

The U.S. Department of Agriculture, in its administration of the food stamp program, has a responsibility both to the beneficiaries of that plan and the fiscal integrity of the food stamps themselves.

The Welfare Administration of the Department of Health, Education, and Welfare underwrites a large part of the costs to the States for welfare assistance to needy families spending approximately a third of their income on food.

The Bureau of Labor Statistics of the Department of Labor has responsibility for identifying and developing family-budget studies, including budget studies for the poor consumer.

The House Committee on Government Operations, of which this subcommittee is a part, under the Rules of the House of Representatives, and under the Legislative Reorganization Act of 1946, has responsibilities and duties which cover a wide range of Government activities. Primary among these duties is our statutory mandate to study the operation of Government activities at all levels with a view to determining its economy and efficiency. Whether the operations of the agency activities described above are efficient relative to the problem being discussed here, is the long-range question we seek to answer.

We are here today to examine into the nature and extent of the problem itself and 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 properly and rapidly found. 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.

One, I want to say this: I am delighted that my colleagues could join me today, the day after Thanksgiving. It isn't always our congressional custom to be working Thanksgiving weekend, but this matter was of concern to us and that is why we are here. I want to particularly welcome those members from out of State: Congressman Gallagher, from New Jersey and Congressman Erlenborn, from Illinois; also, of course, Congressman Reid from Westchester County. Our first witness this morning will be Timothy Costello. Dr. Costello.

STATEMENT OF DR. TIMOTHY W. COSTELLO, DEPUTY MAYOR, CITY ADMINISTRATOR, CHAIRMAN, NEW YORK CITY COUNCIL ON CONSUMER AFFAIRS, CITY OF NEW YORK

Mr. COSTELLO. Congressman Rosenthal, fellow congressional Members, fellow witnesses, ladies and gentlemen, I too would like to thank the committee for breaking into their holiday to concern themselves with what is indeed a very significant problem.

My name is Timothy W. Costello. I am the deputy mayor—city administrator of the city of New York by appointment of Mayor John V. Lindsay. I am also chairman of the Mayor's Council on Consumer Affairs, an agency Mayor Lindsay established in April by Executive order to coordinate the city's attack on consumer problems.

First let me commend this subcommittee for its decision to hold today's hearing in intermediate school 201. Not only is this building an example of New York's finest and most modern public schools, but the