

## RALPH NADER RADIO HOUR EP 449 TRANSCRIPT

**Steve Skrovan:** Welcome to the *Ralph Nader Radio Hour*. My name is Steve Skrovan, along with my co-host, David Feldman. Hello, David.

**David Feldman:** Good morning.

**Steve Skrovan:** And we have the man of the hour, Ralph Nader. Hello, Ralph.

**Ralph Nader:** Hello, everybody.

**Steve Skrovan:** First up on the program, we welcome Marta Tellado. Ms. Tellado is the President and CEO of Consumer Reports. Much like Ralph's own work over the years, she has championed the cause of ordinary consumers in an effort to create a fair and just marketplace. Ms. Tellado has a new book out, it's called *Buyer Aware: Harnessing Our Consumer Power for a Safe, Fair, and Transparent Marketplace*. In it, she argues that we consumers are getting ripped off. The market is not a level playing field. The sellers have so much more information than the buyers. The rules that protect us are being slowly chipped away. Companies are spying on us. Many of the products we once trusted are dangerous and failing at alarming rates. She and Ralph are going to talk about how you can protect yourself from predatory businesses. As consumers, we have an inherent power to spur politicians and businesses to clean up their act and we look forward to that conversation.

Also, we're going to welcome back economist Michael Hudson for a brief segment. Professor Hudson came on a couple of weeks ago to talk to us about the role of the Federal Reserve in our economy. And I cannot recall a program, at least not in recent memory, that has received so much feedback from you, our listening audience. So I picked out one critique from a listener of the interview to allow Professor Hudson to respond, and you will see he has quite a forceful retort not only to the listener, but to me, so you won't want to miss that. It's pretty compelling listening.

And to button things up, Ralph has got a few choice words about this country's attitude toward immigration. As always, somewhere in the middle we'll check in with our corporate crime reporter, Russell Mokhiber. But first, let's find out the steps you can take to protect yourself in that jungle we call the American market. David?

**David Feldman:** Marta Tellado is president and CEO of Consumer Reports, an independent nonprofit that works side-by-side with consumers to create a fair and just marketplace. She is the author of the new book, *Buyer Aware: Harnessing Our Consumer Power for a Safe, Fair, and Transparent Marketplace*. Welcome to the *Ralph Nader Radio Hour*, Marta Tellado.

**Marta Tellado:** Thank you. Great to be here.

**Ralph Nader:** Welcome indeed, Marta. This is a real up-to-date book on consumer issues because you have a lot about how the internet and the "Big Four"-- Apple, Google, Facebook, and Amazon are taking control, authoritarian control I might add—of consumers in so many ways. But for our listeners who know *Consumer Reports* from the magazine and the magazines at newsstands all over the country in addition to print subscription, Let's have you describe what

Consumer Reports is, what it's done, how it tests, how it stayed honest for 85 years, since Colston Warne founded it in the late 1930s, right in the middle of the depression.

**Marta Tellado:** That's right. It's a pleasure and really an honor to be leading such an iconic organization 86 years on the front lines of creating a fair and just marketplace. And we have been cleaving to that mission for all those years and to our independence. I think there's obviously a very different marketplace of ratings in the world right now. And the critical question I think you have to ask yourself is who can you trust? And what we have done over the years is create scientific methods and methodologies to test in a way that consumers can come to us and recognize that the information has gone through the paces. But more importantly, we don't collect or have any advertising or promotions. We are a people powered member organization. We have been since the start and we're proud of that. I think that really contributes to the trustworthiness of the information we get. And of course the magazine—

**Ralph Nader:** What's the circulation, Marta? You can get it online and you can get it in print.

**Marta Tellado:** Yes, so we have six million members. About 50/50--half are in print and half are online. The magazine comes out once a month. And the magazine is a taste of just the thousands of reviews and investigative reporting that we do on site that you can access. And all of the report you can access without being a member. And if you want to dive into some of the ratings, of course we really look forward to growing the movement and that means being part of the community.

**Ralph Nader:** Well, you say in your book on page 69, "In 2021, we spent over \$27 million to test, rate and review more than 8,500 products and services. These tests are designed and administered by experts under rigorous scientific protocol, and we also tap consumers to test for usability." You survey consumers. All of it is paid for by donations and membership subscription. You even have your auto testing ground in Connecticut, don't you?

**Marta Tellado:** We have 375 acres out in Connecticut. We buy all the cars ourselves. We buy all the products just as a consumer would. We don't get any special deals or and it's really our crown jewel. There isn't anything like it anywhere else. And we're quite proud and we've kept it open throughout the entire pandemic, as we have our 60 labs which are based in New York and Westchester.

**Ralph Nader:** You know what is good about this book, among other things, is that your recommendations for action are both social and individual. In other words, you become a smarter, rejectionist consumer. You become more discriminatory about what you buy--food, autos, insurance, fuel, appliances, you name it--and you participate in more structural change. That's regulation, health and safety regulation, opening the courts up, breaking through the compulsory arbitration ban, et cetera. I have in my hand one of your big mailings that came and after going through it all, I said to myself, how can anybody, who buys things not subscribe to *Consumer Reports* because they can't, but save money and avoid hazardous or shoddy merchandise. And what is the subscription, by the way, just to show what a real bargain it is. You get it 12 times a year in print if you want. I think print is a lot better, but go ahead. What is the subscription rate?

