

October 2, within minutes after opening the letter from the Ad Hoc Committee on Equal Pricing, I sent three buyers from the division office to the three poverty area stores in which we were charged with having raised prices, to check and record the prices on the 10 items questioned.

Pursuant to the request you made during the hearing, I'm enclosing photocopies of the three October 2 price check reports by the three buyers, together with the related material turned over to the Federal Trade Commission. This consists of (1) the certifications of the three buyers to the effect that they commenced their price checks at approximately 11:30 a.m. on October 2, and that at the time they conducted the checks they did not know either the book prices or the prices set forth in the complaint letter, and (2) a tabulation comparing the price check results with the book prices on the 10 items.

Our store managers have testified in the Federal Trade Commission hearings, that these three price checks were made without their knowledge, and before they were aware that any complaint had been made against Safeway.

When I first read the complaint letter at about 11 a.m. on October 2, it was clear to me (as it still is) that we were being charged with raising our prices in poverty area stores, around the first of every month, and not just on September 1. I therefore ordered immediate price checks made of the three stores complained about, and without the knowledge of the store manager, for if the charges were true (which I could not conceive) the price checks would necessarily reveal raised prices on October 2.

However, out of 30 instances (three stores, 10 items per store), the October 2 price checks showed only four deviations from the book prices. One was the reporter's error in recording the wrong brand. One was an error in price marking, where a "6" was reversed and appeared as a "9". The other two involved only one can of peas, and one carton of eggs, the other shelf stock of those products being properly marked with the book price.

The subcommittee will note that the buyer's certification for store No. 730 has been conformed to the original in the possession of the Federal Trade Commission. If the subcommittee wishes to inspect or copy the original of that certification, or of any of the attached material, we are hereby authorizing the Commission to make the originals available to the subcommittee for that purpose.

We shall appreciate it if the subcommittee will have this letter and the attached material inserted at the appropriate place in the hearing record.

Very truly yours,

BASIL WINSTEAD,
Vice President and Division Manager,
Washington, D.C., Division.

EXHIBIT A.—PRICE CHECKS CONDUCTED BEFORE NOON ON OCT. 2, 1967, BY RETAIL DIVISION STAFF, PURSUANT TO INSTRUCTIONS OF DIVISION GROCERY MERCHANDISING MANAGER IN "POVERTY STORES" NOS. 730, 828, AND 869

[Checks covered items listed in attachments to letter of Sept. 29, 1967, and summary of tabulation of results is shown below]

Item	"Book" price as of Oct. 2, 1967 (1)	Price at—		
		Store No. 730 (2)	Store No. 828 (3)	Store No. 869 (4)
Townhouse peas, 16-oz.....	3 for 59 cents....	3 for 59 cents....	3 for 59 cents....	3 for 59 cents. 5 for \$1. ¹
Del Monte cling peaches, 30-oz.....	2 for 63 cents....	2 for 63 cents....	2 for 63 cents....	2 for 63 cents.
Crisco, 3-lb.....	86 cents.....	86 cents.....	89 cents.....	86 cents.
Cheerios, 7-oz.....	23 cents.....	23 cents.....	23 cents.....	23 cents.
Breakfast Gem eggs, medium.....	39 cents.....	39 cents.....	39 cents.....	39 cents.
Domino sugar, 5-lb.....	61 cents.....	Out.....	61 cents.....	43 cents. ²
Washington self-rising flour, 5-lb.....	65 cents.....	65 cents.....	65 cents.....	61 cents.
Gerber's strained baby foods.....	6 for 65 cents....	6 for 65 cents....	6 for 65 cents....	65 cents.
Bananas.....	17 cents.....	17 cents.....	17 cents.....	6 for 59 cents. ³
Lettuce.....	25 cents.....	25 cents.....	25 cents.....	17 cents.
				25 cents.

¹ 2 cans on shelf; 1 marked 3 for 59 cents; other one 5 for \$1.

² Only 1 carton at 43 cents; remaining eggs, full case, at 39 cents.

³ Upon noting price, checker realized that this was price for Beechnut rather than Gerber strained baby food.