

STATEMENT OF WALTER W. WHITE, MANAGER OF OPERATIONS,
ST. LOUIS DIVISION, THE KROGER CO.

Mr. WHITE. I have a prepared statement.

My name is Walter W. White. I am manager of operations of the St. Louis division of the Kroger Co., 6050 North Lindbergh Boulevard, Hazelwood. We operate the Kroger stores in Metropolitan St. Louis.

I want to thank you for your invitation to our company to be present here today to discuss this very important matter. We are well aware of the concerns expressed to you by persons and groups who say that evidence of discriminatory practices can be found in the retail food industry in St. Louis. Although we do not agree with the conclusions they have reached, we share their civic interest and humanitarian concern. We hope that their energies, as well as those of the rest of us, can be mobilized in a constructive manner intended to continue to move this community forward.

Published accounts of this matter, as well as the private and public statements of those associated with the reports discussed here today, have a pervading accusation that food chains deliberately cheat a particular segment of their customers.

Speaking for myself and for Kroger, I say to this committee and to all who will listen that this accusation is absolutely false.

Our company, since its inception 84 years ago, has built and maintained its national reputation as an outstanding food merchant by adhering steadfastly to the principle of dealing fairly and honestly with our customers, no matter who they are and no matter where they live. This business creed is no less an ingredient of our corporate character today than it was in 1833.

We resent the innuendo and implication of the statements made on this issue in St. Louis in recent weeks. We consider them unwarranted, unfair, and untrue.

Now, permit me to address myself to the intricacies of just one aspect of our very complex business so that you here today can judge the information presented to you in fuller perspective.

On the shelves of our Kroger food stores we stock approximately 8,000 different items. This array of merchandise, which affords our customers great freedom of choice, means that we keep on hand—and we must price—about 200,000 separate cans, cartons, and containers in each of our stores.

Like most other businessmen, we base our entire operation on the planned selling of these items at the proper price, thereby enabling our customers to receive full and true value, and our shareowners to receive a fair return on their investment.

Unfortunately, we're like any other organization run by human beings; we do make mistakes. We have developed, and we forcefully administer, a system of controls intended to eliminate as many errors as it is humanly possible to eliminate.

A wall-to-wall check of all prices in each store is made regularly in connection with store audits. Additionally, an independent, professional shopping service is constantly checking prices in our stores, along with other aspects of store operations. We also employ a man experienced in price checking to inspect our competitors' stores, and he keeps tabs on our prices, too.