Chapter-3
ROLE OF CONSUMER ASSOCIATIONS AND TRADE ASSOCIATIONS

WORKING OF CONSUMER ASSOCIATIONS

The UN Guidelines for Consumer Protection, adopted unanimously by the General Assembly of the United Nations, contains the common understanding world-wide of what constitutes basic, fair and sound consumer protection standards and measures. One such measure advocated by the Guidelines is the formation of independent consumer groups: in the Guidelines' first paragraph where the objectives are mentioned the governments of the world are called upon to facilitate the development of independent consumer groups (Guideline i.e.):

The general aim of a consumer organization is clear enough: to serve and advance the interests of consumers. To do this well, to represent every body in society in that part of their life where they are purchasers or users of goods and services, it is essential that a consumer organization is independent of those who produce, supply, promote and sell the goods and services.

The effectiveness of statutory provisions aimed at consumer protection would be greatly diminished if the consumers, for whose benefit these provisions are made, are not aware of their rights and remedies. It is in this context that the role of the consumer organisations and the consumer movement becomes relevant. A concerted campaign to make the consumers aware of their rights and remedies under the law should be carried on by the consumer organisations with the active support and cooperation of the consumer movement. In a country like India with a very low rate of literacy, this is a really formidable task. The consumer organisations have a significant role in consumer education. The failure
of many of our protective legislations was mainly due to the lack of awareness of the beneficiaries. Such a fate should not be allowed to the fall the consumer protection legislation.

**NEED OF CONSUMER ASSOCIATIONS**

An aggrieved consumer may not prefer to go to a court of law because of economic factors. This may be either due to the fact that he does not have sufficient means to meet the expenses of litigation, or that he may be reluctant to incur such heavy expenditure for a risky game. Economic factors constitute a major access barrier especially in the case of poor people with relatively small claims. This is a problem for almost all major legal systems in the world, except in socialist countries. In addition to the actual costs of litigation, other expenses like travel and opportunity costs the time and the money lost by the litigant when he is away from home or place of work in connection with the case - enter to the mind of a potential litigant when he has to take a decision on whether or not to pursue a claim. If he cannot afford the costs of litigation, he simply decides to avoid it, what Mare Galantor calls, "Lumping it". A high incidence of such avoidance, typically the reaction of the poor and powerless in confrontation with well-entrenched institutional adversaries has been stated to signify failure of society's dispute resolution machinery. Even those who can afford to meet the cost of litigation would be influenced by the probability factor. They will weigh the costs and the time involved against the benefits and chances of winning. Hence, consumer organisations and societies may take up the cause of aggrieved consumers.

The consumer has two weapons, positive and negative, he can enforce his rights under the law or organise himself and resist an unethical practice. "When consumers rise, prices fall". Consumers find themselves the victims of certain unfair

trade practices such as shoddy workmanship, exorbitant rates of interest, deceptive advertising and packaging, aggressive trade arrangements. Another source of danger is the sale of hazardous toys, foods, drugs and appliances without proper regard for consumer safety. Steps should be taken to bring about greater awareness of consumers' rights by forming consumer guidance societies and monitoring public opinion in favour of the consumer.

FUNCTIONS OF A CONSUMER ASSOCIATION

A voluntary consumer society may cover wide varieties of activities. Main functions of such society may be identified as under:

i. to create an enlightened consumer consciousness and public opinion through the mass media;

ii. to study analytically and do research on the working of public utility service-natural monopolies;

iii. to approach legislators, lobbying with them for taking up consumer protection issues on the floor of parliament/assemblies.

iv. to carry academic programmes for training workers and leaders for consumer protection;

v. to mobilise and motivate people and other voluntary organisations;

vi. to take recourse to court MRTP Commission and other forums for redressal of grievances of the consumers;

vii. to establish a two-way dialogue with the consumer organisations in the country and abroad for mutual benefit and support; and

viii. to set consumer library.
RECOGNITION & LEGISLATIVE PROTECTION TO CONSUMER ASSOCIATIONS

