MANUFACTURER - SPONSORED OBSOLESCENCE

Alfred Kuhn University of Cincinnati

There were only two major points that I wanted to make. The first was that consumer goods are now so complex and available in so large a variety that even a reasonable intelligent and diligent purchaser is bewildered. For example, even with the excellent technical information on autos provided by Consumers Union, the auto buyer is still left with a substantially subjective decision.

My suggestion was that, despite the obvious and grave difficulties that stand in the way, the experts (such as CU technicians) <u>must</u> devise some system for reporting and/or labeling goods in a simple form, as ABC grade labeling. Each item (brand or model) would have a single overall rating showing how it stands considering all factors. The least well informed consumer could go by this alone. The product would also be graded by separate characteristics, and possibly by subdivisions of characteristics as well in the case of very complex items such as autos, for the more discerning consumer.

Where products are used for different purposes or under significantly different conditions by different consumers, a separate, and perhaps different overall grade should be given for each use. Even the expert will have to exercise some subjective judgment in weighting the importance of various characteristics to different consumer uses. The point is that the expert who has observed the tests is in a better position to exercise this judgment than the average consumer provided that the label or report also includes the details on separate characteristics so that the more astute consumer can make his independent appraisal if he sees fit.

My second point dealt with the threat to consumer welfare which arises from the joining of two separate developments. One is the presence of weak parts or careless manufacture in many so-called durable goods, bringing about a need for premature major repairs or replacement of parts. The second is the rapid obsolescence of models, which means that the replacement part is no longer available when needed, or can be used only with some sort of "adaptor" which triples the repair bill and seldom works satisfactorily.

The two factors together mean that early major repairs can be expected, and that they will cost so much as to make it seem more desirable to "buy a new one" than to fix the old. Salesmen and many repairmen (the latter often being ill-disguised salesmen) are well schooled in the techniques of getting the appliance onto the junk heap long before its useful life is done.