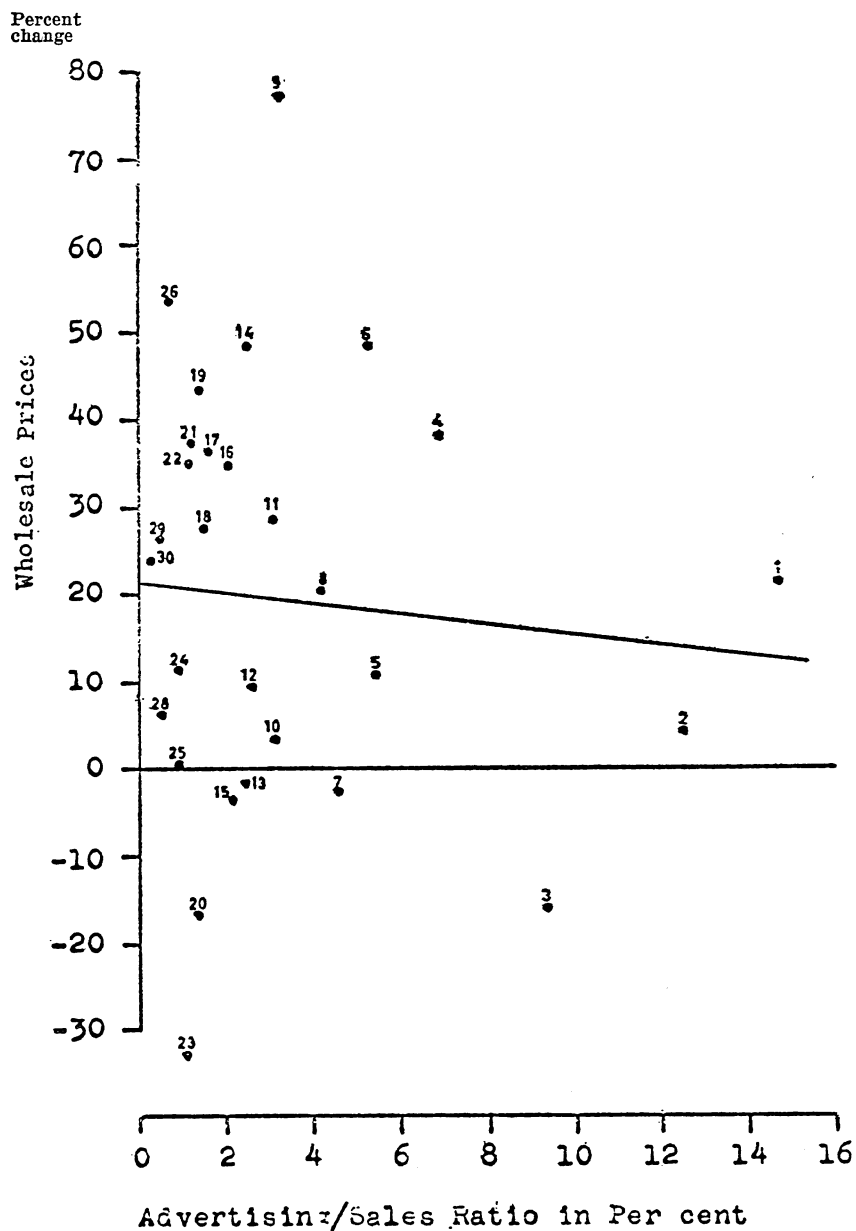


remains a threat in the future. However, the earlier discussion indicated that the theory that brands create excessive market power is a myth. The price experience reinforces this conclusion."

These studies are cited to illustrate that market power need not necessarily be translated into higher prices.

CHART 2. ADVERTISING OUTLAYS PER DOLLAR OF SALES, 1962, AND PER CENT CHANGE IN WHOLESALE PRICES, 1947-65, FOR SELECTED COMMODITIES



Source: Jules Backman, *Advertising and Competition*, New York University Press, 1967.