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## Lucile Speer's statement on consumer protection

Lucile Speer

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EXHIBIT # 2.

# STATEMENT OF LUCILE SPEER TO THE PUBLIC HEALTH, WELFARE, LABOR AND INDUSTRY COMMITTEE, FEBRUARY 8, 1972.

I am Lucile Speer, delegate from District 18, Missoula County.

I am a retired librarian and a concerned consumer. I wish to

make a statement in support of Delegate Proposal No. 70, pro
viding for a new section in the Constitution on consumer pro
tection.

At least two delegate proposals have been introduced in this Convention providing for protection of the consumer in certain specific areas. The chairman of this committee has effectively stated the need for a new constitutional article protecting consumers from exorbitant utility rates. Delegate Cate has proposed a constitutional limit on interest rates to protect the people in this area.

In proposal No. 70, I am not calling for constitutional protection of any <u>specific</u> area of consumer needs. I <u>do</u> propose the the Constitution should recognize the state's obligation to protect the consumer and that this obligation include a public education program in a wide-ranging area of consumer concern. There has been much rhetoric but too little action concerning the American consumer.

The question can be raised--Why the need for constitutional provision for consumer protection? Several reasons can be offered. First, the legislature has not always legislated in the public interest. Proponents of the two delegate proposals mentioned earlier, calling for constitutional regulation of utility and interest rates, stated that the legislature had refused to protect

the people in these specific areas.

It is true that federal and state law and regulations have attempted to protect the public in such areas as pure food and drug laws, labeling of poisons and explosives, control of the sale of drugs, meat inspection, produce grading, labeling of pesticides and other areas. But the Council of State Gonvernment, in a report in Consumer Protection, points out that there are still some obstacles to full compliance with established standards, and other areas of consumer needs are completely neglected.

A second reason for guaranteeing more effective protection to the consumer stems from the complexity and size of our industrial system. The consumer no longer enjoys freedom of choice. Consumer goods today are produced and distributed through vast monopolistic corporations which have standardized the quality of goods available to consumers. Without a Consumers' Guide, the consumer can detect no difference in quality in the various makes of vacuum cleaners, cereals or what-nots.

To further confuse the consumer, there has grown up the omnipresent advertising industry. In fact, John Kenneth Galawerthy, the economist, in his book, The New Industrial State, says that today's giant corporations first decide on a product which they think the public will buy, and then proceed with massive advertising to create a consumer demand for it.

Governments, too, both state and federal, have become more complex and impersonal. As government assumes responsibility for increased public services, the control of these services is fragmented among many agencies and officials. The consumer is confused by our governmental bureaucracies, or uninformed, or finds

himself shuttled from one agency to another. There is no one place where the consumer can go for belp to find what protection is available, or how he may find redress for injuries or damages.

A final reason underscoring the importance of consumer protection is the apparent apathy of consumers to educational and informational programs for their protection. Consumers are vocal concerning their grievances but have not shown much interest in becoming knowledgeable about the goods and services they need. The Sunday Missoulian reports that the Missoula Technical Center is making a fourth try at getting a class in consumer education. The lack of response is hard to understand, the MTC supervisor said. "The course is one people should be interested in .... If people know it's not really a teaching sort of class but an information class it might catch on." The course offered to the public would go into information about buying food and clothing wisely, investing savings and using consumer credit.

Proposal No. 70 authorizes the legislature plan for implementing of a program for consumer protection and education. I suggest that the legislature might provide for a state-level consumer protection agency or officials whose duties would include monitoring of existing legal and regulatory protections, recommending needed changes in legal and regulatory measures, recommending new legislation in additional areas, counseling with citizens' consumer groups, promoting public information programs for consumers through existing agencies, and finally providing for the public a place where its needs as consumers can be heard, channeled to appropriate places, and help given in securing redress for its grievances.

Looking to the future with increasing world population, greater urbanization and constantly expanding technological and scientific change, I suggest that the subject of consumer protection is a matter of such enduring importance that it justifies inclusion in a new Constitution for Montana.