

The variation in prices charged for some one commodity in a given metropolitan district at a particular time cannot, however, be taken to represent quality differences judged by consumer preferences or the costs of provisions and distribution. Within the metropolitan district, there are different locations, sections or areas, where low-income, middle-income, and upper-income consumers try to satisfy their wants.

The varieties of products to be found differ among the locations and within locations between types of establishment. So do the prices for what appears to be equivalent articles of services. Changes in the price of different varieties of a product are not likely to be uniform over a metropolitan district because new variants appear at different times in the locations where the various classes of consumers do their shopping. The new variants may and probably do affect the prices of the produce in these locations. Commissioner Ross mentioned the problem of one of my New York friends who said the way that bacon prices increased in some of the center city metropolitan supermarkets is by the simple device of removing a perfectly good quality lower price brand so that the consumers have no alternative but to buy the other brands which appear at higher prices and may be really no different in quality.

Under the circumstances, consumers have no way presently of knowing whether a price change is quite general or how persistent it is likely to be. If new brands appear and familiar brands disappear, the possibility of comparing prices is eliminated. Within the present program for the collection of price statistics by the Bureau of Labor Statistics, there are some methods for describing the variations in prices or in price changes that could improve the analytical potential—their analytical potential and contribute to the local consumers' understanding of price development.

The range in prices for specific goods and services among different types of establishments in different locations in metropolitan districts could be used to describe the consumers alternatives with respect to quality and variety or differences. Such summarizations might lead to questions on marketing practice that would require some explanation.

If the range of prices for standard brands of coffee were higher consistently in supermarkets of middle-income suburbs—whether you call Nassau-Suffolk middle income or not—

Mr. ROSENTHAL. Upper middle income?

Dr. BRADY. Than in center city locations catering to a similar population, the explanation might be found in the relative number of brands that are stocked.

Similar schemes for describing the ranges in price changes could be developed. When the prices for particular products change, the effects on different classes in the population can be judged by such location or classifications of the reporting establishments.

A knowledge of the concentration of price changes by location or type of establishment could contribute to our understanding of the impact of different classes of 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 the goods that are standardized, say as salt and sugar.