting and affected by almost every public and private economic decision. But they are the only important group in the economy who are not effectively organized, whose views are often not heard."

This was a first spark that lit a fire under concerned citizens to stand up and get organized.

That's why I'm here ... and you're here ... and all of us are gathered here, organized and fighting the good fight, in part because of the legacy of those powerful words.

And it happened right here ... in this city, on this day, exactly 50 years ago.

No world leader had ever done before what President Kennedy did that day.

He called for a set of four basic rights for every consumer:

- The right to safety,
- The right to be informed,
- The right to choose,
- And the right to be heard.

Four fundamental consumer rights.

Basically, President Kennedy said, you should have the right to buy safe products, and the right to get the facts you need to make informed choices. He said, you ought to have a fair number of choices at a fair price, and the government needs to listen and respond to what consumers have to say.

President Kennedy told Congress: "If consumers are offered inferior products, if prices are exorbitant, if drugs are unsafe or worthless, if the consumer is unable to choose on an informed basis, then his dollar [and, I would add, her dollar] is wasted, his [and her] health and safety may be threatened, and the national interest suffers."

Now in some ways, the issues that President Kennedy talked about fifty years ago are just as relevant today in the year 2012.

Each one of us in this room knows how essential those four basic principles remain today:

Think about it:

The right to safety – Today we all know that unsafe toys, E.-coli-laced foods, and unsafe drugs can be a matter of life or death.

The right to be informed – Consumers need but are lacking, for example, good, clear, honest information about mortgages that can determine whether they keep their home, or lose it.

The right to choose – When you shop for cell-phone service, you need real, competitive choices. That's why Consumers Union and others pushed so hard to defeat AT&T's bid to merge with T-Mobile.

And the right to be heard – All consumer voices deserve the right to be heard. But that right took a powerful blow thanks to the infamous Supreme Court decision in Citizens United. It's a decision that allows special interest money to drown out the voice of those of us who can't afford the price of admission. We must fight to keep this right alive.

Yes, sometimes it seems, the more things change, the more they stay the same. But also consider how far we've come in the last fifty years.

We've made an extraordinary amount of progress in consumer safety. Just think about what the nation was like back in 1962.

There was no Consumer Product Safety Commission in 1962. That was still ten years away.

There was no NHTSA devoted to highway safety.

Seat belts weren't even required in cars—let alone having performance standards. Indeed, back then at Consumer Reports, we were testing seat belts, and most of them flunked our tests.

Fifty years ago, we didn't have Medicare or Medicaid. And we were a long way off from having the Affordable Care Act—the single most important piece of health-care legislation since Medicare and Medicaid.

Back then, the Truth-in-Lending Act was just an idea, not a law. There certainly wasn't anything like the Consumer Financial Protection Bureau.

Cigarette packages weren't required to have warning labels. In fact, there were practically no real federal standards for any product labels back then.

Basically, we didn't have most of the standards and protections that some take for granted today.

So when the President of the United States 50 years ago called for this kind of recognition of the consumer interest ... that was a game-changing occasion.

President Kennedy laid out a vision that still resonates today, not only here in the United States, but in countries around the globe.

These words made America a beacon to the consumers of the world. Fifty years later, I suggest we need to do even more to uphold that beacon.

Let us be the nation that sets the bar higher than anyone else when it comes to respecting and responding to the interests of consumers.

You should know that Kennedy's call for consumer rights inspired the mission of the global organization known as Consumers International.

In fact, Consumers International for many years now has celebrated this day – March 15th – as World Consumer Rights Day. That's because Kennedy's call to action set such a powerful precedent for consumers all over the world.

In 1962, Consumers International was just two years old—a fledging attempt for a world consumer movement started on a wing and a prayer back in 1960 by just five nonprofit organizations—Consumer Reports and our counterparts in Western Europe and Australia.

I'm proud to say that Consumer Reports was a founding member of Consumers International. Last year, I was elected President of the organization.

Today Consumers International has grown from the founding five to a hugely diverse federation of more than 220 consumer groups in 115 countries.

We're in Asia and Latin America ... Western Europe and the Middle East ... Eastern Europe and Africa ... and we continue to grow.

Keep in mind, the members of Consumers International are not just big, established consumer groups like those who founded the organization.

Today, many are small, grassroots groups started by just a handful of people trying to help others:

-- In Kenya, it's local advocates providing financial counseling to the poor who live in the slum communities of Nairobi.

-- In Armenia, it's grassroots workers who are cleaning up the water supply.

-- In Nepal, it's a group of volunteers teaching families about safe food and lobbying the government on food safety.

That's Consumers International.

We're organized, we're fired up, and we're committed to fighting the good fight. We call out the industries that are abusing consumers, and we press our local, national and world leaders to do right by consumers.

But, World Consumer Rights Day is not just a time to look back. It's really a day to look ahead.

It's an opportunity to promote the basic rights of all consumers today, right now. And it's a day for protesting the market abuses that undermine consumer rights here and abroad.

Today, in fact, Consumers International is starting the next phase of a major campaign that's active here and abroad. It's a campaign built around a single theme. And it's a theme that I know strikes a chord with so many of you here in this room.

That theme is "Our Money, Our Rights: Campaigning for Real Choice in Financial Services."

We know consumers, too often, are getting a bad deal in financial services. It's not just happening here. It's happening everywhere.

Whether it's London or Lima, Nairobi or New Delhi, Detroit or Omaha, or some small hamlet in a remote part of the planet, we hear the same complaints about banks and other financial institutions.

