

Mr. MYERS. Does he have authority to up the price?

Mr. WHITE. Not over book price.

Mr. MYERS. You mentioned perishables briefly. How do you ship in produce? Is there one warehouse in St. Louis that supplies all of the stores or is there more than one warehouse?

Mr. WHITE. There is one warehouse in St. Louis that supplies the stores with produce.

Mr. MYERS. And the ratio breakdown in that warehouse, how does it go out to the stores?

Mr. WHITE. Depending on what they order.

Mr. MYERS. The store manager orders then?

Mr. WHITE. Or the respective department head of a department places the order and it is transmitted to our office.

Mr. MYERS. Someone mentioned about the perishables this morning, the peppers and the lettuce. Do all stores receive the same day? Do all the stores in your chain receive lettuce the same day?

Mr. WHITE. No. We make four produce deliveries a week to most stores. We make three deliveries to some stores, again depending on the volume of produce they are ordering and the distance they are sometimes from the warehouse; such as a store in Fairfield, Ill., which is one of the farthest ones from the warehouse, we make three deliveries a week.

Mr. MYERS. Gosh, you supply Fairfield from here?

Mr. WHITE. Yes; we operate approximately 150-mile radius from St. Louis.

Mr. MYERS. That's a good strong 150 I think.

How about the hamburger that Mrs. Dames mentioned about the quality; is that all ground at the stores?

Mr. WHITE. All the ground beef is ground at the stores.

Mr. MYERS. Do you have certain specifications so the quality is the same in every store?

Mr. WHITE. We operate within the limits of the 30-percent fat content; yes.

Mr. MYERS. That's, I believe, prescribed by St. Louis?

Mr. WHITE. I believe it is a city ordinance or law of some type. I'm not familiar specifically.

Mr. MYERS. You spoke about the supervision and inspection of your stores and the professional purchasing that you do, and you made some reference about a report. Is a report made back when this is done?

Mr. WHITE. Yes; a report is made to our security officer and he is the one that assigns the stores to be checked unannounced by the outside service.

Mr. MYERS. The manager doesn't know he is coming?

Mr. WHITE. They do not know and sometimes they don't know when they have been there, so it is unannounced to the store and it is done by an outside service. Now, this is in addition to our own audit team which I indicated to the chairman here that they sometimes get about 2 days' notice.

Mr. MYERS. Who do they report to?

Mr. WHITE. The audit team reports to our division controller, who reports directly to Mr. Stern. He does not have any reporting functions to me at all, so it is independent from the operation of the store.