

IS THERE A COLD WAR BETWEEN BUSINESS AND CONSUMERS

by
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The long-range interests of the consumer and the businessman are essentially the same, Daniel L. Goldy told the Council on Consumer Information at its annual conference.

We have reached the highest standard of living in the world by establishing a mass consumption and mass production economy, in which business benefits the more the needs of the consumer are met.

However, some areas of conflict are inevitable as the economy evolves and as new techniques of production and distribution are developed.

The businessman must recognize that pressures for government regulation will persist to the extent problems are not resolved through his own self-discipline and establishment of voluntary standards.

An excellent example of the voluntary efforts of industry which benefit the consumer is in the area of commodity standards sanctioned by the Commerce Department.

In addition, there are instances in which industry voluntarily carries out a self-policing program to protect the consumer against deception such as in labeling and advertising, he explained. An example of such a voluntary program is the Jewelers' Vigilance Committee, which cooperates closely with the Federal Trade Commission, local and state authorities and Better Business Bureaus across the country.

Current consideration by Congress of legislation to establish regulation in credit and packaging reflect the drive to correct by legislation problems industry has not fully solved by voluntary efforts.

Just as the businessman has a stake in the freedom of the consumer to make the basic decisions on what will be produced by his selection of purchases, so is the consumer dependent upon the ability of the businessman to operate efficiently. Unnecessary regulation which interferes with the efficient conduct of business operations ultimately is paid for by the consumer in higher costs and higher prices.

Mr. Goldy emphasized that solutions reached by strengthening the operation of the free, competitive market are greatly to be preferred to regulation.

He pointed out that both the consumer and the businessman will be the beneficiaries of the Administration program to accelerate modernization of industry through the incentives of the Tax Investment Credit and Internal Revenue Service revised depreciation guidelines; and to stimulate aggregate demand and economic growth by the President's tax reduction proposals for individuals and corporations.