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CANADIAN CONSUMER MOVEMENT

The economies of Canada and the United States have been closely linked for more than a century, and Canadians have read about or seen media reports on many U.S. consumer problems ever since Upton Sinclair's 1906 exposé of meat-packing plants. Although many consumer problems in the two countries are similar, two factors help explain the different ways their respective consumer movements have developed. First, Canada is a confederation where fewer powers are exercised at the national level. Provincial powers include policymaking related to health care and most aspects of transportation, and as of 2014, there is still no national equivalent of the U.S. Securities and Exchange Commission. The second major influence stems from the fact that there is a "natural monopoly" in North America for comparative product testing in the form of the U.S.-based magazine *Consumer Reports*. Many identical products are sold in U.S. and Canadian markets, though Canadian labels must be in both English and French, and measurements are in metric. Tests published in *Consumer Reports* meet most English-language consumer information needs in both countries. As a result, no testing organization quite like Consumers Union has succeeded in Canada. Nevertheless, thousands of volunteers, through grassroots consumer activism, achieved many important improvements, particularly from 1940 to the 1990s.

Canada, like other countries, developed a market economy without the institutions required to ensure that exchanges were fair to consumers. In response, a confederation of Canadian women's groups founded the National Council of Women in 1897 to urge standards for honest weighing of goods and truthful grading. In addition, some cities had consumers' leagues composed primarily of housewives who monitored the quality of foods in shops.

A breakthrough for consumer protection came in December 1941, after Canada had been at war for two years. The Wartime Prices and Trade Board (WPTB) faced a crisis of shortages with sharp price increases. The minister of finance and the chairman of the WPTB called together many women's organizations to establish a consumer branch of the WPTB. Little did they know what they were creating. Thousands of women volunteered, founding active groups known as Women's Regional Advisory Committees (WRACs) in each province and in many cities. A year after the war ended, the WRACs were officially "terminated" by the government . . . or so the government thought. Many units, upset by rapid postwar price rises, refused to disband. In early 1947, volunteer Harriet Parsons, the economics convener of the National Council of Women, and its president, Blanche Marshall, formed a committee to study the creation of a national consumer organization. On September 29, 1947, seventy voting delegates from more than twenty women's organizations created the Canadian Association of Consumers (CAC)—cementing Canada's unique path to a consumer movement.

The CAC immediately provided a major challenge to seller control of the marketplace. The new organization's first victory came in 1948, when it fought successfully to have the ban on margarine lifted, resulting in lower butter prices. In

1949, the CAC also helped achieve labeling requirements for textiles. Immediately after that came a highly public consumer protest against the insulting and deceptive packaging of bacon. A marketing innovation in the 1950s was a package with a new cellophane window on which bacon marketers boldly printed red stripes to imitate lean meat. In 1951, consumers in central Canada were shocked to learn they had been eating meat from animals that were already dead when brought to meatpackers. With stunning skill, CAC volunteers Helen Morningstar, Therese Casgrain, and others led a campaign of outrage. Within a year, they had succeeded in establishing important food safety standards.

In the early 1960s, two important organizational changes were made to the Canadian Association of Consumers. In 1961, the women's organization agreed that men could meet membership standards. The next year, the organization renamed itself the Consumers Association of Canada (CAC). Subsequent consumer activism led to hundreds of other improvements at the provincial and national levels. CAC also helped persuade policymakers to create a list of safe food additives, pass the Hazardous Products Act (1970), mandate standardized packaging (1971), and in some provinces require elements of truth in lending.

One of CAC's greatest contributions was its key balancing role in the creation of Canada's Competition Act. In 1889 (a year before the U.S. antitrust Sherman Act), Canada enacted antimonopoly prohibitions. The use of "toothless" to describe the law may be too favorable as it suggests that Canada's Act had jaws: In nearly 100 years, Canada never won a contested court case against a monopoly. In 1967 a national study recommended a new act. Lobbying by monopolists and by business groups was well-funded and pervasive. For the next sixteen years, the CAC led public support for legislation to promote competition. The Competition Act passed in two stages: 1976 for marketing practices, and 1986 for mergers. The law has been a major force for consumers in defining fair market practices and setting out the framework for a fairer market.

