

Mr. WINSTEAD. That is correct.

Mr. ROSENTHAL. Now, do you yourself check prices in any stores, Mr. Winstead?

Mr. WINSTEAD. Yes, sir; I do.

Mr. ROSENTHAL. How often?

Mr. WINSTEAD. I am in some of our stores every week. I am not a regular price checker as such because we have a department taking care of this, and others in our organization, but I am quite interested in the retail food business. I am basically a merchant.

Mr. ROSENTHAL. Who stands between you and the store manager? Is there a district supervisor that also checks prices?

Mr. WINSTEAD. I have a retail operations manager—the Washington, D.C., division is comprised of two retail areas, an eastern retail area and a western retail area, each with a retail operations manager.

Mr. ROSENTHAL. And is their annual salary also based on a salary plus profitability of the stores under their jurisdiction?

Mr. WINSTEAD. The retail operations manager's salary is a base salary plus a percentage of profits in their area.

Mr. ROSENTHAL. The salary bonus that the individual manager can make, up to 60 percent, this is based on the net profit of a store?

Mr. WINSTEAD. Excuse me, sir—

Mr. ROSENTHAL. It is based on the net profit of a store?

Mr. WINSTEAD. Would you repeat the entire question—I missed the first point—please?

Mr. ROSENTHAL. The salary plus bonus arrangement that a store manager has, is his net annual salary based on his base salary plus a proportion of the net profit of the store?

Mr. WINSTEAD. Plus a percentage of the profits of the store in the form of the bonus—excuse me, Mr. Chairman. I think we missed a point in the discussion of the people between me and the store manager.

I refer to two retail areas. Under each retail operations manager we have district managers. We have 17 district managers.

Mr. ROSENTHAL. Is his annual salary based on a salary plus a bonus arrangement based on net profits?

Mr. WINSTEAD. His annual salary is based on regular drawing salary plus a percentage of profits of his district.

Mr. ROSENTHAL. So that the total salary of each of your men, beginning with the store manager, the district manager, the regional manager, and maybe even yourself, has a relationship to net profits of the store or stores under their jurisdiction?

Mr. WINSTEAD. That is correct. But may I comment on that?

I would like to state that the two retail operations managers in this division, in fact, qualify for maximum bonus very early in the year.

I would also like to state that I myself draw maximum that I could draw. I have done so for the past 2 years, 1965-66—

Mr. ROSENTHAL. Does that apply to any one of stores 1, 2, or 3?

Mr. WINSTEAD. I would like Mr. Miley to comment on that.

Mr. MILEY. My maximum—I cannot tell you exactly, but my maximum bonus is arrived at approximately this time of the year or earlier, so that there is no use for me, no need for me to go ahead and make an attempt to increase the profits to hold it up there if I were in that position.