(i) Under MRTP Act
After passing of the MRTP (Amendment) Act, 1986, a recognised voluntary consumer association may lodge a complaint before M.R.T.P. commission on behalf of a consumer. This provision has became effective from 01.06.1987. Monopolies and Restrictive Trade Practices (Recognition of Consumers' Association) Rules, 1987 provide that whenever any restrictive or unfair trade practice is alleged by an individual consumer or a voluntary consumers' association, the Monopolies and Restrictive Trade Practices Commission shall institute a regular statutory enquiry into it. The voluntary consumer associations whose complaints will get statutorily enquired into will be such associations of persons which are recognised by the Central Government as "Registered Consumers' Association". Central Government has framed the Monopolies and Restrictive Trade Practices (Recognition of Consumers' Association) Rules, 1987, which set out the procedure to be followed for obtaining the recognition. Only an association which has at least ten consumers as its members will be eligible for recognition as "Registered Consumers' Association". The association is required to make an application to the Department of Company Affairs in the prescribed form indicating inter alia, the number of its members, its objects, number of employees, details of work done by it in the last three years and details of laboratory or organisation owned or operated by it for the purpose of protecting the interests of consumers. The extract of these rules has been given as Appendix NO 1

(ii) Under Consumer Protection Act, 1986 and Other Laws
As per section 2 of the Consumer Protection Act, a voluntary consumer association has been recognised as an authorised complainant.
Similarly, suitable amendments have been made in other statutes e.g., the Agricultural Produce (Grading and Marketing) Act, 1937, The Prevention of Adulteration Act, 1954, Standards of Weights and Measures Act, 1976. These amendments have authorised a recognised consumer association to file complaint on behalf of an aggrieved consumer before appropriate authorities. One important highlight of these amendments is that a consumer association may even file a complaint and represent the case on behalf of a consumer who is not a member of the association.

Department of Company Affairs has given recognition to various consumer associations. A list of these associations is given as an Appendix 2.

ROLE AND EFFECTIVENESS OF CONSUMER ASSOCIATIONS

Between 1971 and 1984, hardly any consumer association invoked the M.R.T.P. Act to complain against restrictive trade practices. Most of the complaints made under this Act were by trade associations representing retailers, wholesaler or manufacturers of similar sections of business interests. In some cases, industrial units consuming raw material/components for manufacture claimed the status of consumers and their associations invoked this provision for protecting their business interests.

Before 1984, consumer associations protected consumer interest by filing writ petition in various High Courts. Some of such petitions were: 4

i. A writ petition in the Gujarat High Court against increase in tariff of the Gujarat State Electricity Board and challenging the constitutional validity of the provisions of the Electricity (Supply) Act, 1948, which excludes State Electricity Boards from the purview

4. "Consumer Confrontation".
of the Rating Committee. Stay Order has been granted against future increase in the tariff without the court's permission.

ii. Writ petition in the Gujarat State Road Transport Corporation and others, challenging the increase in bus fares and the constitutional validity of Section 43 of the Motor Vehicles Act, 1939 on the ground that the State Government which owns, manages and controls the Corporation cannot be a judge in its own case. Held that the impugned increased fare is in violation of the provisions of the Road Transport Corporations Act.

iii. A petition for writ of mandamus to direct the Central Government to publish and implement reports of the various committees on safety and to constitute an Air Transport Council to look into the adequacy, efficiency, safety and quality of the services provided by the Indian Airlines. The writ petition has also challenged the validity of increase in the fare without constituting Air Transport Council. An interim injunction was granted the proposed increase in the air fare. Later, contempt proceedings were initiated on the application of Prof. Manubhai Shah and another for the alleged breach of Indian Airlines of the said injunction. The two judges differed in their findings, discharged the rule and dismissed the application.

iv. The Gujarat High Court has admitted the writ petition of C.E.R.C. and seven others against the L.I.C. challenging the discriminatory practices being adopted by it in granting low cost policies such as convertible Term Insurance (Table No.58) which imposes restrictions like being a male, age being not above forty-five, employment in Government or quasi-government organisations or commercial firm of repute, first class life and family history.
v. The Gujarat High Court is understood to have permitted the C.E.R.C. to intervene in refund claims of excise collected on viscose staple fibres by the Central Government. The C.E.R.C.'s contention was that since the manufacturers have already collected the increased duty from the customers refund (if payable) should be paid to the consumers.

