

from the main office, they will take them and change them in the book, and then they go change them on the shelf with the price tag and all. That's part of their job function.

Mr. ROSENTHAL. Do all stores get these price changes at the same time?

Mr. ALEXANDER. Yes, sir. They come out of the mailroom.

Mr. ROSENTHAL. Do you tell the employees what price to put on the items, or do they themselves look it up to see what the prices should be?

Mr. ALEXANDER. They themselves look it up. They use the code book.

Mr. ROSENTHAL. Yes.

Are there any items at all that you tell employees to put prices on?

Mr. ALEXANDER. Only a reduced item. An unlabeled item, maybe, they might ask how much to mark this down. I may give them a price then.

Mr. ROSENTHAL. Without telling me the amounts, because I am not really interested, how close are you to making the maximum bonus?

Mr. ALEXANDER. I don't believe I will make it.

Mr. ROSENTHAL. You will make some bonus, though?

Mr. ALEXANDER. I think so.

Mr. ROSENTHAL. Would you say you will increase your salary by about 50 percent?

Mr. ALEXANDER. My salary?

Mr. ROSENTHAL. Yes.

Mr. ALEXANDER. No, sir; I don't think I will come that close.

Mr. ROSENTHAL. Do you have a pilferage problem in your store?

Mr. ALEXANDER. No more than any other store. I would say we are more aware of it than some of the finer neighborhoods.

Mr. ROSENTHAL. What percentage of your sales or profit does it amount to?

Mr. ALEXANDER. Well, I hate to say we don't catch them, so there would be no way to determine that figure.

Mr. ROSENTHAL. Well, you have a running inventory, do you not?

Mr. ALEXANDER. Right, but pilferage could not be the only problem in inventory. It's carelessness at the check stand, shortage on orders—

Mr. ROSENTHAL. Whatever amount the pilferage is, how do you make up that loss?

Mr. ALEXANDER. We don't make it up.

Mr. ROSENTHAL. You just take it—it's counted into your net profits?

Mr. ALEXANDER. Yes, sir.

Mr. ROSENTHAL. So if pilferage gets heavy in your store, it reduces your bonus?

Mr. ALEXANDER. If I don't control it; yes, sir. If we overload, over-order bananas and dump it in the garbage disposal, that affects it, also. So if I don't control my bananas or my ground beef, that will affect my bonus.

Mr. ROSENTHAL. Talking in nonperishable items, canned items, if they were pilfered, you couldn't make it up any way at all?

Mr. ALEXANDER. Well, we could make it up in multiple prices.

Mr. ROSENTHAL. What does that mean?

Mr. ALEXANDER. Well, we will charge—take Townhouse peas, two for 39. That's the way we charge for them. These people buy one can,