

plaints among Hough (Cleveland) residents is that white businessmen raise their prices on 'Mother's Day'—the 10th of each month when mothers receive * * * welfare checks." Last year before this Special Inquiry, the Assistant Director of the Office of Economic Opportunity for Community Action testified that "* * * the poor pay higher rates of interest than their affluent fellow citizens." Significantly, the OEO also reported the findings of an OEO-funded survey in Bedford-Stuyvesant that "some merchants raised their prices on * * * the days that the welfare checks arrived."

On August 16, 1966, at a hearing of the Special Inquiry, I asked the Chairman of the Federal Trade Commission if the FTC has authority "to move against or expose the activities of chainstores or lending institutions that provide the economically disadvantaged with inferior commodities and inflated prices." Chairman Dixon replied that he didn't believe the FTC had looked into this problem in depth but added that, "We have a pilot program going here in the District of Columbia for well over a year * * * in an effort to find out what the disadvantaged section of our society is in fact subject to."

David Caplovitz, author of a definitive work on this subject entitled "The Poor Pay More" and a previous witness before this Inquiry, ended his testimony by stating that:

The problems that I have tried to describe here are extremely pressing and demand the attention of our Government if the war on poverty is to be won and if our ideals of justice are to be maintained.

Whether or not the present charges are sustained, events of the last few weeks lead me to the conclusion that problems such as the exploitation of the poor consumer are not receiving the kind of governmental attention they deserve. I am concerned that, in the backyard of the FTC and the OEO, two serious charges of price discrimination have been leveled.

I am concerned by statements of some Federal officials that the Federal Government lacks the detailed and comprehensive information necessary to answer the crucial question of whether price gouging of the type alleged here is widespread throughout the country. It is my belief that if comprehensive information of this kind is not now available to the Congress, and to the executive, then steps must be taken immediately to insure its future availability.

We are here as part of the Federal Government to express our concern that these allegations and many others like them can exist and to understand how our Government can address itself properly to them, so that solutions may be promptly and rapidly found.

I want to say for the record that these hearings are being held expressly because Chairman Dawson directed them, permitted them to be held, and this is a subject that he, like myself and other members of the committee, has had under constant attention, and it is of great concern to all of us.

Our first witnesses will be the three ladies seated at the table before us, who have brought these charges—Mrs. Marguerite Kelly, Mrs. Janie Boyd, and Mrs. Lisa Schlossberg.

Do you have prepared statements?

Mrs. KELLY. Yes, we do.

Mr. ROSENTHAL. Please speak up so that we can all hear you.