

Mr. ROSENTHAL. The only point I was trying to make, and I'm not being critical, you can't do it always with a surprise move, but the Bureau of Labor Statistics spent \$45,000 for a survey to find out whether the poor pay more or whether the chainstores charge more, so what they did was call up the chainstores in advance and said they would be there Tuesday or Wednesday, and it was a nice, happy relationship. Yours was not quite——

Dr. COSTELLO. Not anywhere near that.

Mr. ROSENTHAL. But they did know you were coming.

Dr. COSTELLO. Well, just like I know it's going to rain someday soon. They knew I was coming, yes, that's right, but I'm trying to emphasize that one of the functions of any person working in the consumer area, is to generate a sense of concern on the merchant that they are subject to regular inspection and survey, and if this caused anyone to lower his prices, I'm very happy about that.

Mr. ROSENTHAL. It's like a police car riding the turnpike. When people see him, they slow down.

Dr. COSTELLO. Yes. Or the policeman on the beat. It's very valuable to have their presence felt throughout the community.

Mr. ROSENTHAL. But in terms of an investigative tool, its efficacy is kind of weak.

Dr. COSTELLO. Well, that's your conclusion. I don't happen to agree with it.

Mr. REID. In the same general area, permit me first to welcome you most warmly to this subcommittee this morning. We have checked in the last week on two types of allegations which you don't cover in your testimony, and you may want to touch on it in this general area this morning.

One, we received reports of instances where prices are increased on welfare check day and also in some instances prices have been increased on common paydays for certain factories in this area, particularly prices on staples.

The other allegation we received, and I believe we have some documentation for the allegation, indicates that some—and this is an allegation, I repeat—chainstores have advertised on Wednesdays in the papers certain lead items, staples, which are marked down theoretically, Thursday, Friday, and Saturday, but reportedly the prices on the cans have not been changed, have not been marked down, and as a result, unless there is considerable awareness on the part of the consumer, they go into the store and see the old price.

Have you seen instances either of price variations on welfare check days or factory paydays, or have you seen instances where chainstores or other stores have not marked down the price on the can consistent with their advertising?

Dr. COSTELLO. Yes. Our surveys have evidence, provide evidence on the first point. We did a survey of food prices across some 25 stores in the ghetto area on June 26, which would be several days before welfare checks were distributed, and established what we call our price for the basket. We went back on July 1 and July 3, and found that there was an increase in the average cost of about 15 percent.

Now this kind of survey has got to be continued, has got to be done over neighborhoods, has got to be done over a course of time, but the one test of this that we did, we did find there was a differentiation in