**Marta Tellado:** Well, we've got a variety of different ways for you to join and we actually have a free member subscription where you get part of our newsletters and a variety of things. If you want to include all the ratings, you have a membership that can include the ratings. And then we bundle the ratings with access to all the online information, and that gets to just under \$50 for that unlimited ratings as well. And the thing about the community is that folks who've become members also donate to other special actions that we do. It's a very committed, very loyal community that we've grown. But I think you're right, we have an enormous amount of information that people can put into action right away.

And I really wanted the book to be a playbook for action and to grow consumer power. So after every chapter, you actually get some advice about what do you do if you think your credit score is wrong and you can't access it, or they're asking you to pay for it. What do you do if you think your car insurance is costing more just because of the color of your skin? And then with each of those individual actions, we talk about some of the big changes we need to see in the marketplace, particularly now as you mentioned, with the domination and lack of competition and the concentration of the power that we have, how do we, as a collective force, drive a marketplace that is safer by design, that is private by design, that doesn't put all the burden on consumers to figure out the hoops they need to jump through or the devices they need to turn on and off. It doesn't need to be that way. We can actually have a marketplace that is more fair, more transparent, and more just by design and intentionality.

**Ralph Nader:** Before we get to your connection between consumer rights and civil rights, which is increasingly galvanizing a broader constituency for consumer protection standards, if somebody wanted to subscribe right now to your magazine, what are you offering? Are you offering the way you did in the past, the annual book that's called *Buying Guide* and a booklet that's called *Should I Eat This*? Just tell our listeners what are you offering right now?

**Marta Tellado:** You get a variety of things, right? You have access to all the ratings that we have on all the products across a whole host of things. You also get special alerts. There are times that are more advantageous to the consumer to buy those big items that are very costly, like a mattress. So when should you do that? What month should you do that? We actually know and follow the market and the trends and can tell you what do you do when the price of gas goes up? How can you actually save? What are some things we can get you to do when you drive your car? Get that luggage roof rack off the car, save gas. And then there are free newsletters and tips around health, shopping. What's new to the site as well is a lot of our consumers, a lot of our members said they want to be able to come on our site and read the review, and in one fell swoop purchase that item. So we now have links to that item and you can do that. When you see something you want you can go right there and we give you a variety of choices of how to do that. And what's great about that website...

**Ralph Nader:** And what is the website?

**Marta Tellado:** And the website is [cr.org](http://cr.org) and you can also get to us...

**Ralph Nader:** [cr.org](http://cr.org).

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**Marta Tellado:** Yep.

**Ralph Nader:** Okay, and again, what is the subscription price for the magazine, which brings a lot of all these free materials as well?

**Marta Tellado:** The subscription price says all-inclusive, we call it all-access, is just under \$50.

**Ralph Nader:** Okay, so there's a multiple mix of choices.

**Marta Tellado:** There is. There absolutely is.

**Ralph Nader:** So people can figure out what they want when they go to the website.

**Marta Tellado:** Some people really love just getting the magazine. And others want all of it. They want the magazine and they want the free newsletters and they want the alerts. We now have something you could put on your phone where you get an alert if the car you're driving has some kind of recall on it. The problem with recalls is you don't often get the information in a timely fashion. So at this point, you can actually tell us what is the car you're driving, and if something comes up, we tell you and we send that out to you. So the car recall tracker is really, really popular.

**Ralph Nader:** And discuss the field offices that you have to try to get legislation/regulatory standards. Where do you have these field offices?

**Marta Tellado:** Well, way back in the past, you're right, we had geographic field offices. And how we operate now, Ralph, is that the entire organization is really focused on advocating for a fair and just marketplace. All the research we do, all the investigations, really become tools to push for the kinds of standards codified into law and regulations that we need to see. And so we've got people in New York that are working on it. We've certainly got people even in our test track that are looking at ways to incentivize better behavior from manufacturers in the absence of the laws that we need. And we also have the Washington folks with writers as well as advocates. So it's not as siloed as it was. We've got folks in all our areas that are focused on this and working together to push the things that have to move the needle in the marketplace to be more transparent and pro-consumer.

**Ralph Nader:** Well, give us the connection that you see between consumer rights and civil rights.

**Marta Tellado:** Well, sure. One of the things that I noticed, and this is quite personal to me, as someone who came to this country as an immigrant, as a two-year-old, and thought about what that promise of democracy is all about. I believe that democratic freedoms can coexist and thrive with economic equity. And I wrote the book in part to tell a larger story about how our democracy can only thrive if we really have a marketplace that is fair and just across all populations. And so it really is a way of engaging, as you say, a broader audience in this idea that a fair marketplace is absolutely essential to a fair democracy. Economic freedom is a civil right and I often quote FDR (Franklin Delano Roosevelt, 35<sup>th</sup> US president) when I say that freedom is no half and half affair. If the average citizen is guaranteed equal opportunity at the polling place, you've got to have equal opportunity in the marketplace. And so I think our economic

power and our agency is being undermined. So much of the power in our democracy is not distributed in a way that we can access.

And I'll give you some examples of that. If you can't get a kidney transplant because there is a bias in an algorithm against people of color, that's not democracy, right? That's discrimination. And if you get a different price for your car insurance also based on the color of your skin. And then there's the pink tax, right? Women are shopped and marketed products. However, the exact same products are marketed to men, at a different price point. That's a civil rights violation.

