

Mr. TAHA. You are not going to get out of this. It's always going to come out some way or another. We cannot sell 100 percent of everything we get.

Mr. MYERS. Safeway does not allow you a certain percentage of your perishables that you can throw away before it is charged to your store, do they?

Mr. TAHA. No.

Mr. WINSTEAD. Mr. Chairman, may I comment on this?

Mr. MYERS. Sure.

Mr. WINSTEAD. There is an acceptable or a reasonable percentage of spoilage expected in a perishable operation such as produce, and certainly we observe that percentage for all of our stores. But under no condition do we set a quota or a tolerance figure on produce or any other perishable item for a retail store. We insist that the store managers sell only that type merchandise that they themselves would buy. Merchandise of this nature, as Joe has said, should go in the garbage can.

Mr. MYERS. If the price is right, I will buy. Heck, it is not to be completely thrown away.

Mr. WINSTEAD. That becomes a distress action which they have a prerogative of doing.

Mr. MYERS. Let me say, the poor people are not all out there.

See that tear? I have worn a torn shirt here today, sir.

Mr. WINSTEAD. We are trying real hard, too, sir.

Mr. MYERS. You are not with the right company, though.

Mr. MILEY. May I make a comment?

Any customer coming in a store with food stamps would not buy any of that merchandise there. They would not buy that pepper. So eventually it's going to be thrown away. This again with all due respect—

Mr. ROSENTHAL. Why wouldn't they buy that?

Mr. MILEY. Because it is not quality merchandise. They are the most particular customers that we have in buying quality merchandise. They would not buy that pepper. They would not buy the second pepper. The third pepper they would have bought.

Mr. ROSENTHAL. You mean the people on welfare are the most discriminating shoppers?

Mr. MILEY. They are the most particular ones, I will say, that we have.

Mr. ROSENTHAL. Most sophisticated?

Mr. MILEY. Well, sophisticated, I don't know about sophisticated, but they want their money's worth. They would buy neither one of those peppers.

Mr. MYERS. I would like to ask you one more question.

You speak about your periodic inspections which vary from time to time. They are on no given day; is that correct?

Mr. WINSTEAD. That is right.

Mr. MYERS. Do you keep any record after you make this inspection? Do you keep any record that you did inspect this and what the inspector found upon inspection, visiting this store?

Mr. WINSTEAD. We have a district established usually of about 14 stores and this district manager is the direct, is directly responsible for his stores in the district. And, yes, there is information on when he