

AN ENGINEER AT THE GRASSROOTS

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On January 19th of this year, The Pittsburgh Press carried an article from which I would like to read a few lines:

"CREDIT LOBBYIST PAINTS CONSUMERISTS RED" By Ken Strom

An executive of a financial lobbying concern charged here that consumer advocates are linked to the Communist party and intend to destroy free enterprise in the United States.

James A. Ambrose, secretary-treasurer of the St. Louis-based International Consumer Credit Association, made the accusation last night in an address to a meeting of about 70 members of the organization in Stouffer's restaurant on Smithfield Street, downtown.

Asked if crusader Ralph Nader was part of the conspiracy, Ambrose retorted; "I don't like to name names."

He asserted the consumer credit industry -- including banks, department stores, credit reference bureaus, craftsmen -- is losing all vestiges of free enterprise because the average consumer, enticed by radicals, encourages tighter government controls.

It is disappointing, to say the least, to hear this kind of rhetoric from a large segment of the business community with which most of us have daily contact. I personally do not advocate tighter government controls, but there are many inequities which can be changed only by government regulations. For example, the Holder-in-Due Course doctrine is, in my opinion, one of the most vicious consumer frauds confronting consumers everywhere.

The modern consumer movement is like a diamond with its many facets each one sparkling with brilliance -- depending on where you stand. Some say that complaint resolution is most important, some say that getting new laws passed is more permanent and therefore most important, others believe that public education via picketing, newspaper articles, high school curriculum development, etc. is definitely the most important facet, and others, well there are almost as many facets of the movement as there are active people in it. But one thing is common to all aspects: they are trying to build a free enterprise system where consumers are equal participants in the marketplace. For too long consumers have been under-represented on issues they have not understood or even been aware of. Most consumers are reluctant to confront local businessmen when they have a gripe. Why? Because they have been trained over the years that this is the way things are.

The Alliance For Consumer Protection is an organization that is trying to reduce the imbalance of power and resources which resides heavily on the side of business in a competitive market. We are not an agency who does anything for anybody. We are an all-volunteer group of citizens who have organized to help educate and protect the public from unfair business practices, both local and national, but we do it by teaching consumers how to do for themselves. I cannot tell you what I can do for you but I can tell you what you can do for yourselves and those whom you serve.

Let me give you a little background on just the southwest 14 counties of Pennsylvania. In addition to 33 dogcatchers and 22 game wardens our taxes also pay for 1 attorney from the Pennsylvania Bureau of Consumer Protection who enforces the state's Unfair Trade Practices and Consumer Protection Law. He is not alone: he has 2 secretaries and 3 investigators on his staff -- for 14 counties worth of people. The animals have it better in Pennsylvania than consumers do! We also have in Pittsburgh the Western Pennsylvania office of the Better Business Bureau. To the local BBB, as well as others throughout the country, consumer protection means trying to keep misleading and deceptive advertising from appearing in the media. BUT IT DOES EXIST -- IN ALL FORMS OF THE MEDIA. The purpose of beginning the BBB back at the turn of the century was to instill faith in consumer that business advertising was legitimate and could be trusted. All of their activities have revolved around restoring faith to the consumer in business. However, you must realize that the BBB is bought and paid for by the business community and as such does not have any power over that community. This is O.K. but I think it is misleading for them to appear as a consumer protection agency. How often I have heard an irate customer declare that "If you don't fix this, I'll report you to the BBB." And people do report unpleasant experiences to the BBB. They have nearly 45,000 complaints on file in their office; and there is where they stay.

It is not hard to understand why consumers in Pittsburgh simply had to take matters into their own hands. In May 1970 four friends sat down to help a fifth get out of a fast-talking, door-to-door magazine salesman's knot. Somehow they wriggled their friend free and were so exuberant that they decided to share their success as guests on a local radio talk show. They went a bit further by also calling a "town meeting" to air consumer grievances and possibly start an alliance of old and young, skilled and unskilled, male and female, low income and middle income, a collage of consumers to share common experiences and remedies -- an Alliance For Consumer Protection. Today, less than 3 years later, the Alliance has been joined by over 1,500 families in the Pittsburgh area. These are families who have paid a membership dues of \$5 per year or \$2 per year for families on welfare, social security, or "educational leave" (students). The group has 7 local branches in 3 counties and is growing stronger by the day. Remember -- all volunteer. Personally I believe that 1 paid staff person would kill the whole effort because suddenly no one would volunteer to stuff envelopes, or type or staple newsletters or any other office task.