**Ralph Nader:** And I might add, you point out the poor pay more and they're more proportionately minorities.

**Marta Tellado:** That's exactly right.

**Ralph Nader:** You talk about payday loan rackets and things like that.

**Marta Tellado:** Yeah, and then we always talk about forced arbitration. If a company can decide that any dispute it has with a consumer has to be settled by an arbitrator that they hire, that's not democracy. That's coercion. And if a company can hide the data that demonstrates that they're putting a deadly product on the market, that's not democracy. That's injustice. So I really think embracing this notion that consumer rights and civil rights is an absolute must for us. There are so many organizations out there, Ralph, that are working on these issues and we have to work together. We need a much larger movement and focus on how we can break through and really drive this message to a larger audience.

**Ralph Nader:** And you give some vibrant examples of the arrogance of the algorithms that increasing, encompassing tyranny of algorithms that prejudice in favor of their corporations, like Google, and Facebook, and Apple, and Microsoft, and Amazon, I mean, it really is almost frightening to see how it's coming on like a tidal wave that is all devouring. And I'm glad you point that out, because that really brings the magnitude of consumer abuses right up to date. And tell us how Consumer Reports deals with exploitation of children by vendors.

**Marta Tellado:** Well, there's a heartbreaking example in the book. One of the most vulnerable populations—new parents—they're buying products for their home to welcome this new child. And we see it in furniture that is poorly built and constructed. And there are no hard and fast rules for creating a piece of furniture that won't be tumbled onto a child. We know that children like to climb on things. And we have seen too many deaths of kids opening drawers and this furniture falls on top of them. It's not a difficult thing to fix. We know physics is what it is. We know what it takes to build a safe piece of furniture. I will say though, that working with parents, Ralph, the good news is that just last week we were able to pass the STURDY Act (Senate bill 441). Now we want to see the House do the same. So we're making progress on that.

But the other piece also is the story around what became the Fisher-Price fiasco around inclined infant sleepers where I think parents assume that there's rigorous testing done on the products they bring home for their newborns. And the reality is there aren't.

**Ralph Nader:** Not to mention what you pointed out as an organization about what the drug companies are doing to kids and junk food. You have newsletters on that very specifically. Let me ask you about fine-print contracts. You refer from time to time to fine-print contracts and

we've had a program over the years. It's very difficult to strike at the basis of so many of these corporate abuses because they all say, well, you agreed to this, you agreed to compulsory arbitration, you agreed to us airlines changing the rules on flyers' rights. You agreed on giving up your rights to go to court under the law of torts, et cetera. Are you thinking of going deeper in challenging by exposés, in *Consumer Reports* and your Washington office, to try to get Congress to pay more fundamental attention that one of the things these giant sellers have done is taken away our freedom of contract. Talk about a civil right, they've taken away our freedom of contract as workers and consumers. So are you planning to do anything fundamental about that?

**Marta Tellado:** Ralph, it's impossible not to. It's rampant. The fine print is rampant. And as you suggested, the algorithms that are now ubiquitous in the marketplace and that serve up choices and determine what you're paying and what risk factors you carry in the way in which healthcare is distributed. And your point about "you agreed to this," we didn't agree to any of it, and that's why it's hidden from us, and that's why it needs to be exposed. And as difficult as that is, it's something I think we all have to work on. And so it may take different forms when it goes from analog to digital, but it's still the same attempt to embed something in us that is not transparent and that needs to be told. So what I hope the book does is bring that awareness. I think that awareness of that is something as a first step. But then you really have to make the change and codify and expose it and bring justice to—

**Ralph Nader:** I've called it contract peonage or contract servitude. You can't have a free market with fine-print contracts. By the way, if you ever debate a conservative, just say, look, there are all kinds of controls on free markets. There's subsidies that tilt the playing field between big business and small business. There's monopolies, there's price fixing, but we can put that all aside. If you don't have freedom of contract, meeting of the minds, informed consent, there's no such thing as a free market. So have you made any efforts to get congressional hearings on this? We just haven't been able to do that ourselves. But *Consumer Reports* has a lot of members.

**Marta Tellado:** I think one of the things we are all discouraged by, and you talk about monopolies, and when you look at the marketplace today, and you look at the companies that are dominating that in terms of market capitalization, and the way in which the information that—I mean, all of us are going through Google, right? We have 90% of us who are trying to find information have to go through that portal. I'm encouraged that we're starting to see some efforts around enforcement. I mean, what we're talking about is we have agencies, we have the Federal Trade Commission, but do they have the tools and the funding that they need to actually create some enforcement. And that I was glad to see something was passed this past week, which is going to be able to help us there, but that's just the beginning. I think we want to sound the alarm with the many consumers that we have and we want to see real teeth in the things that they pass.

**Ralph Nader:** Well, you point out that the enforcement budgets are so weak. It's like having a street crime wave and they cut the police budget dramatically. Corporate crime is the corporate crime wave, as Corporate Crime Reporter is pointing out year after year. It's not episodic and Congress is not upgrading the corporate criminal laws. They're not giving the Federal Trade Commission, which has an absurd budget, I think of about \$350 million to deal with the \$25 trillion economy. It's deliberate action by members of Congress taking the cue from these corporate law firms that are swarming all over the House of Representatives and the Senate. But do you find it difficult getting congressional hearings, which get the ball rolling? That's what happened in auto safety and 1966 that you point out in the book. Answer me this simple

question, do you have congressional hearings you want Congress to hold but they're not responding, like on contracts, on enforcement budgets, on beefing up the authority of the Federal Trade Commission or the Consumer Product Safety Commission?

