

became prominent as a result of some serious criticism both from producers and Members of Congress.

Perhaps I should also add parenthetically that all of this testimony was prepared under very great pressure of time and a lot of the details weren't possible to obtain in the short time available. However, if the committee has any questions, I would be glad to try to get the details. Much of it is from memory.

I think it would be useful and interesting to compare what is done in the Government now with the need and with the potential. With our burgeoning technology consumer products are becoming increasingly complex in manufacturing. Consumer products from foods and clothing consisting almost entirely of synthetic materials, to electric drills and washing machines and color television sets that use solid state components, modern-day producers are taking advantage of our electronic and space-age technology. In such a marketplace the consumer is an innocent babe in the woods. He couldn't make a rational choice to save his life or even his economic well-being. The very fact that many products last a long time and that the state of the art changes rapidly makes it impossible for him to build a body of experience to draw on when he has to make his next purchase. The consequences are not inconsequential.

It has been estimated by Professor Oxenfelt of Columbia University School of Business, in a paper entitled "Consumer Knowledge, Its Measurement and Extent" published in the Review of Economics and Statistics, that if consumers purchased products on the basis of objectively determined values, savings of as much as 50 percent could be realized.

Perhaps even more important is the role of an informed consumer in acting as a balance wheel to keep a free economy viable. Classical economic theory assumes an informed consumer, rewarding the producer of a better quality, or equal quality but lower priced product and punishing his less competent competitor.

Mr. WYDLER. I can't help wondering, you make quite a bit here about the complicated nature of some of the items that we have to buy today. Of course I agree with you, taking things such as TV sets, yet quite frankly I am more relaxed and at ease when purchasing a television set where I really feel at least I understand the nature of the whole problem than I would be if I had to go in and select oranges or bananas, because there I really don't know how to pick them out and I might find I am much more at a loss to know how you make a good buy or how to use your money most wisely in something as simple as that than I would in something as complicated as the things you mention, such as electric drills and so forth.

I don't think it necessarily relates so much to the complexity of the products as it does as to the experience of the buyer.

Mr. KAPLAN. Yes. The point I was trying to make is this: In the case of oranges and bananas, the housewife develops over a period of time a vast body of experience. She buys these products repeatedly and after a while a competent housewife will be able to distinguish a good banana from a bad one, a ripe one from an unripe one, one type of orange from another, one that has pits and one that doesn't, one that is juicier and one that is not as juicy.

In the case of a TV set there is a far more difficult problem. The fact of the matter is that it is possible, with all due respect to your con-