vi. A petition in the High Court of Gujarat against L.I.C. was allowed and the Court issued a writ of mandamus directing the respondents to publish in the immediate next issue of "Yogaksheme" (monthly magazine of L.I.C.) the petitioner's reply to an article by Shri N.C. Krishnan in the same magazine.

vii. An interim order was passed by the Gujarat High Court safeguarding the telephone subscribers from excessive billings and non-functioning of telephones.

viii. A writ petition was filed by C.E.R.C. against the General Manager, Ahmedabad Telephones and the Gujarat Telecommunication Centre, challenging the constitutional validity of several sections and rules of the Indian Telegraph Act and Rules.

The sphere of activities of consumer associations is increasing gradually. It is not confined to commodities and services only, one important area where consumer association have started taking interest is protection of investors of securities.

The Consumer Education and Research Centre (CERC) has decided to constitute an advisory panel on investments and stock exchanges for protecting the rights of investing public.

The panel will not merely be a grievance redressal forum for consumers of financial services dealing with
relatively routine matters like delays in allotment and refund of application money. It will also address itself to "substantive issues", such as non-disclosure of information, non-publication of net asset value by mutual funds, absence of any operating report to unit-holders including holders of units trade on stock exchanges and failure to handover rights and bonus shares on technical grounds. A quick review of the CERC's records indicated that complaints from investing public related more to the "substantive issues".

The assistance of the panel will initially be sought on four vital matters. They are: Role and Constitution of Securities and Exchange Board of India, Constitution and operations of mutual funds, premium prescribed on rights issues and on conversion of debentures into equity shares and publication of CRISIL ratings.

The panel will review major development relating to investments-shares debentures, units, fixed deposits, warrants-operations of stock exchanges and assist the centre in making suitable representations to central government and other authorities.

It will assist the centre in handling complex complaints and in initiating action against companies, brokers, stock exchanges and others in resolving complaints of aggrieved investors, particularly small investors.

The panel will also identify cases for which judicial remedy has to be obtained or those which have to be obtained or those which have to be filed before consumers forums and commissions. It will devise action plans to reduce cause of complaints, including suggestions for corrective action by the Central or State Government, Stock Exchanges, Companies and mutual funds etc.  

5. Economic Times dated 04.05.1990.
CONSUMER PRODUCTS TESTING LABORATORY

The final agreement for setting up India's first Product Testing and Rating Organisation (PTRO) for consumer products was signed on 17.05.1990 between the Consumer Education and Research Centre, Ahmedabad and Industrial Development Bank of India, Bombay. This agreement marks an important landmark in the history of consumer movement in India. The laboratory will initially test food products, drugs, and domestic electrical appliances for comparative testing, ranking, and evaluation.

CONSUMER ASSOCIATION'S RIGHT TO APPEAR BEFORE COMMISSION

The number of complaints by consumer associations increased after the amendment of MRTP Act in 1984 as provisions of unfair trade practices were easier to understand than restrictive trade practices. Provisions of interim relief under Section 12A and compensation under Section 12B of the Act provided an assurance of valuable relief to consumers. Hence consumer associations faced two constraining factors which greatly diminished their role as complainants. Firstly, many temporary injunctions issued by the Commission were stayed by many High Courts. Consumer associations found that its role had been reduced to a mere spectator on enquiry. The Commission passed an Order dated 11th October 1988 holding that the complainant is not entitled nor can he be permitted to seek discovery of documents on his own apart from and independent of the Director General who has already delivered a set of interrogations and sought discovery on oath of documents nor can he be allowed inspection of documents alleged to be in possession of the respondents except through and with the approbation of the Director General. "The single member bench of the Commission also held that the complainant may "personally or through duly authorised counsel address oral arguments on any question in controversy between D.G. and respondents and also on the merits of the case after the conclusion of the enquiry. But he is not allowed to

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deliver interrogatories seek discovery of documents on affidavit or inspection of documents in possession of respondents, or apply for admission or denial of facts or documents on his own behalf in the capacity of being a complainant. In this case, the complainant consumer association was not allowed even to file a rejoinder to the reply of the respondents. The bench relied on rule 13A of the M.R.T.P. Rules, 1970, to hold that "the use of the expression 'Any Party' in regulations 71, 72, 73 (1), (2) and (3) can more appropriately be construed to mean either of the two parties arrayed in opposition to each other before the commission but it cannot mean Director General and complainant to be two separate parties though arrayed on the same side".