From every corner of the world, people tell us all about their banks hitting them with hidden fees. They tell us about loans that are too complicated, with too many details lost in the fine print. They tell us how it's tough to shop around, because banks make it hard to switch. And in some places, we know that people don't have access at all to any kind of banking services.

Too many banks ... too many financial service providers ... lack incentive to offer you real choices or decent service. Too many consumers are trapped in lousy deals.

That's true for everything from checking accounts to global money transfers.

As a matter of fact, today Consumers Reports is releasing a brand-new report on money transfers. We found that people who send money to their families overseas have a lot of choices. But every service has its own set of fees and rates and variables, and it's really tough to shop and compare. So we evaluated the different money-transfer services out there, and we've come up with a guide to help shop for the best deal.

This kind of financial information is so crucial today. People are tired of being duped ... and deceived ... and defrauded.

And that's why Consumers International is mobilizing to draw attention to problems with financial services throughout the world. That's why Consumer Reports and so many of you are doing the same in the U.S.

You know, all of us—Consumers International, Consumer Reports, you and your organizations—all of us put those four, basic consumer rights front and center. They help set a foundation for our missions.

Further, as many of you know, Consumers International, along with others, has actually taken those four, original consumer rights, and expanded on them.

There are now eight rights—commonly referred to as the Consumer Bill of Rights.

The four additional rights are:

- The right to consumer education,
- The right to redress,
- The right to a healthy environment,
- And the right to the satisfaction of basic needs, like adequate food, shelter, and health care.

And you know, there's another consumer issue out there that's been heating up, that a lot of you are working on it, that deserves everyone's attention. That issue ... is privacy.

Your private information is being shared ... and sold ... and exploited in ways that few could have dreamed of fifty years ago.

Who could have predicted that we'd have a tool like the Internet that provides so much opportunity ... but at the same time, exposes each and every one of us to having our most personal information put at risk?

Our privacy is under siege like never before. The time for action is now.

Fundamentally, when I talk about consumer privacy, I'm talking about trust.

When you hand over your private information to an online company, you're trusting that your information will be treated fairly and responsibly.

Last month, the White House announced a privacy plan to bring industry and consumer groups together ... to figure out some rules of the road.

There's the World Wide Web Consortium—an international convening that's developing standards to limit online tracking.

All of this is important. But we'd still like a law that guarantees you will have more control over how your information is tracked and manipulated. All of us need to come together to find real solutions on privacy that work.

And as we look at the issues that face us in the future, I believe it's also an opportunity to look back at the consumer heroes, the pioneers who laid the foundation for the work we've done and the work we must do.

For example, wouldn't it be great to have the advice and the leadership of people like Colston Warne and Esther Peterson to help guide us on our path forward here today?

Many of you probably don't recognize the name Colston Warne . . . but I think it's important to remind ourselves of this truly visionary leader whom some have described as one of the founding fathers of the U.S. and international consumer movements.

He was one of the founders of Consumer Reports. He served as the first president of our board for an amazing 44 years.

Colston helped start Consumers International. He was its president for the first ten years. He was a passionate supporter of the development of consumer organizations in other countries. He planted the seeds for consumer activism here and abroad, often while under attack by special interests.

And, of course, when we talk about consumer heroes, we have to pay special tribute to Esther Peterson.

Esther was an advocate extraordinaire for consumer justice, inside and outside of government. Few Americans have made so many contributions for so long on behalf of so many people.

President Kennedy appointed Esther to the Labor Department and named her the director of the Women's Bureau.

Now I can't say for certain what role Esther may have played in President's message for consumer rights. But knowing Esther, I like to think her fingerprints were all over that

document. I'd like to think she was in the room. I can't prove it, but I wouldn't be surprised!

Then when Lyndon Johnson became President, he brought Esther to the White House as his special advisor on consumer affairs. She served a similar role for President Carter, and she served President Clinton as a member of the U.S. delegation to the United Nations.

For her lifetime of service, Esther was awarded the nation's highest civilian honor, the Presidential Medal of Freedom.

Colston Warne and Esther Peterson gave public servants a good name. They gave consumer lobbyists a good name. The work they did, and the example they set, survive to this day.

So, in closing, I want to challenge all of you—all of us—to carry the torch forward that has been handed to us from Colston Warne and Esther Peterson and others who came before.

We all know that being a consumer advocate isn't easy.

Most days, it feels like David versus Goliath.

The lobbyists for big business are powerful. They pour a lot of time and money into tilting the scales in their favor.

But there is one important asset that they don't have and we do.

That asset: People power.

I firmly believe that people power, in the end, will come out on top.

That's because our cause and our stories and our passion are real.

Everyone in this room fights for change, not because you're paid big bucks to do so, but because you care about our lives and the lives of our children, our neighbors, our country, our world—today and tomorrow, for this generation and the next.

When you return home from this Consumer Assembly on this historic day ... Remember: Your leadership and persistence and perseverance are vital at this watershed moment in time:

-- The Consumer Financial Protection Bureau is under attack.

-- The Affordable Care Act is under attack.

-- Safety regulations are under attack.

Heck, these days, what ISN'T under attack?

Our job is to fight for these to preserve these achievements and zealously protect our hard-earned consumer rights.

Our job is to provide a voice, a voice that says, "We have a right to fair financial services. A right to quality and affordable health care. A right to safe products and medicine."

We must make sure Americans understand how valuable these rights and our other consumer rights are, and why they're worth defending.

That's our challenge. That's our job. That's how we achieve our collective power as the voice of the consumer.

So I leave you with this thought.

Fighting the good fight together, we can succeed. Fighting the good fight together, we will succeed. Fighting the good fight together, we can and will protect and advance consumer rights at home and around the world . . . And we must.

Thanks very much.