**Marta Tellado:** Well, Ralph, our job is to continue knocking on those doors and to keep asking and to keep raising voices. And so the answer is yes. And one of the things I'm really curious about with the book as a tool to encourage those demands, is what I've enclosed is a variety of different ways that consumers can do that. So I've created a micro site for [buyeraware.cr.org](http://buyeraware.cr.org) where folks can go and look at the issues at our front and center and they can be a part of that ask whether it is joining in a petition or being a part of an action that is taking place. We need ways for them to elevate their voice to raise the visibility and the importance of the issues. And so with each of the issues we have, we're providing opportunities for that to happen. Because I think what we know is, as you have said, it's one thing for you to knock on the door as an individual expert; it's quite another when you have six million consumers behind you telling you, wait a minute, there's something about my privacy that I would like to change, there's something about fine-print contracts. And so we need a current up-to-date playbook on what those issues are, how do people get engaged. And it doesn't have to just be Consumer Reports. What's also in the book is a host of other organizations that care and work on this. And so there's a way for us to come together and create the change we need to see.

**Ralph Nader:** Do any members of Congress subscribe? Do you have any information to Consumer Reports? Or is it distributed on Capitol Hill?

**Marta Tellado:** It is, yes, absolutely. And every one of them is going to get a copy of this as well. So for sure, yeah.

**Ralph Nader:** Let's talk about what Consumer Reports cannot test. People spend hundreds of billions of dollars on local services—plumbing, electricians, lawyers, doctors—and you have to deal with national products mostly, or services like airline services. There are very few publications, one in Washington/one in San Francisco, that evaluate local services for people. *Washington Consumers' Checkbook*, it's called.

**Marta Tellado:** Yes, I know it well. Um-hum.

**Ralph Nader:** How do you deal with that? By the way, we're speaking with Marta Tellado, President of Consumer Reports, out with a book called *Buyer Aware: Harnessing Our Consumer Power for a Safe, Fair, and Transparent Marketplace*. The harnessing raises an interesting point. All this money that Apple and Amazon make, all the money they use to lobby, all the money they use to propagandize, it all starts with consumer dollars that are given them in return for services. Like the press has been battering Joe Biden's forgiveness of certain student loans, and the Congressional Budget Office just estimated that it's going to cost \$400 billion. But that estimate is being challenged, of course, as excessive 400 billion. But they don't say the benefits, like millions of adults who have these student loans will have money to spend, they'll be able to buy houses, et cetera. It's like someone saying Exxon costs you 600 billion without saying that it also sells you gasoline and heating oil. So this is bias against the benefits of consumer regulation. And the corporate lobbyists always highlight the costs and they, of course, inflate them as we've shown over the years. So tell us how are you dealing either with the coalitions or forward

planning with the huge slice of the economy that deals with local services, restaurants, dental practices et cetera?

**Marta Tellado:** Yeah, great opportunity to talk about some of the really new pathbreaking things that we're doing that you might not be aware of, Ralph, and may surprise you. And one is the quality of water locally. So one of the superpowers that we have is our ability, our testers, the methodologies and ways that you can approach a problem and test for it, and we distributed kits to 150 communities across the country to test their local tap water. It was amazing. We were looking for PFAS. It's what's called Forever Chemicals. It's the latest in the scourge of toxins that are really insidious, difficult to get out and stay with you for a long time. They've even found them in the wrappers of fast food that seep into the food as well. So we were testing for that. We involved local citizens and local communities in doing that. And we partnered with the *Guardian* to do that in terms of distribution, so we've been doing more of that. And recently, when we saw the front-page news on Mississippi on water quality, we were already on the ground partnering with a local journalism organization to doing the same thing. So I think we're seeing this as an opportunity, Ralph, to be engaged in a very different way in local communities just as we did and still do in state houses. But engaging consumers in these activities is also getting the attention of those local community policymakers as well.

**Ralph Nader:** And nothing makes better press than local laboratory tests of things people ingest or people are exposed to. That's the great thing about the emergence of testing, because a lot of times we do things as consumer advocates that get no media whatsoever, but tests do.

**Marta Tellado:** Yeah. And I'll tell you a different thing we did and also local. We were really pleased to see California pass the Internet privacy Protection Act to allow consumers to opt out of all that surveillance and tracking. So once that happened, we said, well, let's put this law to the test. How easy is it really for a consumer to opt out? And we did it again. We had hundreds of consumers try to opt out. And guess what we learned? It was not easy at all. We needed changes. The law is good, but now we have to go back and say, well, look, we just did this live experiment where we saw some traps in some ways in which consumers were not able to exercise their right that they had just won. So that's become a model too, because we'd like to see, in the absence of a federal privacy law, which we need, we are working the states because we see a number of opportunities there to drive that momentum. But there is a way on the ground to test whether it actually works in terms of exercising your rights. So we're innovating quite a bit on the local level in a way that I don't think we have in the past.

**Ralph Nader:** Well, let's go from the future back to the past. Over 25 years ago, Consumer Union, it was called then, Consumer Reports established a proposal with local retail merchants for cash discounts. They wanted to encourage people to get cash discounts by using cash and letting the merchants not have to pay the 3% or so of a credit card purchase. Since then, cash check and money order purchases are being undermined by a major corporate strategy to suck everybody in to the credit card, debit card, and multiple payment system internet gulag. Now we know why they do that, because then they complete the control of money over consumers. One thing that the computer and the internet and the credit card economy has done is take away control of money.

