

of the different classes on consumers on the evolution of product design and on the structure of prices. When consumers' incomes increase, they seek for better quality and more variety in what they buy. In the long run greater variety means higher prices relative to, say goods that are as standardized as salt and sugar. Knowing how price changes are distributed by location could throw light on the process by which they spread and affect wider areas and other products.

The value of publishing current releases on the ranges in prices and price changes within locations and types of establishment would be greatly increased if benchmark studies of prices could be undertaken. Such benchmarks would involve a general survey on the qualities, varieties, and prices of representative products in the market at intervals of three and not more than 5 years. The surveys would cover more establishments and greater detail on products and prices than is feasible in the monthly collection of data for the Consumer Price Index. Observations would have to be made several times in the year on commodities or services affected by significant seasonal movements in prices. Such benchmark surveys could reveal whether the sources of differences in prices or in price changes between low-, middle-, and high-income shopping locations are in the types of goods sold and services offered. Such a series of benchmark surveys could show how much of differential price changes over time can be traced to shifts in the kinds of goods offered by various types of establishments, and how much might be attributed to widening the quality range or to increases in the number of varieties of particular products.

Consumers need to know whether price declines are real, as in "white sales" and whether rises in prices are temporary or localized. By giving attention to various means of describing the distribution of price changes among various classes of consumers, the economic profession could contribute to its own benefit as well as to the education of consumers.

PREPARED STATEMENT OF THE NEW YORK CITY COUNCIL ON CONSUMER AFFAIRS

The New York City Council on Consumer Affairs was set up on April 23, 1967, by executive order of Mayor John V. Lindsay to take affirmative action to protect the consumer interests of the citizens of New York. It is composed of commissioners of major city departments with special responsibilities in the consumer field. The council is concerned with all matters affecting the interest of the citizens of New York City as consumers.

The council favors efforts to obtain and disseminate full information to consumers. Federal Government purchasing standards, formulated at taxpayer expense, surely should be available to aid him shop knowledgeably in an increasingly complex market. One Federal agency, perhaps the General Services Administration, should be responsible for organizing and publishing all existing standards in a form useful to consumers. A system, such as the "Info-Tag" proposal of H.R. 7114 (90th Cong., first sess.), which will let manufacturers tell the consumer whether their products meet Federal standards, would also be highly desirable.

The need for more consumer information is beyond dispute. The Truth in Packaging Act and the pending truth in lending bill demonstrate the concern of Congress and of the Nation for the bewildered buyer. American business has succeeded in producing a wide range of high quality consumer goods, but the poor and uneducated shopper—and especially the welfare recipient—is often deceived by inferior goods sold at inflated prices by some unscrupulous merchants. If manufacturers and merchants could advertise that their products met Federal standards, even the unsophisticated shopper would have concrete information about the products he is offered.

The New York City Council on Consumer Affairs urges that Federal purchasing standards be made public. We support appropriate administrative action or legislation to accomplish this objective.

Mr. ROSENTHAL. The subcommittee stands adjourned.
(Whereupon, at 12:10 p.m., the subcommittee was adjourned.)