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Consumers Lacking Protection From Professional Consumerist

CONSUMERS are being misled by self-appointed spokesmen who claim they are protecting the public from exploitation.

Consumers need protection from professional consumerists whose agitation has resulted in a string of federal agencies, more limited choices of products, and higher prices.

Evidence is abundant that consumerism has forced industries and businesses to operate at higher costs, which they must pass along to the public. Instead of working primarily to beat competitors with better products at lower prices, manufacturers now must concern themselves with federal regulations and inspectors.

The American system of business is profit-motivated, but consumerists imply that profits are a sinister, immoral form of graft that should not be tolerated. Survey after survey shows that the public is misinformed about business profits.

In a recent consumer survey by Amoco Oil Co., one of the questions asked was: "In 1974, the oil industry achieved the highest profits in its history. What per cent of profit on each dollar of sales did the 30 largest oil companies make in 1974, after paying all taxes?"

Only 2 per cent of those responding underestimated the profit and only 11 per cent got the right answer, which was 7 per cent. Six per cent did not answer. The remaining 81 per cent guessed profits ranged from 17 to 65 per cent!

Free enterprise offers the public opportunities to buy an interest in thousands of our biggest businesses. Any consumer who decides that big business is making too much money

may buy a few shares of stock and get part of that profit. Big government, on the other hand, offers only a share of a growing deficit.

In the automobile industry, required installations of seat belt buzzers, pollution controls and other gadgets have added hundreds of dollars to car prices, with questionable results in areas of safety, environment and quality of product.

The burden of bureaucracy borne by the oil industry has been estimated by Ken E. Curtis, Amoco executive, at \$10 billion a year, costing consumers about five cents a gallon.

Consumers pay more for food, too, because government agencies have banned chemicals which could control insects, boost production and lower costs. Other bureaus require expensive equipment, regulate hiring procedures and determine wage rates.

Last year, U.S. News & World Report estimated that economic, environmental, health, safety and product regulations of the federal government cost consumers \$130 billion a year. That figures out to about \$2,000 for each American family.

The consumerism movement is demanding additional bureaus, agencies and regulations. To the degree that leaders accomplish their goals, prices paid by consumers will rise further.

A government agency does not bring efficiency into an industry when it arrives to enforce regulations, because it has none to give. Regulations bring higher costs, many of which might not be added under free enterprise where businesses compete for customers instead of trying to outmaneuver government inspectors.