The group's primary goal 3 years ago was to help its members resolve differences with local merchants. We insist that complainants use available resources before filing a complaint with our Grievance Committee. During that last year the State has doubled the staff in the Southwestern Pennsylvania office of the Bureau of Consumer Protection. Also Allegheny County (where Pittsbury lives) has formed a remarkably effective Bureau of Consumer Affairs. Between these two agencies, thousands of complaints have been handled and many have been handled well. But the ones without a provable violation of the law cannot be handled by the state and the ones involving merchants who cannot be "persuaded" by the powerless county bureau also end without resolution. Here is where the Alliance comes into the picture.

Our grievance procedure has been used approximately 550 times. These are cases that the other agencies simply could not resolve for any one of a long list of reasons, some of which are understandable but unacceptable. When a group of consumers works on a complaint they hang on and on and on until it is resolved to the satisfaction of the group. Sometimes we decide that the consumer is seeking unreasonable relief and the group will go only as far as it thinks is fair to both parties. Over 70% of our cases have been resolved satisfactorily and these were cases that were dropped from agency caseloads as unresolvable. Besides being tenacious and moralistic, we have also been endowed with one weapon unavailable to our government brethren; viz.; we can and do use informational picketing whenever a merchant refuses to settle a consumer complaint and we feel that the practice is potentially hazardous to other consumers. This latter condition is crucial in our determination of whether to picket the merchant. We have picketed only eight times in three years but on one case we picketed J.C. Penney's for three months and handed out 30,000 leaflets to their customers before the case was resolved.

What good does it do to resolve a case and not educate others about the merchant and the practice? Very little, in fact, this is my complaint about government agencies with complaint handling responsibilities. How many complaints would never have occurred if only somehow the public was made aware of common abuse to consumers in advance. The Alliance publishes a monthly newsletter giving full facts and details concerning every grievance: what the consumer did wrong, what the merchant did wrong, how the case was resolved, and of course a moral which, if heeded, will help reduce future injuries.

From the grievance committees come problems begging for wider attention and preventative measures. Some of our active members would rather do research on pertinent topics such as toy safety, auto repair, holder-in-due-course, No-Fault insurance, and other topics of local consumer interest. Our research and legal committees work up position papers on specific topics for our members' consideration and action. Remember -- no one has the responsibility of educating you about consumer matters. You must learn it on your own, but you don't, because you're too tired at

the end of a day's work to dig out the facts. Our research committees strive to present all sides of an issue and then recommend action for our members to take. This is an invaluable service to our members.

During all of my heavy involvement in the Alliance, I have observed numerous illustrations of the 1st Law of Thermodynamics which in consumer terms can be stated "You can't get something for nothing" and of the 2nd Law of Thermodynamics which translates roughly as "Most of the time you won't get that much." Consumers would like to believe the ads and the legislators. However, in Pittsburgh, consumers are slowly learning through the experiences of others that if anything is to be done for consumers, it will have to come from the actions of consumers organized to advance their own cause. When utility rate hearings are held, no one is there to truly represent the consumer. When an important consumer bill is in the legislature, no one is there to lobby in the general consumer interest. And when labor and management sit down to negotiate a pay increase, no one is there to represent the consumer who ultimately must pay for any increase. In essence, consumers must learn to work in their own best interest.

There is a strong consumer movement perking at this very moment. Just look at the spontaneous response to a totally unorganized meat boycott across the country. Consumers have had it with high prices, low quality, and a feeling of being taken at every turn. Consumers are ready to respond to your call to organize and I urge you to make every attempt to share your expertise with those who need it the most and need it now.