

Mr. VAN GEMERT. Could I read the statement? This statement has been gone over with Mr. Basil Winstead, who had approved it and told me that it is true.

Mr. ROSENTHAL. He is not here.

Mr. VAN GEMERT. Mr. Winstead is not here.

Mr. ROSENTHAL. He is the division manager for the Washington area?

Mr. VAN GEMERT. I will say this, sir: It has been my advice to him, in view of my longstanding belief that deference should be given to an investigation that is going on by an agency of the Government, that he should not appear here.

Mr. ROSENTHAL. Do you think that his testimony here would damage his proceeding at the Federal Trade Commission?

Mr. VAN GEMERT. If it is your wish that you want him here, I will withdraw my instruction to him and I will ask him to appear here and testify.

Mr. ROSENTHAL. This is the first time—I have only been in Congress 5½ years—this is the first time that any private company has appeared without a principal and has sent a lawyer in. And dressed him up as a principal. This has never happened. Would you try cases in court without your parties? You would get on the stand and testify? It is incredible. You are not in a position to rebut the charges of these ladies. You were in California.

Mr. VAN GEMERT. I am here as a representative of the company. I think the company can speak through any of its officials. Your invitation was extended to any Safeway official. I am an elected officer of the company. I believe that I can state our case, and you can accept it or reject it or give it such credence as you wish.

Mr. ROSENTHAL. Would you proceed, Mr. Van Gemert?

Mr. VAN GEMERT. I will.

Chairman Rosenthal and Representatives, there is no truth to the accusation that Safeway charges the poor higher prices, or that Safeway raises prices in its poverty stores at the time welfare checks are issued.

It is now, and always has been, Safeway's policy and practice to have uniform prices at all times in all Safeway supermarkets within a pricing area. The sole exceptions are price reductions to move overstocks of perishable merchandise, and in infrequent, localized competitive situations. All Safeway supermarkets in the entire Washington, D.C., metropolitan area are included in the same Safeway pricing area. We do not distinguish between poverty neighborhood and other stores within a pricing area.

Safeway's prices are established by merchandising managers at the central division office and are set forth in price books furnished each store.

All Safeway stores in the Greater Metropolitan Washington, D.C., area, are furnished the identical price book. The book prices are identical for each and every one of the more than 150 Safeway supermarkets in that area, including the 40 or more stores serving what might be viewed as poverty areas.

The Safeway store managers have no authority at any time to sell any item at a price higher than the book price. Any store manager at-