The ratio of this Order was repeated in another enquiry based on a complaint filed by the Association of State Road Transport Undertakings against tyre manufacturers by a division bench of the Commission on 7th November 1986. Such a curtailment of the rights of a complainant appears to be a retrograde interpretation to the otherwise progressive provisions of the Act. It would be understandable if the rights of a complainant representing antagonistic business information through an enquiry. However, if a consumer or an association thereof were to be completely shut out of an enquiry, the very purpose of Sections 36B(a) and (10(a)(i) would be defeated. The Director General bears a statutory duty to contest all the proceedings in enquiries against monopolistic, restrictive and unfair trade practices before the Commission as a custodian of public interest. However, that does not mean that a complainant cannot take part in the enquiry proceedings. The Complainant is an independent party separate and distinct from the D.G. In most cases, the D.G. and the complainant the same side are likely to agree to a common approach. However, in several situations, they might like to adduce different pleadings, arguments or evidence to prove the impugned trade practice and the loss or injury resulting
therefrom. While most consumers or associations are not in a position to engage eligible persons to appear the Commission, the D.G. would prosecute the enquiries. However, if a consumer or an association comes before the Commission, it must not be ousted from enquiry proceedings. He must be joined as a proper party distinct from the D.G., it must have all rights to be heard at all stages of an enquiry and must be entitled to make all applications, rejoinder, admission and denial of facts, adducing of evidence, examination and cross examination if he so desires subject to the rules of relevancy.

The complainant must be given copy of the PIR, NOE, reply of respondent to NOE, all applications, counter replies etc., filed by all parties (including the D.G.). This is necessary for him to be in the clear picture at all stages of the proceedings and, if necessary, to step in at an appropriate stage to add or supplement to the pleadings and or evidence and/or arguments being put forth by the D.G. All facts, pleadings documents that meet the test of relevancy must be allowed to be placed before the Commission. In the past, there have been cases where the complainant has disagreed with the Director General and his point of view has not been allowed to come on record. Such a situation can be resolved if he is fully heard and allowed to participate in the proceedings as a full fledged party. Ultimately, it is for the commission to decide a case after hearing all parties.

It has been seen that the D.G.'s office is subject to personnel as well as budgetary constraints in the matter of adducing evidence, or affidavits in evidence. During the year 1986-87 a total of 54 witnesses were summoned by the D.G. in spite of the fact that the number of enquiries held were several hundreds. A full fledged role to the complainant would supplement the efforts of the D.G. as consumers will
will be able to pay personal attention to the finer points of their cases and bring them up before the Commission. This is particularly important where loss or injury has been caused to consumers and the success of a claim under Section 128 of the Act depends entirely on the outcome of the enquiry. By shutting out a consumer or an association from full participation, the claim of compensation will also suffer.

The legislative intent was never to curtail the rights of a complainant it is only the past practice at the Commission which resulted in the D.G. appearing as the only party on one side. The Commission curtailed the participation of complainants particularly because almost each complainant who came under Section 10(a)(i) represented a competing and antagonistic business interest to that of the respondent. It was only by about 1983 that consumer interests complained to the Commission and it was only by 1985 that these cases began maturing and the real problem of full fledged participation came to be agitated before the Commission.

The 1986 amendment to the M.R.T.P. Act allows individual consumers to file complaints. However it is the aims and objects clause which focuses on the purpose of the amendment that has been made by the M.R.T.P. (Amendment) Act, 1986 (74 to 86). The statement of objects and reasons for bringing the amendment as put forth in the amending Bill No.154 of 86 before parliament stated.