One major defeat suffered by the CAC was an industry campaign to overturn the 1969 pharmaceutical patent arrangement, which permitted generic drugs provided that they paid compulsory royalties to drug patent holders. It was a well-functioning example of sound patent policy for the world to see, and, that being the case, the international pharmaceutical industry was eager to see it ended. Consumers lost a highly public battle, but CAC action was the key reason for the creation of a Patented Medicines Prices Review Board. The board has had a small effect in restraining prices but little or no effect maintaining R&D spending in Canada. The loss of compulsory-licensing-with-royalties has cost Canadian consumers billions of dollars per year.

The consumer movement in Canada has campaigned for free trade, gaining two early victories on children's shoes and clothing. Most agreements—like the Canada–U.S. Free Trade Agreement or its sister, NAFTA—turn out to be "managed trade" deals that still contain nontariff barriers and special exemptions for powerful lobbyists. Despite highly public battles, CAC failed to block import restrictions introduced in 1974 for milk, eggs, chicken, and turkey products. The milk quota alone has cost Canadian consumers more than \$1 billion every year since 1974.

A bilingual advocacy bulletin began in 1948 and was upgraded in 1963 when CAC published a plain-paper version of *Canadian Consumer*. The publication was rejuvenated as an attractive magazine in 1973, quickly finding success with consumers and the media and earning keen attention from politicians. (CAC intended to finance consumer advocacy through magazine revenues, but this never happened.) *Canadian Consumer* was most successful during the time CAC cooperated with Consumers Union. The first joint promotion took place right at the start. Canadians could, with one payment, acquire the product test results from *Consumer Reports* (consumer information) as well as reports on Canadian services and advocacy (collective action) from CAC and the *Canadian Consumer*. At its peak in 1982, sales of the Canadian publication were nearly 160,000 per month. An ill-advised price increase was one reason why subscriptions dropped to 63,000 by 1993, the year the magazine ceased publication. Since then, Consumers Union has published a Canadian insert in *Consumer Reports* for more than 200,000 Canadian subscribers. This works well for consumer information, but far less so for advocacy.

The striking success story of remarkable consumer leaders in Canada has not yet been fully appreciated. Coordination of campaigns in both English and French and over so many jurisdictions is a challenge and would be even without well-funded opposition. For fifty years after 1947, CAC policy operated with a broad-based set of provincial presidents who constituted a majority the organization's national board. Two longstanding CAC committees had stunning success. One, focusing on research and economics, was run for nearly twenty years to the mid-1980s by the "two Helens" (Morningstar and Anderson). The other was the food committee, run by the "two Ruths" (Jackson and Titheridge). These volunteer committees, working outside of Ottawa, recruited volunteer expertise of the highest order (sometimes even including the surreptitious participation of public-spirited industry leaders). In addition to contributions within Canada, some CAC leaders served at the international level with the International Organization of Consumers Unions (founded in 1960 and now named Consumers International), which CAC joined in 1963.

At its best, CAC had professional managers/researchers operating the national office; it had thriving provincial organizations in all ten provinces and the Yukon, as well as sixteen consumer associations in larger cities (Morningstar, 1977). As late as 1993, dedicated local volunteers were working on issues that included food quality, energy, environmental quality, telephone and cable rates and service, retirement plans, warranties and redress, bus safety, personal finance, and education. One such volunteer, Margaret Stansfield from a local in Manitoba, single-handedly answered more than 35,000 calls for assistance. After her first 5,385 calls, she apologized that she "never had the physical strength to be active."

Three forces weakened the CAC. Progress with consumer legislation was a positive outcome, but success lowered the urgency of consumer issues. A second force of importance to volunteer organizations such as CAC was the shift of women into the formal labor force. Most of the local consumer activists who supplied Canada with effective national leaders from 1945 to the present have been women. Third, after the early 1980s, there was a gradual but steady decrease in federal government financial support for consumer research and advocacy, and this reduced the

capability of the national CAC office. Importantly, the cutback was not matched by a comparable decline in support by the government in Quebec.

