

tial customers to our stores. We welcome them into our stores to inspect what we offer in the way of products, services, and conveniences—and our prices. We make every effort to assure that they like what they see. And we are delighted—and successful—when they stay to shop and come back as repeat customers. That is our business.

Yet these apparently publicity-prone individuals claim to have found a “poverty pattern” in Safeway prices and pricing. The prices they tabulated and the graphs they constructed might indeed give that impression. But it is my opinion they simply won’t stand up under factual examination.

Safeway’s general philosophy and policies as to retail pricing in our stores reflect a total commitment to fairness and equity in the prices of products offered—not only for all the customers who may patronize a given store, but also for the customers of our various stores in each trading area. Any other policy would be sheer business folly.

All of our Washington, D.C., stores are in the same Safeway price area. This means that it is Safeway’s policy, implemented in practice through careful procedures and controls, that a given item bears the same price on the same date in each and every Safeway supermarket in the District of Columbia that handles the item, and that even the occasional human error is caught and corrected promptly.

If there has been or is any “poverty pattern” in our pricing, it is simply that the poor pay no more at Safeway.

Mr. ROSENTHAL. Thank you very much, Mr. Winstead.

I wonder if you could look at this map, which is a blow-up map of a part of the District.

Store No. 1, at Fourth and M Streets SW., does that have any supermarket competition?

Mr. WINSTEAD. Yes, sir; it does.

Mr. ROSENTHAL. Where is the nearest competitive supermarket?

Mr. WINSTEAD. We have competition throughout the area, both in the District of Columbia and the surrounding suburbs.

Mr. ROSENTHAL. No, no. I mean within walking distance of that store.

Mr. WINSTEAD. I think you would have to define “walking distance” for me, sir.

Mr. REUSS. Between the freeway on the north and South Capitol.

Mr. ROSENTHAL. Between the freeway and the river?

Mr. WINSTEAD. That is a redevelopment area, and our store is the only supermarket between the freeway and the river.

There are independent stores along South Capitol Street.

Mr. ROSENTHAL. Yes. We had some testimony that there is a small independent store in the basement of Capitol Park Towers.

Mr. WINSTEAD. Also, on M Street there are stores, sir.

Mr. ROSENTHAL. Yes.

Now, store No. 2, what kind of supermarket competition do you have there?

Mr. WINSTEAD. The supermarket competition in the area of No. 2 would be located in the general area further down on K Street. This store is very close to the heart of Washington. It is in a redevelopment area. It is in the right-of-way of the new freeway that is going through there. There has not been any business development or progress in that area.