

tempting to sell over book would be detected in short order, and subjected to severe discipline, including termination.

In view of our policy of selling at uniform book prices within each pricing area, we were shocked when, late Monday morning, October 2, 1967, Basil Winstead, manager of our Washington, D.C., retail division, received a letter accusing Safeway of raising prices in its poverty-area stores at the time welfare checks are issued. The letter enclosed price tabulations purporting to document that accusation.

According to this material the survey claimed to have found Safeway's September 1, 1967, prices on 10 items in three stores described as serving welfare clients, as follows—compared with Safeway's actual book prices on that date—

Mr. ROSENTHAL. When you say at the top of that survey dated September 1, 1967, "Actual Safeway price," what do you mean—do you mean to say book prices—you do not know for a fact whether they were the actual prices?

Mr. VAN GEMERT. The actual prices.

Mr. ROSENTHAL. Why do you say that?

Mr. VAN GEMERT. I mean that these are the prices at which these products were sold in those stores on those dates subject only to the very infrequent human error that might come in from ringing the wrong key, or the like.

Mr. ROSENTHAL. You do not really mean to say that?

Mr. VAN GEMERT. Yes; I do.

Mr. ROSENTHAL. As a lawyer, you are prepared to say that?

Mr. VAN GEMERT. Yes, sir.

Mr. ROSENTHAL. You know that is not so. How can you be prepared to say what it was selling for when you were 3,000 miles away?

Mr. VAN GEMERT. Because I have reviewed every book, document, and record in this company.

Mr. ROSENTHAL. Why do you not make yourself more credible and say that was the book price at which this should have been sold. You have eliminated all human error and you have found that these women are not telling the truth.

Mr. VAN GEMERT. I will be happy to say that is book price. And I personally believe that these are the prices at which the products were sold.

Mr. ROSENTHAL. Fine.

Mr. VAN GEMERT. A good point. Thank you, Mr. Chairman.

This chart is dated September 1, 1967. And it contains for each item description the tabulated survey prices for three poverty-area stores.

And the next column is headed "Actual Safeway Price," for all Washington, D.C., stores, and the next is "Overstatement of Safeway Prices."

The first item is "Bananas, 2 pounds," and the tabulated price in all three stores was 34, 34, and 34, and the actual Safeway price was 30 cents and the overstatement was 4 cents for 2 pounds.

The next, No. 2, "Townhouse peas, 1 pound," and the tabulated prices were 27 cents in one store, and 24½ cents in two stores, whereas the actual Safeway price for all stores was—

Mr. ROSENTHAL. The book price.