

Mr. ROSENTHAL. Assuming they are accurate, that is what looms as a potential explanation; that the store managers in stores 2 or 3 are sluggish in changing prices downward when a change is directed by your command.

Mr. WHITE. Well, I don't know that I could agree wholly with that assumption.

Mr. ROSENTHAL. That's a possible explanation. I am trying to find an explanation. In other words, if I were in your position, and people brought this to me, I'd want to find an explanation in a hurry.

Mr. WHITE. Well, we have our stores audited by an audit team, as I indicated, wall-to-wall price checks, approximately every 13 weeks during the year. Now, at this time they checked the prices, both over and below what they should be, whether they be advertised or at book retail.

Mr. ROSENTHAL. Do the managers know when your audit check is coming?

Mr. WHITE. They may know 2 days in advance.

Mr. ROSENTHAL. You've got to get your money back the same way we have to get our money back on the BLS study. You can't check something and let somebody know you are coming.

Mr. WHITE. Well, we make surprise checks also, as I indicated in the opening statement, by outside shopping services of our stores, not only for price, but for other operating functions that we perform.

I would like to mention also the bread you see listed, the Wonder sandwich loaf. This item is not authorized for any of these stores. In that particular week we did not purchase from our suppliers that item by any of these stores.

Mr. ROSENTHAL. How do you explain that?

How do you explain it, Mr. Baum?

Mr. MYERS. You didn't have sandwich bread in that store?

Mr. WHITE. We did not sell on October 19 and 20 Wonder sandwich bread in those stores at 38 cents or at any price.

Mr. BAUM. We recorded what we saw, in teams at the time we saw these on the shelves, immediately.

Mr. ROSENTHAL. Let me ask you a question. Other than the canned ham which you acknowledge was not for sale but you reported it, other than that, did you put anything down on this list that was not for sale in the store?

Mr. NADLER. Not for Kroger's.

Mr. BAUM. The answer to the question is "No."

Mr. WHITE. I personally reviewed our direct store charging invoices from the Continental Baking Co. which supplies Wonder bread in this market. For these two stores, for the week from the 15th through the 21st, and we did not purchase any Wonder sandwich bread.

Mr. ROSENTHAL. What days of the week were October 19 and 20?

Mr. WHITE. That was a Thursday and Friday.

We have what we call direct store delivery on contracts which are contracts with the companies that we purchase the merchandise from and that we offer for sale in our stores. We do not have one of these contracts for the Continental Bakery Co. for Wonder bread, sandwich bread for any stores in the Metropolitan St. Louis area. We do have a contract for Colonial sandwich bread. However, I also checked the Colonial invoices—