- Fortunately, the diminished vibrancy of CAC was accompanied by growth in organizations *not* based on the volunteer model of operation. The most prominent of these Canadian consumer organizations are members of Consumers International (CI):
- *Union des consommateurs*, or the Consumers Union of Quebec, is a not-for-profit umbrella association now grouping ten member organizations originating in the early 1970s into the Cooperative Association of Household Economy (ACEF). It operates mostly in French with a consumer focus, though it also orients some of its research projects to benefit the disadvantaged and for social justice purposes more generally. *Union* has provided support that resulted in policy action on privacy, food, and consumer law. It has been a participating member of CI since 1990.
- *Option consommateurs*, founded in 1983 and a CI member since 2003, is a bilingual not-for-profit consumer organization based in Montreal. *Option* has been highly visible in the media with class action suits in Quebec and as an independent voice for consumers throughout Canada, especially on energy, food safety, health, financial services wireless policies and market practices. *Option* represents Canadian consumers on more than twenty official committees and regulatory bodies.
- Also important is *Protégez-Vous*, a monthly French-language consumer magazine originating in 1973 with Québec government support. Re-formed in 2001, it is now an independent, self-financing, not-for-profit organization producing 100,000 magazines per month with test results. In fact, *Protégez-Vous* provides both consumer information and active consumer advocacy. Publishing in French provides a measure of insulation from competition from *Consumer Reports*. Insulation may not be needed, though, as *Protégez-Vous* can also be seen as a francophone invention well suited to Quebec's specific legal framework and to its cultural institutions. A CI member since 2013, *Protégez-Vous* operates three highly active websites that see more than 650,000 visitors per month.
- The Public Interest Advocacy Centre (PIAC), formed in 1976, is a not-for-profit advocacy organization with an operating model based on consumer-interest research funded primarily by governments. PIAC has produced research of lasting effect on telecommunications, e-commerce, privacy, broadcasting, and competition policy. It has been an affiliate member of CI since 2001.
- There are a number of other groups active in Canada. Perhaps the most visible is the Consumers Council of Canada (CCC). CCC provides consumer-interest research—most recently on Canada's wireless oligopolies—and funds its activity by its members and especially by its ability to locate public-interest funding. Several other consumer groups operate in Canada, but all are challenged by the famous “free rider problem”: The market does not provide funds for “public goods” such as consumer protection laws or basic consumer science.

Quebec's Office de la protection du consommateur (OPC), founded in 1971, is another important government consumer organization. OPC was the original parent of *Protégez-Vous* and now provides consumer information, engages in consumer advocacy, and conducts research in support of consumer-interest legislation. OPC has been a supporting member of CI since 2001.

A distinct national ministry for consumers is long gone, but an important residual exists in the form of the Office of Consumer Affairs (OCA), located within

Industry Canada (a department within the Ministry of Industry). OCA makes available useful consumer material from its web site. The office was also a major force supporting the 2013 creation of Canada's national registry of academic consumer researchers (<http://ccird.uwaterloo.ca>). The registry is important because Canada—unlike many European countries—lacks a national consumer research institute with the ongoing capability of conducting research for the benefit of consumers, the consumer movement, and, indeed, for Canadian firms. OCA has been a government supporter of CI since 1987.

Measured against other countries, Canada has done relatively well in terms of supporting a variety of consumer organizations with a high degree of independence from both government and business funding. Consumer groups in the province of Quebec have achieved particular success. Still, much remains to be done in terms of fostering an environment that supports consumer organizations and provides consumers with information, competitive markets, and consumer protection.

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See also: Consumers International; Consumers Union/Consumer Reports

Further Reading

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CARIBBEAN CONSUMER MOVEMENTS

The Caribbean is a region, distinct from Central America and South America, that consists of thirteen sovereign nations as well as a similar number of semi-autonomous territories linked to France, the Netherlands, the United Kingdom, and the United States. (Some definitions of the Caribbean region include Guyana and Suriname, two countries on the northeastern coast of South America.) The richest country in the region, as measured by gross domestic product per capita, is the Bahamas, followed by Puerto Rico (a U.S. territory). The poorest country, by a wide margin, is Haiti.

The history of consumer activism in the Caribbean region can be traced back to 1966 and the founding of the National Consumers' League (NCL) in Jamaica. NCL is the oldest consumer association not only in the Caribbean, but in all Latin America. When NCL was established, Jamaica was one of the few politically independent countries in the region. Instead, the first stirrings of consumer protection activity in most of today's Caribbean countries and territories began under the auspices of western countries with longer traditions of consumer activism. Similarly, legal systems hospitable to consumer protection that existed when Caribbean countries were still colonies carried over after political independence. For this