

publicized emergence from the survey of a poverty-pattern impression just about defies explanation.

We believe it possible that the explanation may lie in the procedures followed by those conducting the three pricing surveys on which the tabulation is based. We suggest that the following information would be relevant to any consideration the committee may wish to give that question:

1. The written specifications given each shopper, on each date, as to the store to be shopped, and the items to be checked (that is, brand, size, pack, variety, grade, quality, and where an item bore a "cents-off" label, whether it or the "non-cents-off" item should be reported).

2. Whether purchases were made and cash register receipts were retained.

3. The actual survey pattern, that is, on each date, which price reporter made the price survey at each store; and, more specifically, whether the same person made the survey at the three stores described as serving welfare clients?

Because of our deep concern regarding the accusation made against us, we are cooperating with the Federal Trade Commission in its study of that accusation. We have opened our pricing records and books to the Commission and are currently engaged in hearings in which the Commission is receiving the sworn testimony of Safeway employees, including that of myself and various store managers. The FTC hearings began Monday, continued Tuesday and Wednesday, and will resume on Friday, after recessing for the purpose of our appearing before you today.

I personally supervised and participated in the collection of Safeway's pricing and other relevant records and am the manager of Safeway's Washington, D.C., division. It is my personal belief and conviction that Safeway's selling prices on the 10 items were, except for possible human errors, identically the same on September 1 in all Safeway supermarkets serving the Greater Washington, D.C., metropolitan area, including our 40 or more stores serving poverty areas, and were as I stated them above.

The October 2 letter charging discriminatory pricing differentials was distributed to news media, to legislators, and to governmental agencies, even before its receipt by me to whom it was nominally addressed. That letter also demanded our "negotiation" with these individuals toward discontinuance of discriminatory pricing practices—practices in which Safeway had not, in fact, engaged.

These were and are dangerous accusations. Even though untrue, they are of the type that can ignite the fuse of further discontent and destructive disruptions of our central core cities. Even though untrue, they can destroy a business which has been built upon a commitment—followed up with a dedication in practice—to completely fair, nondiscriminatory treatment of all its customers.

As well as being dangerous, the charges are ridiculous. Well over half of the Safeway stores in the District are located in neighborhoods that probably would be classified as "poverty areas" by any logical standards. Residents of those areas are, hopefully, among our customers. And customers are the lifeblood of any retailing enterprise. Through advertising and other promotional efforts, we invite poten-