

continued by saying "although it might be hard for you to understand, in an operation of our vast size, it is never possible to get 100-percent perfection in pricing matters." However, he reminded us that the established price structure is the same for the entire St. Louis Kroger district. He specified two stores on our list, one of which had just opened for business and the other well established, which should have had different prices because of the new sales promotions for lower prices in the new store. However, Mr. Nadler and I found identical prices on each item in the two stores. Mr. Stern stated, if the prices were the same, this too would be due to error of store personnel in marking items. Mr. Stern attributed all differences in prices of items we found to store marking error of Kroger personnel.

Neither Mr. Stern nor Mr. White attributed the higher prices in the poverty-area stores to higher operating costs. In fact of practice, Kroger insures their stores against theft, and Mr. Stern "did not even know" what the insurance rates were. Again and again, the Kroger personnel told us that the major reason for food price differences within the chain was due to store personnel marking error. Mr. Stern stated there were no intentional price differences between poverty and non-poverty-area stores in the Kroger chain.

A summary of our discussions with food chain and organization personnel indicated to us that first, operating costs do not vary widely enough in the case of chains to account for price differences. Second, we were told that labor costs and insurance rates would be the same for all stores within a chain. Third, no chain or food retailing organization representative admitted the existence of different prize zones between poverty and nonpoverty areas. Fourth, no representative stated that any food of inferior quality is ever shipped from county to city stores. Fifth, all retail food organizations and chains suggest maximum prices to members with chains enforcing these maximum prices. Sixth, prices in stores are supposedly never higher on days following issuance of welfare checks. Finally, we were consistently told that most if not all differences in food prices are due to error of store personnel in marking the items to be sold.

*Personal comments.*—Related to findings of other surveys, FTC statements, etc.:

I believe our research and that of other independent groups shows that retail food chains and independent organizations must help solve social and economic problems encountered by the poorer residents of the inner city instead of adding to those difficulties. In place of merely making monetary profit from the inner city area, retail businesses and specifically food retailers must answer the challenge of entering into efforts to upgrade the lives of inner city residents.

Increasingly, food retailing organizations are becoming targets for a national expression of discontent. But in the presence of criticism and the threat of food buying cooperatives organized by resident groups, the major food concerns should realistically plan to meet the challenge of both increased consumer awareness and the growing needs of the inner city. Long ago American business recognized that its interests and those of the community which it serves are in the long run identical. Food companies and all inner city retailing organizations prosper in direct relation to the social and economic advancement of the people who work in the stores and who purchase its goods.

Commissioner Mary Jones of the Federal Trade Commission has stated that major food organizations can respond to inner city problems in ways that will mutually benefit themselves and the community. Large food retailers must, however, be prepared to identify themselves with the inner city and make meaningful contributions to area needs. The specific ways which food retailers can help further the future of the inner city residents are many.

First, and by far, most importantly, major food organizations and chains can respond to inner city problems by offering ghetto residents the same products at comparable prices to those good available in the more affluent communities. More than anything else, I believe from the results of the survey, that residents of the city should be entitled to equal prices for equal food.

A second contribution food companies can make in the city concerns job opportunities. The very presence of the supermarket in the inner city has and should increasingly mean more job opportunities for ghetto residents. The more employees particularly on the managerial level which the food organization hires from the local community, the more potential they will have for being regarded by the community as an integral part of the area rather than as a profitmaking outside interest.

Third, there is a great need for food retailers to sponsor consumer education programs. Educational efforts should be guided toward easily read labels telling