So if a bank wants to charge \$35 for a bounced check--which costs them less than a dollar, including paying for any fraudulent checks--they just deduct it. It's a profit center. The credit card company wants to penalize you, so they just deduct it. They control your money. So we're

starting an effort to protect cash, check and money order purchases, which protect privacy, obviously, reduce impulse buying, and keep control of the money under the consumer. This is a real battle that the media hasn't been paying much attention to. And the vendors never stop trying to intertwine people into these payment systems, which are all fortified by the fine-print contracts, stripping people of their rights even further.

Have you considered re-resurrecting this effort of trying to get, first of all, policies that will prevent, in state after state, vendors who are saying they won't accept cash or check or money order. Massachusetts was the first state to prevent retailers from saying we don't accept cash. There are several other states that have done that, but it's not really enforced. So you're getting more retailers just saying we're not accepting cash. Federal Express started this many years ago and I complained to the Treasury Department saying how can they reject legal tender—\$10 bill, \$20 bill, \$50 bill—and the Treasury said, "Well, as long as they give you notice ahead of time that they don't want to accept cash, it's okay."

So it's up to us now. The government is not going to take the first step. What is Consumer Union's view right now and what do you think of the cash discount policy that they pursued with some vigor years ago?

**Marta Tellado:** Well, that was 25 years ago, Ralph, so I can't speak to the ins and outs of that policy. But if you thought it was hard 25 years ago, it's a completely different economy now in terms of what new generations of consumers want to use, whether it's Apple Pay, peer-to-peer payment apps, and so a lot of our focus is on the completely unregulated space of peer-to-peer payment apps, and a lot of these new digital assets that are coming onto the market. There aren't enough consumer advocates on the ground and technologists that we've had to hire to come in to start to help us with that. We learned when we did the testing on peer-to-peer payment apps that if you transfer money and these are incredibly popular, that if you send it to the wrong person, there's no guarantee you're going to get that money back. So we started to rate them, to incentivize the marketplace to start to create those secure, and guarantee that folks were made whole.

And now you've got cryptocurrencies and digital assets coming on to the market and people are attracted to them. They're giving them more choices to make payments a lot simpler, a lot faster, but they, make no mistake about it, have the potential to completely upend our financial system. And we haven't been able to get the governments/the regulatory agencies, to really jump in in earnest to really start thinking what is the kind of oversight and guardrails and rules of the road for this entire explosive industry that is not going to stop; it's just going to keep going.

So what you experienced 25 years ago, the magnitude of what we're seeing in terms of payment opportunities have gone from cash, and now what we're seeing is the online transfer of a whole new system that's on the rise that could leave consumers far behind. So that is where our focus is, Ralph. It's really on what can potentially be a very opportunistic moment for consumers, but the chances of it going off the rails and doing serious damage are also great.

**Ralph Nader:** Well, it's interesting. There's a recent Gallup Poll that said a majority of people in this country want to protect the right to use cash, check and money order to make purchases. Even if they use credit cards for most of their purchases or debit cards, they want to protect that right. And curiously, Republicans want to protect it twice the number of Democrats in the Gallup

Poll. So what we need are strong straight state laws, and they're easy to pass because the legislators know public opinion is on the side of protecting cash, check and money order. But the problem is not passing the laws. It's passing laws that are strong and enforceable without exceptions. Like, okay, you can have parking garages refuse to accept cash or other businesses, they start loopholing it as they're trying to do in Delaware now.

So we'll be looking forward to whatever else Consumer Reports does on this issue, because it's a political control issue. If they can get you into the credit payment system gulag, they can charge you, penalize you all kinds of multiple fees because they control your money, they control your privacy, they control your data.

**Marta Tellado:** That's right. And we like to call that the hidden-fee economy, where you don't really know the real price of something until it's too late. And all those fees and add-ons have been tacked on, and those aren't transparent to you. And by the time you realize it, it's already too late. So you're absolutely right. That hidden fees on everything, whether it's a ticket to a concert, your internet access and cable fees, it's rampant. And hotel fees as well.

**Ralph Nader:** Hospital fees.

**Marta Tellado:** Yes, exactly.

**Ralph Nader:** Hospital fees. That's huge. They won't tell you the price. What are you doing on aviation safety? That's been in the news lately and it's on aviation services.

**Marta Tellado:** And aviation safety or aviation period was also something that was front and center during COVID when there were so many cancellations. And we were able to engage consumers on the ground in a campaign that got an awful lot of attention as well. So I think that's right. I think that's been a consumer issue for as long as we've been struggling with this, and I think we've got a lot of folks in other organizations that are now looking at that as well.

**Ralph Nader:** By the way, Joe Biden just came out strongly supporting disclosure of airline fees. They don't tell you all these things until they got you in their grasp and that's so long overdue.

**Marta Tellado:** Right. Well, that's part of that hidden-fee economy. Yeah.

**Ralph Nader:** Yeah, and they're finally starting to move on widening the seats. As people get more overweight, the seats have gotten narrower that could lead to blood clots, not just inconvenience.

**Marta Tellado:** I'm about six feet tall and you are more than six feet tall, so, yes, we feel it in a very personal way.

