

CONSUMER PROBLEMS OF THE POOR: SUPERMARKET OPERATIONS IN LOW-INCOME AREAS AND THE FEDERAL RESPONSE

THURSDAY, OCTOBER 12, 1967

HOUSE OF REPRESENTATIVES,
SPECIAL CONSUMER INQUIRY,
SPECIAL STUDIES SUBCOMMITTEE
OF THE COMMITTEE ON GOVERNMENT OPERATIONS,
Washington, D.C.

The Special Inquiry on Consumer Representation in the Federal Government, Special Studies Subcommittee, met, pursuant to notice, at 10 a.m., in room 2203, Rayburn House Office Building, the Honorable Benjamin S. Rosenthal (chairman of the Special Consumer Inquiry) presiding.

Present: Representatives Rosenthal, Dawson (chairman of the full committee), Reuss, Dwyer, Myers, and Gude.

Also present: Peter S. Barash, professional staff member in charge; I. Warren Harrison, professional staff, Special Consumer Inquiry; Louis I. Freed, staff administrator, Special Studies Subcommittee; Jacob N. Wasserman, counsel, Special Studies Subcommittee; James A. Lanigan, general counsel, House Committee on Government Operations; and William H. Copenhaver, minority counsel.

Mr. ROSENTHAL. The Special Inquiry on Consumer Representation in the Federal Government will come to order.

In October 1966, the Special Consumer Inquiry, as a part of its continuing examination of the effectiveness of Federal consumer protection activities, held in-depth hearings on the myriad problems faced by low-income persons as consumers in our society. Testimony was received which demonstrated that consumer injustices most frequently and tragically victimize the poor.

This problem was illustrated recently when allegations were made that Safeway Stores was guilty of price discrimination against the economically disadvantaged here in Washington. The other day, a second supermarket chain, which operates stores in suburban and inner-city Washington areas, was reported by the National Broadcasting Co. to discriminate against the poor in its pricing practices.

As chairman of this Special Consumer Inquiry and as a former member of the President's National Commission on Food Marketing, I am greatly disturbed by these charges. It is my personal conviction that equal justice in the marketplace is hardly less important to the poor than equal justice before the law. Price discrimination is intolerable under any circumstances, but particularly so because food expenditures account for about a third of the income of the urban poor.

The allegation that the poor pay more has been voiced in the past by witnesses before this committee and by the Nation's press. The Wall Street Journal of August 16, 1966, reported that "higher food prices are a major gripe of ghetto Negroes" and that "one of the bitterest com-