

institutions. We are committed to such a program, which we call consumer action, and through this program we plan to accumulate the hard data which can guide us, as well as the Congress, other Government agencies, and the business community in helping to provide the means to a better life for millions of poor people.

PLANS FOR ACQUIRING HARD DATA

OEO has under its research and demonstration program funded five new consumer action projects in Chicago, Tulsa, the Watts area of Los Angeles, the Bedford-Stuyvesant area of Brooklyn, and in rural Appalachian Ohio. We also have an ongoing program in the San Francisco Bay area. In addition, a number of community action agencies across the country have strong and active consumer action components which have been started this year.

We are now developing a comprehensive plan to use these programs as sources of hard data on consumer problems of the poor. Directors of these projects are being invited to attend a conference in Washington during the week of October 23, a major part of which will be devoted to the design of an indepth analysis of the consumer problems in the areas they serve, and an ongoing system of fact retrieval which will build a solid base of knowledge about the nature and scope of consumer problems in low-income neighborhoods.

These studies will include the pricing, quality of merchandise and credit practices of existing retail facilities, as well as more precise definition of the needs of the residents for goods, services, transportation, and credit which are not now being met.

These studies will seek answers to specific questions such as the relation of pricing to welfare check issuance, the shifting of produce from high-income area stores to low-income area stores, availability of advertised specials, bait and switch selling, interest and carrying charge rates on installment purchases, repossession practices, and other similar issues about which we have some knowledge and about which allegations have frequently been made. At the same time we will be prepared to discover new facts that we do not now know.

FACTS WHICH WE NOW HAVE

What do we now have, first, in terms of hard data, concerning whether the poor in fact do pay more?

Under a contract financed by OEO, The Bureau of Federal Credit Unions, has for over a year been conducting courses in credit union operations and management called Operation Moneywise. As part of these courses, the trainees have conducted comparison shopping trips in seven different cities, pricing television sets in low-income areas in the so-called easy-credit stores, and also in ethical downtown stores. Although the quoted prices resulted from a training demonstration and should not be considered official Government figures, they are revealing, consistent, and certainly as reliable as any other figures available.

Mr. Chairman, I will only cite a few typical examples here, and I am furnishing with my prepared statement a complete set of the comparative shopping analyses for Washington, D.C., New York City,