**Ralph Nader:** Yeah, when you buy a ticket, you buy it for your knees, not just for the rest of your body. We want to get David and Steve in on this. We're talking with Marta Tellado, the President of Consumer Reports, the biggest consumer organization by far in the United States with six million subscribers to their monthly magazine and other newsletters and services and the book is called *Buyer Aware*. Steve?

**Steve Skrovan:** Before we started the recording, Marta, you told us how you started as an intern with Ralph. So my question is, what drew you to this work and what drew you to Ralph?

**Marta Tellado:** Well, I was looking at television one day and Ralph appeared. And I was so taken by the power, the mastery of the facts and the evidence that he was bringing to bear. And I was in college, but I didn't have an internship program in my college. I picked up the phone, called Public Citizen and I asked if I could have an internship. And they said yes. And that was that. And I showed up and it was probably one of the best things I've ever done. And little did I know that decades later I'd be sitting here talking to Ralph and running Consumer Reports, which has been just a tremendous honor and a privilege. And as the marketplace gets more and more complex, I've really leaned in on transforming what we can do for consumers in so many—

**Ralph Nader:** Give the website one last time, Marta.

**Marta Tellado:** Yeah, cr.org, So many of the successes we had in the past are not keeping up with the kind of digital revolution that we're seeing. And so we're at a watershed moment where so much depends on our ability to create a fair and safe marketplace by design. Technology is not going to wait for us. We have to engage citizens across the country. We have to work with other movements because, as I like to say in the end, consumer rights are civil rights and our democracy really is at stake here. So many of the things that drew me to this effort really have roots in my belief that a democracy can only be as strong as the economic fairness that's offered to every citizen. So it's been such a pleasure, Ralph, to join you again given how much impact you had on me.

**Ralph Nader:** Thank you very much. You're very gracious. On that note, go to cr.org and see what the offerings are to get you started in taking charge of your consumer dollar economically and in health and safety and generating the pulses that aggregate for more fundamental structural change of our economy and subordinating corporations to the sovereignty of consumers, as the theory goes. Thank you very much, Marta.

**Marta Tellado:** What a pleasure. Great to see you again to have a chat with you, Ralph.

**David Feldman:** Ralph, it seems to me there've been three consumer movements; in the 1900s with Upton, Sinclair and *The Jungle*. Then in the '20s there was a backlash finally to advertising. And the third wave was basically you, where you led a consumer movement demanding better safety standards for cars and anything else we purchased. Has there been a fourth wave?

**Ralph Nader:** Well, you saw a glimmer of that in the conversation today. The fourth wave has to be a total confrontation with corporate domination and power. And there used to be commercial-free zones around the country. They wouldn't mess by direct marketing to children, radically bypassing parents as they do now. But now there's nothing that's a commercial-free zone. They're on universities, they're on religious institutions, they're corporatizing everything. So in a way, whether the consumer advocates like it or not, they're being pulled up to a more seismic confrontation with corporate power and the corporate state, Wall Street over Washington, and then turning the government against its own people. That's the definition of a corporate state.

**David Feldman:** Do we know if consumers today are more susceptible, more gullible when it comes to advertising than they were 40 years ago?

**Ralph Nader:** Well, it's more sophisticated. It's not just subliminal as they talked about with Vance Packard's book, *The Hidden Persuaders*, over 50 years ago. It's overwhelming. The fine print is the form of suppressive advertising of consumer rights in fine-print contracts, for example. And violations are bigger, they're faster, they're broader, they're more penetrating as the enforcement budgets at the federal, state and local level shrink. And state consumer protection agencies are disappearing, as well as on the media. There used to be consumer correspondents on local TV. Most of them are gone now. So although they can't rip seat belts out of cars, there's safer products that continue. And lead is out of gasoline and out of the air as a result, and there are these improvements. But the corporations never stop 24/7. They hunger for total control over the consumer economy.

**Steve Skrovan:** We've been speaking with Marta Tellado. We will link to her book, *Buyer Aware* at *Ralph Nader Radio* at [substack.com](http://substack.com). Up next, Michael Hudson responds to a listener, and Ralph has a few choice words about our immigration policy. But before we do that, let's check in with our corporate crime reporter, Russell Mokhiber.

**Russell Mokhiber:** From the National Press Building in Washington, D.C., this is your *Corporate Crime Reporter* "Morning Minute" for Friday, October 14, 2022. I'm Russell Mokhiber.

In an article titled *Monitoring Facebook*, Georgetown Law Professor, Hillary Sale, is calling for an outside monitor to reduce Facebook's recidivism and improve its corporate culture over the long-term. Professor Sale says, "Few companies still in business have a track record as negative as Facebook. Facebook has paid billions of dollars in government fines and paid hundreds of millions in private settlements. Yet the financial penalties are minimal relative to the actual harm done," she says. "Facebook has been involved, in one way or another, in privacy breaches, organized crime, election manipulation, and even suicides. Mark Zuckerberg, who still controls Facebook, appears to ignore the consequences of his choices, consistently prioritizing profits over people," Professor Sale says.

For the *Corporate Crime Reporter*, I'm Russell Mokhiber.

