

It has established four thriving neighborhood programs and four neighborhood credit unions. Its impact on the residents of these communities has been significant.

We recognize that we have a long way to go before the poor of our country can reach the level of sophistication as consumers which would help them to break the poverty cycle. But nothing in this task of eliminating poverty is either quick or easy.

President Johnson, in his poverty message of 1964, said:

The path forward has not been an easy one. But we have never lost sight of our goal—an America in which every citizen shares all the opportunities of his society, in which every man has a chance to advance his welfare to the limit of his capacities. We have come a long way toward this goal. We still have a long way to go. The distance which remains is the measure of the great unfinished work of our society.

Mr. Chairman, I believe we are making an honest try within the ammunition that has been afforded to us in bringing this message to the poor, and we will continue within the limits of the capacity that is provided us.

(The prepared statement presented by Mr. Berry reads in full as follows:)

PREPARED STATEMENT OF THEODORE M. BERRY, DIRECTOR OF THE COMMUNITY ACTION PROGRAM, OFFICE OF ECONOMIC OPPORTUNITY

Mr. Chairman and members of the subcommittee, it is a pleasure to appear before this distinguished subcommittee. I am glad to have the opportunity to discuss both what the Office of Economic Opportunity has been doing and what it plans to do on behalf of the 32 million American consumers who are poor.

It can be said, and not facetiously, that the poor live in a state of permanent inflation. This is true because the poor pay higher prices and higher rates of interest than their more affluent fellow citizens. The poor simply do not have the freedom of choice others do in determining where to buy and where to obtain credit.

In order to illustrate this, one can use as a concrete example some of the findings of a successful consumer education program we have funded in the Bedford-Stuyvesant section of Brooklyn, one of the most poverty-stricken urban ghettos in the Nation. This program has found that:

Some merchants raise prices on the first and the 16th of the month, the days welfare checks arrive.

Persons buying household appliances and other durable goods on installment plans pay far more than the retail price of the item due to exorbitant, and usually hidden, interest rates.

A good deal of low-grade merchandise is sold to those who must buy on credit and have no other place to go.

Because of possible dangers in entering the neighborhood, process servers sometime decide against delivering a default proceedings subpoena. This results in persons not having any warning before goods are repossessed or are fired due to garnisheed wages.

This is part of the story in Bedford-Stuyvesant. Unfortunately, it is repeated throughout the country. As Dr. David Caplovitz has pointed out, the poor "pay more, very much more."

By way of further illustration, one can cite from the findings of several surveys, some of which we have financed, which show that it is more expensive to live in a ghetto than elsewhere.

Here are a few of those findings:

The poor pay more because they must buy on credit, sometimes even items like groceries.

The poor pay more because they can only afford to buy in small quantities.

The poor pay more because ghettos do not attract supermarkets and the people must deal with the more expensive corner store.

The poor pay more because sometimes prices are higher in the ghetto than elsewhere in the city. It was found recently that the residents of Harlem were paying more for butter and eggs than the rest of the city of New York.