"At present the M.R.T.P. Act, 1969, only gives a discretion to the M.R.T.P. Commission to hear or not to hear an individual consumer aggrieved by any restrictive or unfair trade practice. The Bill seems to confer an important right on an individual consumer and a voluntary consumers' association to file a complaint before the Commission and of being heard by it. On receipt of a complaint in this behalf, the Commission will be required under the provisions of the
Bill to institute regular enquiry into any restrictive or unfair trade practice alleged by such individual consumer or voluntary consumers association".

This statement merely declared the legislative intent as it existed prior to the amendment. The Act never intended to disallow full participation of a consumer association in the enquiry. The Commission's Orders of 1986 were erroneous and contrary to the legislative intent. In fact before the amendment was brought to Parliament the Union Government has before it the recommendations of the All India Seminar on Consumer Protection organised by the Government of India at New Delhi in January 1986. This Seminar inter-alia made the following recommendations.

"Voluntary consumer organisations not having any business interest should be allowed to participate in any enquiry of the M.R.T.P. Commission and they should be allowed to present evidence and take action to prosecute their complaints including cross examination of witness in addition to the Director General of M.R.T.P. Commission. The consumer organisations should be allowed to supplement the evidence put by the Director General. This does not exclude the Director General from any enquiry."

The Union Government, with the support of parliament, apparently not only accepted this position but went one step further to allow individual consumers to make complaints under Section 10(a)(i) and 36(B)(a) of the Act by the Amendment Act of 1986. 7

ROLE AND EFFECTIVENESS OF TRADE ASSOCIATIONS

Trade associations and business community at large has a responsibility towards society, particularly consumers who are the buyers of the commodities produced by them or

services provided. Had trade and industry evolved a self-governing mechanism, the problems would not have arisen. Although there is limitation on the role of Chambers of Commerce and Industry as they do not have effective control over the managements of several mutually competing firms. Business community may take following steps to protect consumers' interest.

(a) Businessmen themselves should adopt a code of fair business practices and their associations should control and discipline their members and help the consumers. They should appreciate that in the long run, "honesty is the best policy".

(b) The producers' bodies should institute awards to their members for showing outstanding interest in their consumers. It is understood that F.I.C.C.I.

(c) Regular and uninterrupted output of goods and supplies must be maintained by good industrial relations and by having "in-house" generators.

(d) Chambers of Commerce should form organisations on the lines of the American "Better Business Bureaus" to receive complaints from the consumers. Business should care to understand the consumers' complaints and implement their wishes by undertaking market research studies.

(e) While the average retailer in India displays boards to indicate "no credit" or "goods once sold will not be taken back", his counterparts in the U.S.A. and the U.K. tempt the consumers by allowing "easy credit terms" and "money back guarantees". The Indian retailer should also take the bold step of supplying goods on credit terms and accepting returned goods.

(f) Public sector organisations should also strive their very best to give quick and efficient customer service.
One could quote the example of the Unit Trust of India which is reported to have retained the Indian Institute of Management, Ahmedabad to study its working and suggest measures for improving its efficiency.

Trade Associations and companies have started showing interest in consumer protection. Some of such associations and their activities are:

(1) The Council for Fair Business Practices
This Council set up in 1967 by a group of industrialists is formed to educate the businessmen that it is to their advantage to satisfy and give a fair deal to the consumer. It is a kind of self regulatory body to promote fair business practices and create an awareness among the business community about its responsibility towards the consumers. According to the Code of Conduct of the Council, manufacturers and businessmen should ensure that:

i. The agents appointed by them do not charge prices higher than the fixed ones;
ii. stocks in times of scarcity are not withheld or suppressed;
iii. They do not produce or trade in spurious goods, of standards lower than the specified one.

The members of the Council are asked not to adulterate, not to publish misleading advertisements, to invoice goods exported or imported at correct prices and, to maintain accuracy in weights and measures of the goods offered for sale and not deal in smuggled goods. A bulletin on Consumer News is also brought out by the Council periodically.

