

Mr. MYERS. Why did you do that—what was the reason?

Mr. ROSENTHAL. For notifying them?

Mr. MYERS. That notice.

Mr. ROSS. It is a general practice. As I indicated earlier, the purpose of our pricing is not to scrutinize or to evaluate the ethical behavior of sellers.

Mr. ROSENTHAL. Do you think it should be?

Mr. ROSS. I think that is up to Congress. Our program is to develop price indexes. We have no subpoena power. Every scrap of information that we receive is given voluntarily. So the flavor of it is not investigatory. If we were making investigations for violations of law or violations of practices, I think that would be another story.

Mr. MYERS. It really serves no purpose, does it?

Mr. ROSS. The idea of surprise is not necessarily an element in the kind of pricing that we do.

Mr. MYERS. I am not suggesting that, but then still this notice does not really help you.

Mr. ROSS. Oh, yes. You see, we price a great many commodities.

Mr. MYERS. Why not send a letter out to save you an awful lot of expense? And say to them, "Send us back what you charge on this." It would be a lot cheaper.

Mr. ROSS. No, it would not, for this type of visit, because it is very important to establish that you are pricing the same thing in each of many thousands of areas around the country.

Mr. MYERS. How can you know that the letter would not do exactly the same thing? He does not know—that is, the examiner who goes in, that he examines the same thing in the next store.

Mr. ROSS. I could not——

Mr. MYERS. It could be more evidence.

Mr. ROSS. I could not agree with that.

Mr. MYERS. A form letter could be used.

Mr. ROSS. We have trained agents. A very important part of their work and an important reason for them to visit these stores is not only to verify that that is the price, but to make sure that this is the same variant of the product. And many products come, you know, with all kinds of varieties and shapes and sizes and weights and all of that. To make sure that this is exactly the same thing which is being priced in thousands of other stores and for the purpose of maintaining specifications we feel that a personal visit is important in those cases. We do collect many prices by mail for other kinds of things, but in retail food stores——

Mr. MYERS. You are more concerned with the variants than as to whether you get the true picture on the price, are you not?

Mr. ROSS. No, sir.

Mr. MYERS. The way that you go about it, you indicate that you are.

Mr. ROSS. Thank you. Shall I go ahead with the survey?

Mr. ROSENTHAL. Yes.

Mr. ROSS. As I say, we had 15 stores in the low-income area and 15 stores in the high-income area for each of the cities.

The results that we obtained are summarized something as follows:

In general, the people who shopped in the poor neighborhoods did pay higher prices. This is a general conclusion with many variations and exceptions, of course.