**Steve Skrovan:** Thank you, Russell. Welcome back to the *Ralph Nader Radio Hour*. I'm Steve Skrovan, along with David Feldman and Ralph. We got a tremendous amount of feedback on our conversation with Michael Hudson from a couple of weeks back about the Federal Reserve and its role in our economy. And there seems to be a lot of confusion about what listeners know about this. And one listener, in particular from northeast Scotland, of all places, had some critiques of Professor Hudson's analysis. So we've invited Professor Hudson back on the program to respond. Welcome back to the *Ralph Nader Radio Hour*, Michael Hudson.

**Michael Hudson:** Thank you. That was not a critique. That was an ad hominem attack.

**Steve Skrovan:** So the listener makes a number of points, and I'll go through them with you one by one. Listener says, "Hudson is conflating quantitative easing with bank bailouts, which is invalid. He was very confused in his explanation here. Wrong, actually." So how would you respond to that?

**Michael Hudson:** Well, I'll respond to you first. Most web managers, when they see purely attack that just says he's wrong without explaining why he's wrong, that you realize that this is a lurker meant to do such attacks, and you just exclude those kind of personal attacks. Because the fact is anybody who has followed quantitative easing, or has read what the Federal Reserve says it's doing, realizes that the whole purpose of quantitative easing was to save the banks by saving their loans in real estate, in stocks and bonds. The purpose of quantitative easing was a kind of swap arrangement to increase bank liquidity at very low rates of less than 0.1% to enable the banks to make loans to arbitrage speculators, to borrow cheaply and buy stocks or bonds or real estate mortgages that were yielding a higher price. And indeed it was the quantitative easing pushing down interest rates to near zero, and holding them down for year after year, that has inflated the stock market bubble and the real estate bubble. The purpose of quantitative easing was to raise the cost of housing to American home buyers and renters in order to help create a market that would enable the banks to work their way out of the negative equity that they had run into as a result of the junk mortgage frauds of 2008. And above all, the purpose of the whole economy was distorted largely to save one bank, Citibank, the head of the FDIC (Federal Deposit Insurance Corporation), said was basically run by Rubin and by Tim Geithner to save it from going under. And most of all, Sheila Bair said to save the bondholders, who were basically, you can think of them as the donor class to the Democratic Party. So basically, quantitative easing was perceived to re-inflate the financial markets and the banks were holding mortgages on junk mortgages way in excess of the actual value of real estate, as you would measure it by, well, what's the capitalization rate of the rents they charge? Well, once you can increase the price of housing, which is whatever a bank will lend, once you can make credit so easy that all of a sudden you have the real market match the originally fictitious values that had come to exist in 2008, then you've saved Citibank, you've saved the crooks. That was the whole purpose. Now, inflating the stock and bond market helped restore the banks to solvency, along with the direct credit through the stock market, which is too complex to talk about, I think here. And when you realize that the purpose of quantitative easing was to raise real estate and stock market prices, why would they do it if not to rescue the banks? It didn't make the economy healthier. It raised the cost of living. It added to the debt deflation that the economy is suffering from as the economy has to spend more and more money on debt service and cannot buy goods and services. So reinflating the financial markets, created a whole new business for banks, lending credit, especially credit card debt and mortgages. Just imagine, the banks could borrow from the Fed, make a swap, to gain credit of 0.1%, lending to credit card users at 19%, or when they're in arrears at 29%. They could make a killing on student loans. That was what quantitative easing did.

So when you let somebody just say this person is wrong, this is the kind of ad hominem argument that most sites simply wouldn't let on the air, because it's meant to just, well, I have them all over the internet following me, never saying why one is wrong, only attacking the people that they're paid to attack.

**Steve Skrovan:** Well, I apologize for that, because I'm too ignorant to know the difference. There was another point he made, that couple of other listeners made, and it has to do with the relationship with the Treasury, with the central banks and saying that the spending decisions are made by government, not the Federal Reserve, how would you respond to that?

**Michael Hudson:** Well, the point is all central banks are designed to stop Treasury spending on social needs. The problem is that the central bank, the banking system and the financial sector, own the government, as well as the central bank. The donor class, largely on Wall Street, insisted that Rubin, Geithner and the other people that Obama brought in, would serve their own interests. So the answer is that even though nominally the government is supposed to appoint the Federal Reserve, the government goes to Wall Street and says, who should I appoint to the Federal Reserve? And they'll say appoint one of our lobbyists so that they'll serve our interests, not government interests. I think I explained how the Federal Reserve was formed in 1913 to prevent the Treasury from deciding how to create credit, and especially to prevent government spending on social needs, on social welfare. So this is a smokescreen to pretend that central banks are arm's length from the government. Rather, you could say, is the government a subsidiary of the central banks? That might help you think of a bank run economy. And indeed, when Ralph Nader suggested that I use the term bank-run economy instead of neoliberalism, that was a very good suggestion. And that's exactly what we're talking about here. The idea that debt deflation is an incorrect way to describe people getting poorer is crazy. The commentator wanted to pretend that what's making people poor is inflation putting up the prices. Well, what's being inflated most of all is their debt, and that is what is preventing them from spending their money on things they need, like goods and services. That was described already in the 1930s and is a very well-known phenomenon.

Irving Fisher described it in the '30s and it results from the fact that, as I tried to explain, debt grows faster than the rest of the economy. I also explained this in *The Destiny of Civilization*. If you have debt growing faster than the economy, then more and more income has to be spent on debt service—credit cards, mortgages, student loans, automobile loans—and that's basically what's happening to the US economy, and that's what's made the economy deindustrialized.

