

Mr. MYERS. Then some stores who might have an outlet for distressed items will buy this?

Mr. TAHA. Not the distressed, no, not distressed. I distress myself. If I feel I could transfer it to another store, I would send it there.

Mr. ROSENTHAL. What store would you transfer it to?

Mr. TAHA. Within my area, I have nobody right now, but I am talking about in the past.

Mr. WINSTEAD. May I address myself to that point, Mr. Chairman?

Mr. ROSENTHAL. Yes, sir.

Mr. WINSTEAD. I think there may have been a point of misunderstanding in Joe's comment, and we may have left the wrong impression.

We do not transfer this merchandise from one store to another store within the area. If Joe makes a mistake in ordering, Joe sells it. If any of the other men make a mistake in ordering, they sell it. If any of the other men make a mistake in ordering, they either throw it away, distress it or dispose of it, passing the savings on to their customers.

We ship every item from this produce warehouse to every store in the Washington, D.C., division based on a code number. Any of these three items came from the same produce warehouse at Landover, Md. They were ordered under the same code number. They were shipped at the same, or generally the same weights and of the same quality from the same stack in the same warehouse, regardless of what area we shipped the item to.

Mr. MYERS. Well, now, let me ask you, does the manager have a distress allowance or a throwaway allowance on perishable goods? Is he allowed so much—

Mr. WINSTEAD. Would any—

Mr. TAHA. No; there's no allowance.

Mr. MYERS. It comes out of your profit.

Mr. TAHA. It depends how smart you are and how you operate.

Mr. MYERS. It comes out of your net profit.

Mr. TAHA. Of course.

Mr. MYERS. If it is thrown away, it affects your net profit. There would not be any benefit—

Mr. TAHA. I would give the benefit to the customer and give the benefit to myself before I threw it in the garbage—while it is of good quality. I would not distress it if I wouldn't buy it myself. That is one single standard we have and I have myself, too.

Mr. MYERS. But here are some peppers that you say should not be sold. But if there is no throwaway allowance, the manager is going to try and sell it, is he not?

Mr. TAHA. Not this, no.

Mr. MYERS. That is your judgment, but you have 149 other managers here who may try to sell it. You didn't make your bonus, either.

Mr. TAHA. They are marked down, which is allowed, but every month we have an inventory in the produce department or meat department which shows actually the percentage of the spoilage in that store.

Mr. MYERS. Yes, but that still comes out of your profit. There is no allowance for you, is there?