

gouging which is not being dealt with here, and it seems to me really bears investigation.

It seems to me, and this I know from firsthand evidence, that the smaller operator, the small store, for a host of justified reasons, charges a great deal more than some of the larger chains.

Mr. ROSENTHAL. That raises irrelevant questions, because Congress has to deal with people involved in interstate commerce and all of the chains and people that we have called to appear in Washington, New York, and St. Louis, are people who deal in hundreds of millions or billions of dollars across State lines.

As little as we know about the food industry, we recognize that the "mom-and-pop" store and the individual operator can't buy in the quantity and the style that Safeway and A. & P. does, or even as Key Food hopes to do in a cooperative venture, so we can address ourselves to the social question and deception, if there be any.

Mr. STERN. That's right. And there is something further that Congress can address itself to, Mr. Rosenthal. That is the whole question of assisting the smaller merchants to develop supermarkets within the ghetto area. Assisting and training them to get the management techniques to be able to compete with the larger chains.

I'm interested in that phase. Deputy Mayor Costello was kind enough to mention our union in connection with a project concerning the training of the smaller merchants and Negro merchants in the first instance to develop and build supermarkets in the ghetto areas. Here is where you have the real problems. Obtaining real estate, obtaining insurance from insurance companies, obtaining loans to establish these businesses, obtaining credit, and I think it's in this area that there might be some profitable investigations. Why is it so difficult to obtain insurance in the ghetto areas? Why is it so difficult to get credit so that the smaller merchant can compete on an equal basis, so that in the first instance he can establish himself? A few of the more progressive supermarket operators, it must be said, within this city, are cooperating with the unions in the first case to train management so that they have the skills of running the largest supermarkets to provide help in getting at the sources of supply, because in monopolized America control of sources of supply is a key factor, and getting the proper merchandise and the proper mix, enables you to compete with the larger chains.

There are a few in this city, including Waldbaum's, it must be said, and including one of the Brown brothers, have sat with us and consulted with us and helped us, and we have a number of people training in various supermarkets to become managers and hopefully, in establishing co-ops which will operate in the ghetto areas.

Mr. ROSENTHAL. I don't see any area of disagreement. These are things we have to consider. I think they have to take a secondary role only for the moment, and we want to address ourselves to what appears to be nationwide pricing discrimination. If this can be stopped, No. 1, we ought to get moving pretty quickly with No. 2.

VOICE. Harlem area, we are sitting right now in Harlem. I represent the Retail Food Clerks of the Harlem area. Not a single merchant has been here this morning to testify before this committee out of this here where we are sitting. They are not here. Not one of them. They would really tell you the story.