

As soon as the divisional sales department makes any change in our retail prices, those changes are communicated to the store managers immediately. They are instructed as a matter of general policy to change those prices which are reduced before they proceed to mark any increases in prices.

Store personnel are periodically reminded, by bulletins to the store managers, of the necessity of strictly adhering to the company's policies on accurate pricing. I have samples of such bulletins here with me today. These bulletins are followed up by our store supervisors, who generally are responsible for a group of about 15 stores and who periodically spotcheck prices to be sure that they are correct.

Within the limits of the space available, we try to keep every A. & P. store completely stocked with every item and size of item that our customers might want. As a result, there are some 5,000 to 7,500 items stocked in A. & P. stores, and virtually all of these are individually price marked. Making sure that each of these thousands of items is properly marked with the appropriate retail price in each of the thousands of A. & P. stores is a monumental task. We recognize that 100-percent accuracy is not possible because of human error, but I am happy to say that we have approximately 99.8-percent accuracy. You may wonder how I am able to make such a statement with such confidence. The answer is that A. & P. has for decades followed a very exacting and expensive but worthwhile procedure of having audits taken of the prices in its stores. This is not done only for purposes of inventory (which are taken about three times a year in each of our stores in this area) but also by ways of unannounced or surprise price audits at least twice a year. These audits are not taken by the store personnel themselves, but by a staff of field auditors who report to our unit office managers. The store managers have absolutely no jurisdiction over these auditors.

As you know, Mr. Chairman, A. & P. received notice of this hearing only this week, and it was only Thanksgiving Eve that we received any particulars as to the matters that would be discussed. In this short time we have not been able to do all the research that we would like to.

We have, however, surveyed the results of the regular and surprise audits in the Bedford-Stuyvesant area as compared with the Flatbush-Bay Ridge area in Brooklyn and of the Harlem area as compared with a like number of stores in middle- and high-income areas in New York City and Westchester. This survey shows that the average number of items found erroneously priced on each audit was only about 10 items out of more than 5,000 items which are subject to these price checks, so that our percentage of error is less than one-fifth of 1 percent, and those errors included underpricing items as well as overpricing them. As the attached survey shows, we have a very high degree of accuracy in pricing in all of our stores.

Not only does A. & P. insist on strict accuracy of retail prices, but there is no reason for the store manager or anyone else to increase the prices in A. & P. stores. There is no compensation or bonus system which might possibly reward any such misconduct at A. & P. stores.

I mentioned earlier that space limitations will not permit us to carry every conceivable item that any customer may want, and yet our prices are advertised in newspapers serving the metropolitan area. As a result of these facts, or of unexpected demand, it sometimes happens that a customer is unable to obtain an advertised item at her local A. & P. store. When this happens, we have a well-established and well-advertised procedure known as our raincheck policy. The raincheck is simply a receipt given the customer allowing her to secure any advertised item at the advertised price the next time she visits her A. & P. store during the following week. We are proud of this policy and insist that all our stores prominently display signs describing it. These signs, incidentally, are in both English and Spanish, and I have examples of both here with me today. In addition, our newspaper ads containing specially priced items frequently contain a statement of the raincheck policy, and I also have an example of such ads.

To put it very briefly, gentlemen, there is absolutely no truth whatever to the allegation that A. & P. discriminates against the poor in any way. Quite the contrary, we are proud of our history of over 100 years of service to the American people of all income groups.

On behalf of A. & P., I want to express our appreciation for this opportunity to state the facts concerning A. & P. record on this important issue. Thank you.