

Mr. GALLAGHER. South Orange is just a little north of my district.

Dr. COSTELLO. Thank you. No personal innuendo is meant, Congressman. At the same time, supermarkets that build in ghetto areas, employing local people in responsible positions, should receive community support. They cannot charge more than their branches in other locations, but they should not be expected to charge less. They should be held to the same standards of quality in all stores, for quality is one area in which the ghetto consumer has often been shortchanged.

The members of this congressional delegation indeed during the break in the hearings might want to walk through some of the very few supermarkets that exist in this area, and I'm afraid that you will not find either the environment there or the quality of merchandise provided there to be equal to that which you might find in your own residential neighborhoods.

It's in quality particularly that the supermarkets don't come up—supermarkets in the ghetto areas don't come up to the supermarkets in other areas of the city.

Mr. REID. Is this true in staples as well as more specific items?

Dr. COSTELLO. Packaged items, I would say. I think for one thing it has to do with the nature of the store itself. Spaciousness, cleanliness, the degree to which it's attractive to come into to shop. Quality differentials probably apply more to produce and meats than they do to packaged goods or staples. It's the quality area in which the ghetto consumer has often been shortchanged. And if pricing variations occur from time to time, they should be settled promptly and fairly with cooperation between store management and local groups, without the need for communitywide mobilization. That is a responsibility for the stores, as well as for the antipoverty and other neighborhood organizations.

The local merchant has an important place in the economy as well as the supermarket. He provides extra services, delivery, credit, late hours, unusual foods—all items often unavailable in the supermarket. He needs help to be able to compete effectively for the consumer dollar, at the same time as we caution him not to take too much of it.

The examples which will be cited today of higher food prices in ghetto areas represent a situation which cries out for correction. The fact that they may be isolated cases does not absolve anyone. Crime involves essentially occasional acts, but it still must be suppressed whenever it occurs. And deliberate overcharge of those least able to pay is economic crime, a variety of petty larceny which becomes grand when you multiply the number of helpless victims.

At the same time, I would add some words about not burning down the barn to catch the vagrants. In general, supermarkets and other food stores are helpful institutions in the ghetto. They are far better than the rows of vacant stores that haunt some decaying urban areas. Stores provide liveliness, economic vitality and social interchange. They bring people the necessities of life, as well as luxuries they can and cannot afford. Business and commerce have helped make New York City great, and they are not enemies of the people. If stores are well behaved, they can be good neighbors.

By shining the light on discriminatory pricing practices, this subcommittee and the witnesses appearing before it are providing a real service. This is the first time that the Federal Government has taken