It seems that any consumer can approach the Council and complain when he thinks he has been cheated or
not given a fair deal. A committee of the council takes up the matter and sees that the consumer's problem is looked into. About 50 complaints are received every month by the Council regarding overcharging, service promised and not given during the guarantee period, sale of sub-standard goods, adulteration of foodstuffs, etc.

The Council proposes to set up an Advisory Board for Maharashtra represented by businessmen, academicians, social workers, legislators, M.P.s etc., to discuss various issues relating to consumer protection and education to traders. Further, it plans to instal complaint boxes at all big railway stations and departmental stores for consumers to put in their complaints. Permission has been obtained from the railway authorities to instal the boxes.  

(2) The Federation of Indian Chambers of Commerce & Industry has set up a consumer-business forum comprising the representatives of concerned interests. The forum will take cognizance of complaints which consumer organisations have screened but have not been successful in resolving them. FICCI has also requested chambers, trade associations and large industrial houses to set up complaint cells. It would also conduct campaigns against adulteration and short weights and measures. It has started campaigns to persuade industry and business to protect the interests of consumers. The Union Government has agreed in principle to consult FICCI on important matters like comprehensive consumer protection legislation and a code of conduct in the matter for industrial and business houses. Industry and consumers would also be given representation in governmental consumer protection bodies. FICCI is thinking

of setting up independent testing laboratories to check consumer complaints about poor quality and redress grievances where the complaints are proved to be true.

(3) Consumer Grievance Cells of Food Corporation of India

The Food Corporation of India (FCI) has set up Consumer Grievance Cells at Zonal/Regional levels for redressal of consumer grievances. Consumers are requested to lodge their complaints at the respective Consumer Grievance Cells in the following centres for redressal of their grievances.

1. ZONAL OFFICE (N) NEW DELHI.

2. DELHI
   : Sr. Regional Manager, F.C.I., Prabhat Kiran, 17, Rajendra Place, New Delhi-110 008.

3. HARYANA
   : Sr. Regional Manager, F.C.I. Haryana Region, Sector 17-C SCO-120-122, Chandigarh.

4. JAMMU & KASHMIR
   : Sr. Regional Manager, F.C.I. 46-C/D, Gandhi Nagar, Jammu.

5. HIMACHAL PRADESH
   : Sr. Regional Manager, Mount View, Lower Jakhoo, Shimla.

6. PUNJAB
   : Gr. Regional Manager, F.C.I. Punjab Region, Sector-34A/SCO 356-359, Chandigarh.

7. RAJASTHAN

8. UTTAR PRADESH
   : Sr. Regional Manager, F.C.I. 5/6, Habibullah Estate, Hazratganj, Lucknow.

(4) Consumer Affairs Cells

Some companies have started consumer affairs cells for more effective consumer relations, some of such companies are:

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9. 'Pioneer' dated 17.03.1989.
(1) Eagle Flask Private Ltd., Pune, Maharashtra
(2) Bajaj Electricals Ltd., Bombay
(3) Ahmad Mills, Bombay
(4) Godrej & Boyce Manufacturing Co. (P) Ltd., Bombay
(5) Mahila Griha Udyog Lijjat Papad, Bombay
(6) Phillips India, Bombay
(7) Blow Plast Ltd., Bombay
(8) Sah & Sanghi, Bombay
(9) Akbarallys, Bombay
(10) Camlin Private Ltd., Bombay.

Claims in Advertisement not Substantiated

It is high time that business should realise its responsibility towards consumers. While advertising their products they should put only those claims which can be substantiated. In a recent study conducted by Indian Institute of Management (IIM), Ahmedabad, it has been revealed that out of 90 leading business houses to which questionnaire was sent to substantiate their claims in advertisement, 85 did not respond. Out of 5 organisations that did respond only 2 have managed to successfully substantiate their claims. If this can be taken as a fairly representative sample, only 2% of the Indian advertisers can and do bother to substantiate the claims they make in their advertisements.

