

too indicates a tremendous and serious problem that might result from this type of dissemination of information.

Finally, it seems to me that as in all Federal matters once we start down this road of making information that is already available within the Government, making that available generally, you are going to enter into a situation in which there are going to be increasing calls not only to make more information available but to start to obtain information to make available and very possibly you could start an entire new Federal program of an information-gathering type and dissemination-type and then the question arises really how far the Government is going to go into the marketplace and make decisions for the consumers.

So with these thoughts in my mind as to some of the problems we might have as well as some of the benefits, I am looking forward to listening to the testimony with great interest.

(Statement of Hon. John W. Wydler follows:)

STATEMENT OF HON. JOHN W. WYDLER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

The American economy is founded upon the system of free enterprise. Through this freedom of the marketplace, the Nation's economy has grown to unparalleled heights in wealth and vitality.

For this system to work, two conditions are required. Producers must be relatively free to enter the market and to compete without undue hindrance. And, consumers must be sufficiently informed and alert to purchase the myriad of goods and services offered for sale at the lowest price and at the highest quality.

Today, there is concern that many segments of the marketplace are becoming unduly concentrated, that a few large companies—frequently of a conglomerate nature—are gaining too much control, and that entry by potential competitors is being shut off. To some extent this seems to be occurring. In fact, it has been going on for some time in some lines of industry. But, on the whole, the prospective purchaser continues to have a wide variety of products to choose from in most instances. In fact, as barriers to international trade ease, as product substitution increases, and as means of financing new businesses—especially small businesses—improve, competition may, in many respects, be on the rise.

The plight of the consumer is another story.

To an increasing extent, the consumer seems to be buying blind. Increased technological innovation of products, proliferation of new, and frequently exotic products, expanded reliance upon advertising as a form of competition—these and other factors have caused consumers to know less and less about more and more.

This breakdown in consumer information can have the effect of undermining the operation and effectiveness of the free enterprise system. If consumers are not intelligently informed or lack the means of obtaining accurate information about products and services, they can be induced or forced by necessity to purchase items of higher price, lower quality, or of lesser utility than comparable items. If this continues over a long enough period, competition among producers is damaged and the marketplace is given over to a concentrated group of wish-and-dream merchants.

In the affluent society of today, this problem is becoming increasingly acute. As individuals acquire greater disposable income, their aspirations and desires rise. With such a rise, less attention is given to conserving resources and to meeting only utilitarian needs. As a result, this heightened desire to consume causes a disregard for caution and careful buying practices. "Let the buyer beware" no longer is as meaningful a restraint on the consumers' buying habits as it should be.

For those who are in a reasonably sound financial condition, the purchase of inferior or overpriced goods or services generally is not too serious. But, for those in the poverty strata of society, misguided and uninformed buying practices can have serious consequences. And, even in our affluent society, this can have serious consequences since it is estimated that between 20 and 35 million persons fall below the poverty line. Buying without knowledge can, for the poor, lead to deprivation, loss of employment, ill-health, despair, and violence.