

Mr. ROSENTHAL. But they did know there was a continuing survey and there was a possibility of their being surveyed any time that week or the week after that?

Dr. COSTELLO. Indeed they know about my survey, and I have been subject to rather regular harassment by the newspapers that supply the larger chains throughout the city.

My point is that the merchants of New York City know for the past 6 months they have been subject to food price surveys; yes.

Mr. ROSENTHAL. My question, precisely, is: Is it fair to assume that a store would have known that they were going to be surveyed?

Dr. COSTELLO. That is the very purpose of my survey, to make sure that the stores in New York City know that they are subject to shopping surveys, and so will keep their prices in line on a long-term basis. This is one of the accomplishments of the survey, I would think.

The survey's conclusion was as follows: "Overall food prices appear to be higher in poor areas, bearing out the belief that the poor indeed do pay more." We also found that "There are fewer large stores in the poor areas and prices tend to be lower in large stores. Therefore, on a communitywide basis it follows that at least one reason why the poor pay more is that they buy their food in small stores."

This is a direct statement from the survey, prepared by Dr. Carlton Wright. May I add that this is not a situation reflecting the poor's own choice; it reflects the absence of large stores in poor areas, which our survey documented.

If I can point this up, in surveys taken one day after the other, one in Queens, another in a ghetto area, we sampled approximately 25 stores in each of these two areas, and the ratio of poor to large stores was precisely the opposite. In the large middle-class area of Queens there were about 20 large supermarkets and four or five small neighborhood groceries. In the ghetto market, there were 20 small neighborhood groceries and four or five large supermarkets.

Dr. Wright was also asked about the pricing practices of chainstores. He wrote: "It is generally believed that chains charge higher prices for identical commodities in their stores in poor areas."

I want to make this statement very, very carefully. Let me repeat what I just said. It is generally believed that chains charge higher prices for identical commodities in their stores in poor areas. If this is true, it didn't show up in our survey. I want to emphasize further detailed study is needed on a large number of items to confirm pricing practices in chainstores. If we are going to assess this statement scientifically, additional study is certainly needed. On the basis of our sample, however, we didn't find evidence that would support a statement that chainstores systematically have different price ranges for poor areas as compared to middle-class areas.

Mr. ROSENTHAL. But they knew you were coming.

Dr. COSTELLO. Did they know I was coming Tuesday or Wednesday?

Mr. ROSENTHAL. They knew it was inevitable that within the next few weeks—they knew it had to happen during the summer, because that is when the Urban Corps was in business.

Dr. COSTELLO. I guess I'd better say that one of the functions of the systematic food price survey that we were doing is that merchants in New York City are alert to the fact that their prices are being surveyed on a regular basis. Right.