

Mr. ROSENTHAL. Are you satisfied with the way that the mass media disseminates the information you make available to them?

Mr. ROSS. Well, I think they do a pretty good job. I always feel that it is hard for me to tell the reporters and educators how to do their job. I feel there is some inclination in reporting the CPI to milk it for the sensation value of what often happens—that is, a new alltime high of the CPI, if it goes up a tenth or two-tenths in a month.

Of course, the consumer price index does have a natural tendency to drift upward, even in a non-inflationary period, because service prices, I think for pretty good economic reasons, have a tendency to drift upward. So that a study was made last year, going back to the beginning of the CPI was made, and except for the period of the thirties, which is a depression we wouldn't want to repeat, I found in the great majority of all months, there was some increase in CPI. It is kind of a natural thing.

I think the press tends to milk that point a little harder than I would. I think the press probably emphasizes food somewhat out of proportion to the importance of food in the family budget. Of course, I think perhaps that reflects the feeling of consumers. There is something which I call the bacon syndrome. Housewives are particularly sensitive to changes in the price of food, and especially for some reasons, to changes in pork and bacon prices. There may be some sensitivity there which is, maybe one of the reasons why two of the world's leading religions have proscribed the consumption of bacon and other pork—

Mr. ROSENTHAL. What came first, the bacon or the Consumer Price Index? [Laughter.]

Mr. ROSS. I think the former. But, I found that the newspapers and the housewives both suffer from this bacon syndrome, and tend to put more weight on it than it is worth.

I know sometimes, other things like women's apparel, which cost more than bacon, go up more, and we don't get any complaints, but each time the price of bacon goes up, every Government official gets an awful lot of hate mail.

Mr. ROSENTHAL. Do you think there would be an across-the-board savings on behalf of the American consumer if they made better use of information you publish?

Mr. ROSS. Yes; I do, indeed. I believe that—I am sure—if we could do more to help them, they would, because most families are conscious that their income is restricted and try to spend their income intelligently, so I am sure that most families would be glad to have more assistance.

Mr. ROSENTHAL. If they did get more for their money by following some of the recommendations you make, would that, in your judgment, stimulate the free market economy?

Mr. ROSS. Well, I think so. The free market economy is a competitive economy. It is the policy of the U.S. Government to make it and keep it as competitive as possible.

Competition, as we know from elementary economics, assumes that the people competing in the market have knowledge. In other words, competition gives good results assuming that the producers, the sellers, the consumers, the workers, everybody else in the free market, is operating on the basis of intelligent thinking and sound information, so I am sure that better dissemination of consumer information would give