Consumer Welfare Fund10

A controversy was going on in the recent past with regard to use of amount of refunds of excise duty, when incidence of such duty has been passed to the buyer of goods. The controversy has been laid to respect by making a provision of creation of 'Consumer Protection Fund' in 'The Central Excises and Customs Laws (Amendment) Bill, 1991'. 'Fund' is being created on the recommendation of Public Accounts Committee, which enquired into all aspects of the issue

relating to refund of Central Excise duty. The committee presented its report to the Parliament on 11th March 1991. The 'Bill' aims to give effect to the recommendation of the Committee. The Bill seeks to protect consumer's interest in the following manner:

(1) The manufacturer or importer of goods shall not be entitled to refund of the duty of excise or, as the case may be, the duty of customs if he has already passed on the incidence of such duty to the buyer.

(2) It is proposed to establish a Consumer Welfare Fund wherein the amount of duty of excise or, as the case may be, the duty of customs, which is not refundable to the manufacturer or importer or the buyer in accordance with the proposed provisions, shall be credited.

(3) In addition, any income from investment of the amount credited to the Fund and any monies received by the Central Government for the purposes of the Fund will be credited to the Fund.

(4) The Fund will be utilised by the Central Government for the welfare of the consumers in accordance with the rules to be made in this behalf.

Creation of Consumer Welfare Fund out of amount of excess excise and customs duties paid is an attempt of funding consumer welfare programmes by the trade and industry. Advantage of the refund amounts, which henceforth was being received by individual industries, will be available to consumers in general. But Bill does not spell out the administration and use of Fund money. It is proposed to make separate rules for this purpose. Advantage of this measure will be known only when these rules are made out and procedure for utilisation of Fund money is decided.
Consumer Association's Relationship with Business

Mr. Dick Smithies of Consumer's Institute, New Zealand has suggested following guidelines for consumer associations:

- they must act exclusively on behalf of the interests of the consumer,
- they must be totally unconcerned with the advancement of commercial or party political causes,
- they must be non-profit making in character,
- they must not accept advertisements for any commercial purpose in their publications,
- they must not allow selective commercial exploitation of the information and advice they give to consumers,
- they must not allow their independence of action and comment to be influenced or qualified by receipt of subsidies.

SIX GENERAL PRINCIPLES

To assure consumers that their interests are paramount the following six general principles may be followed:

(1) Any intended contact with business will advance significantly the interests of consumers. Any contact that is likely to advance the interests of business more than those of consumers; or any contact that appears to have the aim of using your good name to give respectability to a dubious or hostile cause should be rejected.

(2) The intended contact does not imperil your organization's impartiality, independence or freedom from bias now or in the future. Be aware of the possibility that perhaps there seems to be no general conflict of interest but that there may be a conflict of interest with a specific part, section or aspect of your organization and its work.

II. 'Consumer Groups and Their Relationship with Business'.

(3) Any payment by business of money, goods or services, does not compromise your principles, and that it is free from undesirable conditions. In particular, money from any individual firm raises the possibility that at a future time you may want to praise the firm or its products — and people may then wonder whether your commendation has been "bought".

(4) To avoid allegations of bias all contacts with business should be open; secret 'deals' and covert arrangements should never be entered into, however much they advance the interests of consumers, any money accepted from business should be declared openly in your annual accounts.

(5) Because it is less at risk to charges of partiality, contact with a trade or industry association is preferable to contact with an individual firm — though dealings with individual firms are permissible and are virtually unavoidable in such matters as resolution of complaints and comment on test results.

Voluntary consumer associations may play an important role for the protection of consumer interest. Individually, consumer feels very weak. He has no legal knowledge to put up his case effectively before the consumer court. Further, if loss involved is not substantial, he prefers to avoid going to consumer forum for want of time. Consumer association may handle his case in a professional manner. Consumer may be charged a small fee to meet the expenses etc. In addition, consumer association may have library, testing laboratories, which help in preparing and presenting the case more effectively. Consumer associations may also have some report with business community and persuade them to adopt fair business practices. Association may also see that a case is not made up only to harrass any manufacturer or dealer.
Business community also on its own should feel its responsibility to Society and Consumers. As is evident from above discussion that business has started feeling its responsibility. But a lot is to be done by trade and industry to adopt fair business practices.