

Webster's dictionary defines consumerism as «a movement for the protection of the consumer against defective products, misleading advertising, etc.» Limited consumer protection was present until the 1950s and early 1960s. In the 1950s, a significant breakthrough occurred with the establishment of the product-liability concept, whereby a plaintiff did not have to prove negligence but only had to prove that a defective product caused an injury. In his 1962 speech to Congress, President John F. Kennedy outlined four basic consumer rights, which later became known as the Consumer Bill of Rights. Later, in 1985, the United Nations endorsed Kennedy's Consumer Bill of Rights and expanded it to cover eight consumer rights. Consumer protection can only survive in highly industrialized countries because of the resources needed to finance consumer interests.

Kennedy's Consumer Bill of Rights included the right to be informed, the right to safety, the right to choose, and the right to be heard. The right to be informed involves protection against misleading information in the areas of financing, advertising, labeling, and packaging. Several laws of the 1960s and 1970s were aimed at this right. The Cigarette Labeling Act (1965), Fair Packaging and Labeling Act (1966), and the Wholesome Meat Act (1967) all addressed packaging. This legislation dealt with the accurate identification of the content of the product and any dangers associated with the product. The Truth-in-Lending Act required full disclosure of all costs and the annual percentage rate on installment loans. Prior to Truth-in-Lending, the actual cost was hidden and confusing to calculate. Another significant piece of legislation, the Magnuson-Moss Warranty Act, requires a warranty which states that a product will meet performance standards and affirms that a warranty can be stated or implied. Other regulation took place at the state level. Forty states have a cooling-off law, which allows a consumer to change his or her mind when purchasing products from direct salespeople.

The second consumer right, the right to safety, is aimed at injuries caused by using products other than automobiles. To address this problem, the government established the Consumer Product Safety Commission (CPSC) in 1972. The CPSC has jurisdiction over thirteen thousand diverse products. The powers of the CPSC include the right to require warning labels, to establish standards of performance, to require immediate notification of a defective product, and to mandate product testing. However, its greatest power is product recall.

The right of consumer choice means the consumer should have a range of products from various companies to choose from when making a purchasing decision. To ensure these rights, the government has taken a number of actions, such as imposing time limits on patents, looking at mergers from the standpoint of limiting consumer choice, and prohibiting unfair price cutting and other unfair business practices.

The final consumer right is the right to be heard. Presently, no government agency is responsible for handling consumer complaints. However, a number of government agencies do attempt to protect certain consumer rights. The Office of Consumer Affairs publishes a Consumer's Resource Handbook listing agencies that work in the area of consumer rights. In addition, a number of consumer groups issue complaints to the government and industry groups.

The growth of consumerism in this country has not been without opposition. Although corporations have taken positive steps in many areas, they have also opposed advancement of some consumer rights. Because corporations can have deep pockets, they are able to appeal court cases and slow down litigation. Today, however, because of past successes, the need for consumer protection is not nearly as great as it was in previous years.

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