

Mr. GALLAGHER. I would like to say before we adjourn that I think you ladies have performed a useful service in making these suggestions to the management here and—

Mr. McINERNEY. Obviously, we are not the entire management. We will have to take these suggestions under advisement, which we certainly will do. I would like to point out the organization that Mrs. Mason represents, MEND, has already testified here that an A. & P. has uniform prices as near as they can determine.

Mrs. MASON. I am just giving certain instances outside of areas—

Mr. GALLAGHER. Can I let the gentleman testify? Thank you.

Mr. McINERNEY. The price audits, the results of which are attached to our statement, are audits totaling well over 200 audits of well over 5,000 items.

Comparing those with the way I can only assume are isolated instances—we don't deny them. They may very well occur. But the overwhelming majority of these reports are the same with respect to area, with respect to whether they were overpriced, or underpriced, or so on. Instances, I am sure, where human error does result in this. Insofar as any such arrogance by store employees, I am sure that is worth looking into, but we have no direct knowledge of it.

Mr. GALLAGHER. The Chair would like to announce we will now stand adjourned until 2 p.m.

(Recess 12:55 p.m.)

(The complete prepared text of Mr. Vitulli's remarks appears below:)

PREPARED STATEMENT OF WILLIAM VITULLI OF THE GREAT ATLANTIC & PACIFIC TEA Co., INC.

My name is William Vitulli. I am assistant general superintendent of A. & P. stores located in the Bronx and Manhattan, and I am responsible for the general supervision of some 115 stores in those areas. With me here today is Louis Van Lenten, director of sales for A. & P. eastern division, covering the metropolitan New York area and the New England States, which is divided into seven units, including the Brooklyn-Long Island unit and the Bronx-Manhattan unit. With us is Denis McInerney, a member of the firm of Cahill, Gordon, Sonnett, Reindel & Ohl, counsel for A. & P.

At the outset, I would like to say that I am very happy and proud to represent my company on this occasion because I feel that A. & P. has made a real contribution to the health of this Nation by its policy of selling at prices so low that they yield only about a 1-percent return on sales. As a result of that pricing policy, and of A. & P.'s insistence on selling the best quality food available, millions of people in the poorer areas in this country are able to get better food at lower prices than they would otherwise be able to obtain. I know of no private organization, and certainly no profitmaking organization, which has done a better job in helping the poor to obtain high-quality merchandise at the lowest possible prices.

A. & P.'s merchandising policy is carried out in this area by Mr. Van Lenten, who is here with me today. He is responsible for setting the retail prices for all products in all of the stores in this division and has followed the practice of having completely uniform prices in all of our stores in Manhattan, Brooklyn, Bronx, Westchester, Queens, Nassau, and Suffolk, which I will call the Metropolitan New York area. These prices are the same in the approximately 450 A. & P. stores in that area, regardless of whether the store is located in a high-, low-, or middle-income neighborhood.

Some variations from these uniform prices may arise in particular competitive situations, or with respect to perishable commodities. However, and I cannot emphasize this too strongly, all of those variations would be in a form of a reduction in price rather than an increase. Similarly, store managers have no authority over prices except to reduce them on food that might spoil if not ~~marketed~~ promptly. In other words, they have no authority to increase prices.