

Furthermore, store personnel are expected to frequently and regularly check prices in their store. Store managers and department heads, especially, are actively engaged in these frequent checks. In addition, more than two dozen experienced management people spend much, if not most, of their time in our stores, and price checking is something all of them always do.

But we are no different than anyone else in this room; we are human, and errors do occur, no matter how diligently we try to avoid them.

It might be well to note that pencil manufacturers recognize this human imperfection when they put an eraser on each pencil sold to the public.

So it's entirely possible that on any given day, in any given store, a particular item will not carry the price it is supposed to carry. This is not only possible, it is understandable.

As an illustration, let us look at the week of October 15, during which the Human Development Corp. teams visited our stores.

In that week alone, each of our store managers was responsible for carrying out approximately 380 price changes, some up, some down, on more than 5,000 pieces of merchandise on store shelves. For many reasons, these price changes occur with great rapidity and in great volume. Many of them are connected with implementation of our sales plans, which provide special values to the customers of all of our stores. Some are caused by cost increases made effective by the food manufacturing companies which supply us with the merchandise we sell. Others are caused by changes in local competitive conditions which develop suddenly and unexpectedly. Still others may be caused by the need to obtain quick sales of perishable merchandise which is nearing the end of its shelf life with a large quantity still on hand.

There are other reasons, too.

A particular item may have been discontinued by the food manufacturer because of a lack of customer acceptance. It must be marked down for quick sale.

Merchandise offered at an advertised special price on the weekend sometimes is left over on Monday morning. The special price then must be changed to the regular retail price.

Market changes frequently occur so rapidly that the mimeographed pricelists prepared regularly in our division office sometimes are already out of date by the time they are delivered to our stores. As a result, accurate pricing has become almost an hour-to-hour task and responsibility for our store managers and their employees.

A further factor is this: Much, if not most, of our pricing is carried out by part-time personnel, many of whom are high school students and other young people. It takes time for them to be properly trained and to become accustomed to the mechanics of pricing. Frequently, just when they have reached an acceptable performance level, they leave us for college, the military service, or another job.

It becomes quite clear, then, that the speed and frequency and volume of price changes create human working conditions under which inadvertent errors can occur, and we would be the last to deny this. Certainly, we can improve. But we are not ashamed of our performance as human beings who have not yet attained perfection.

Vital to the discussion here today, however, is the fact that, while these errors may occur, they are not by design. They are not delib-