

REMARKS OF SENATOR PHILIP A. HART (D-Mich)

In these last several months the New Frontiersmen have gradually been leaving their employment at universities, foundations, private research corporations and other havens for bookish types to come to Washington and take charge of things.

To the astonishment of some and to the pleasure of most observers, they have brought with them a bounce and excitement which is stirring up even the most lethargic of the federal bureaucracies. They have verve and push and brains.

For the most part these are men who still have small children; and also for the most part they lack the incomes of the now departed captains of industry and the financial world who so recently occupied the seats of federal power.

Why do I mention these facts? Because I think they suggest that the poor, miserable, battered, befuddled consumer is about to come into his own in Washington. He is not on the outside looking in; he is the Chairman of the Federal Trade Commission; he is on top in the Department of Agriculture; he is rampant throughout the whole executive branch of government.

The New Frontiersmen have actually shopped in crowded supermarket aisles; have tried to and despaired of comparing prices; have wrung out diapers by hand when the automatic washer breaks down and the serviceman doesn't come and doesn't come; have struggled with tire guaranties and tire grades; have grown impatient with advertisers screaming that Brand Q in the "Giant Half Quart" size is "10% better"; and have never been convinced that water should be sold by the pound at the price customarily charged for ham.

All of this augurs well for the silent millions and millions of American shoppers who day by day pay more and more for less and less in bigger and bigger containers with smaller and smaller type. We have already seen the signs of change: in Agriculture Secretary Orville Freeman's reopening of the watered ham controversy; and in the President's suggestion about a Consumer Counsel.

At my suggestion, the Department of Agriculture has now worked into the proposed draft farm legislation representation for the consumer on the farm commodity advisory committees. It will be these committees that work out the commodity-by-commodity farm programs under the Administration's new farm programs.

Another sign of the change took place rather quietly some weeks ago in the Senate. The Antitrust Subcommittee was authorized, and I quote:

"Under the direction of Philip A. Hart to examine, investigate and make a complete study of the nature and extent of trade practices affecting consumers in a manner which tends or may tend to restrain competition . . . with particular reference to deceptive, misleading, fraudulent or unfair practices in the production, processing, packaging, labeling, branding, advertising, statement of prices and other conditions of sale, marketing and furnishing of goods and services to consumers."

In short, we are embarking on an in-depth study of the shoddy, the shabby, the meretricious, the deceitful and misleading practices of the marketplace by which, as Colston Warne with a nod to Gresham has put it, "the bad drives out the good and honesty as a policy often becomes too costly to maintain."

I have a selfish motive in making the first public announcement of our consumer investigation on this day and in this place. Nowhere else and at no other time will I find in one room so many of the people upon whom I will be calling for counsel and assistance in defining, studying and finding solutions to the complex tangle of problems at which we will be looking.

Obviously the first task of the investigating subcommittee is to select for study those areas of abuse where we can most reasonably expect that legislation will be helpful. I have no intention of running a gangbusters investigation. Some of the questions I want to explore for example are: is it a justifiable competitive practice to repackage and relabel a product in a way that suggests a reduction from the old price, but which actually results in a higher price? Is it a fair trade practice to charge a higher unit price for a product sold in the "Giant Economy Size" package than is charged for the same product in a smaller package not claiming economy virtues?

Surely one of our great goals must also be to make it easier rather than more difficult for the decent and ethical businessman to be just exactly that. I cannot believe that those who have proved so inventive and ingenious in stimulating and supplying the wants of the American people are at the same time all so insensitive that the sophisticated crudities of the marketplace do not disturb them.

But as it is now, the marketplace too often reflects no more than the lowest common denominator -- and it's much too low and much too common to satisfy you or me or the great mass of the American public. I would hope that through our investigation we can illuminate and eliminate some of the commercial practices which seem to have no economic justification except as they tend to reduce the sales of products fairly made, fairly advertised, fairly packaged and fairly priced and increase the sales of competing products not possessing the four virtues I have just mentioned.

In the course of protecting businessmen from the least scrupulous in their midst, we just might strike a blow for millions of American consumers. In any event, this will be our aim. All of you have long since joined the struggle, and through your efforts in the past many assaults on our free, competitive private enterprise system have been turned back. I know I can count on your help in my efforts to root out and end some of the current assaults.