**Steve Skrovan:** Well, thank you very much for clearing all that up. I appreciate you taking that on even though I know that the listener's question was insulting there. We wanted to give you a chance to respond and know that our intentions are good, and we just wanted to serve our listeners by clearing things up. So we really appreciate you coming on the show, Professor Hudson.

**Michael Hudson:** Okay, well, I wish some of your listeners had—once the comment was posted, you had listeners who knew enough about quantitative easing and the control of the government by the financial sector calling itself the "donor class," they could have stepped in and done it all. Maybe that means you need more discussion of economic issues.

**Steve Skrovan:** Well, I tell you, your episode created, in recent memory, more response from our audience than anything we've had. So that's a credit to you and the subject you deal with and the way you deal with it. So thank you very much.

**Michael Hudson:** Thank you. That's why there's so many lurkers following me around.

[Music]

**Steve Skrovan:** So Ralph, you've got a few things to say about immigration.

**Ralph Nader:** Well, it keeps getting more and more on who is coming into this country instead of why they are coming into this country without papers. And historically, our country has

backed military dictatorships and oligarchs, whether in Central America or northern South America or in the Caribbean, and these rulers, of course, abused their fellow citizens—poverty, cruelty, jailings, illegal use of force--most people don't want to leave their native country. They want to stay with their extended families and neighbors. So what's the default option? Well, it's the US. Whether they like the US or not, asylum seekers know that if they get over the border, they have a chance of staying here and getting a job, because that's what our economy projects that there is now widely publicized labor shortage for working on menial jobs, such as dealing with the destruction of the hurricane in Florida, or difficult to find jobs for home health care, and immigrants are willing to do that work. But this type of foreign policy, this imperial foreign policy, where we snuff out democratic movements, agrarian reform movements, until recently, Washington would call them all communists, like in Brazil and elsewhere in the 1960s. And the more this happens, the more the immigrants are going to be coming over those borders seeking asylum. It's interesting that the right wing in this country, which of course, would have preferred immigrants from Western Europe and Scandinavia, made sure right after World War II that by not providing the social safety net, that Harry Truman urged, like universal health insurance and then later, daycare, paid family leave. Why would anybody from France or Germany or England want to emigrate to the United States when they had these kinds of social safety net protections back home? Well, they did emigrate right after World War II, because there was tremendous destitution and destruction. But once these economies recovered, they wouldn't want to come to the US. The first question they would ask is, how do I get healthcare? Who pays for it? No, you're on your own. You're on your own. So the right wing in effect, undermined itself in terms of preferring emigrants from Europe. And because these right wingers also were in the vanguard of empire and repression of democratic movements in the western hemisphere, they helped prompt the flight from horrible conditions in these countries to the United States. We need more discussion at that level.

**Steve Skrovan:** Well, I also think, Ralph, our own history shows that the strength of this country has always been the immigrants. Because when you think about the psychological profile of people who have the ambition, the energy and the drive to pick up and leave their homes, which they don't want to do, but have to out of necessity, and make that move to save themselves and their families, that's the same kind of energy and drive that's...those are the kind of people you want. They're not criminals and rapists like Trump would say. In some ways, actually this is the cream of the crop, psychologically, at least.

**Ralph Nader:** Well, that's why America has always led the way in technical, scientific, engineering, entrepreneurial innovation. See, immigrants who come in, whether they're there in 19th century, Andrew Carnegie, for example, for all his ills, building the steel industry, and many others, right down to Silicon Valley. Pretty soon we're going to have Sarah Cohen on the program, who has written a book on immigrants and immigration. That's another whole story. I mean, without immigrants coming in, we would not be in the forefront of so many areas that we are in the domestic economy at the present time, not to mention the diversity of food. We have a very diversified restaurant industry now, bringing in a lot of nutritious food from third world countries, such as the Mediterranean diet or what I like to call "the Arab cuisine" and of course, it affects music. It affects the ramparts of civil rights. When they fight for their civil rights, they go into the courts and, until recently, they would get great decisions that protected everybody's civil rights. So a lot of pluses there.

**Steve Skrovan:** All right. Well, thanks for that, Ralph. I want to thank our guests again, Marta Tellado and Michael Hudson. For those of you listening on the radio, that's our show. For you podcast listeners, stay tuned for some bonus material we call "The Wrap Up". A transcript of the show will appear on the *Ralph Nader Radio Hour* Substack page soon after the episode is posted.

**David Feldman:** Subscribe to us on our *Ralph Nader Radio Hour* YouTube channel. And for Ralph's weekly column, it's free, go to [nader.org](http://nader.org). For more from Russell Mokhiber, go to [corporatecrimereporter.com](http://corporatecrimereporter.com).

**Steve Skrovan:** The American Museum of Tort Law has gone virtual. Go to [tortmuseum.org](http://tortmuseum.org) to explore the exhibits, take a virtual tour, and learn about iconic tort cases from history. And be sure to check out their online gift shop. You'll find books, posters, and "Flaming Pinto" magnets and mugs for all the tort fans in your life. That's at [store.tortmuseum.org](http://store.tortmuseum.org).

**David Feldman:** To order your copy of the *Capitol Hill Citizen*, "Democracy Dies in Broad Daylight," go to [capitolhillcitizen.com](http://capitolhillcitizen.com). Join us next week on the *Ralph Nader Radio Hour*. Thank you, Ralph.

**Ralph Nader:** Thank you, everybody.