least a year, and we have been happy to work with them and glad to work with them to get these people that we could train and qualify them for employment within our organization. We have some fine people.

We realize that a major problem for all consumers, and I say all consumers, and especially in the poorer districts, is rising prices, not only on food but on everything. We are not here to discuss that problem. What you, Mr. Chairman, and your committee, and our citizens would like to know, is whether it is true that people in the poorer districts have to pay more and have to buy food that is inferior in quality, higher in price by comparison with the food sold in higher income areas. I cannot, of course, speak for any company but my own, National Food stores division, St. Louis, and for my company I will state publicly, for the record, if necessary, under oath, that no discrimination is practiced, nor to my knowledge as the manager of the entire St. Louis division, which is 4 years come January, has it ever been practiced in this area.

Indeed, it could not be practiced, and I will tell you why.

First, as to prices: We operate 33 National Food Stores in the city of St. Louis and in St. Louis County. All of these stores are provided with an identical pricelist for all of the available merchandise, groceries, meat, produce, everything we sell.

This list tells each store manager what price he must charge for each item. He is not permitted to sell any item for 1 penny more than what the pricelist calls for. He doesn't even have the authority to sell below that price, except in two very special situations. One is in the case of perishable merchandise, such as produce and meats. For example, if a store manager finds that he has overordered on strawberries and he has to move them quickly to avoid the loss, he is given the right to lower the price for that purpose. Also, a store manager will occasionally find himself faced with an abnormally competitive situation in his particular neighborhood that may require lowering of prices on some items in order to meet his immediate competition. Even then, however, we ask him first to get approval from the operating staff in our general office. This would be the meat operator, the sales manager, produce operator, whoever would be involved.

In other words, Mr. Chairman, we have, subject only to these two exceptions, a policy of uniform pricing for all National Food stores in the entire St. Louis area. In this policy, the location of a store and the character of its neighborhood play no role whatsoever. This uniformity you will find also in our advertising. It lies at the heart of our whole method and philosophy of pricing. Our business, as you know, is operated on a very small margin of profit. That means that all of our studies and calculations must be based on an overall picture of volume, and you cannot do this unless you can assume that certain factors will be uniform for your entire operation. Among these factors, for example, are labor costs, and the cost of merchandise. The employees in all of our stores are covered under union contracts. Their wages do not vary from store to store, and when we buy our merchandise, our suppliers don't vary their prices dependent on what stores we intend to sell the items in. Likewise, when we fix our selling price we do not and we could not establish different prices for different stores.