

sult of these facts, or of unexpected demand, it sometimes happens that a customer is unable to obtain an advertised item at her local A. & P. store. When this happens, we have a well-established and well-advertised procedure known as our raincheck policy. The raincheck is simply a receipt given the customer allowing her to secure any advertised item at the advertised price the next time she visits her A. & P. store during the following week. We are proud of this policy and insist that all our stores prominently display signs describing it. These signs, incidentally, are in both English and Spanish, and I have examples of both here with me today.

Mr. ROSENTHAL. For how long a period of time has it been your practice to put these signs up in stores?

Mr. VITULLI. Several years, Mr. Chairman. I don't know exactly when we started to post this particular sign but it has been our practice for a number of years to issue rainchecks both—this is the English sign and in stores where we consider it appropriate, we display this. This word is exactly the same.

Mr. ROSENTHAL. Is it your testimony in every A. & P. store a sign like this hangs somewhere?

Mr. VITULLI. Over the front checkout by policy and procedure. The store is required to hang the sign in the proximity of the front checkout so every customer can see it. These signs, incidentally, are in both English and Spanish. In addition, our newspaper ads containing specially priced items frequently contain a statement of the raincheck policy, and I also have an example of such ads.

Here are samples.

To put it very briefly, gentlemen, there is absolutely no truth whatever to the allegation that A. & P. discriminates against the poor in any way. Quite the contrary, we are proud of our history of over 100 years of service to the American people of all income groups.

On behalf of A. & P., I want to express our appreciation for this opportunity to state the facts concerning A. & P.'s record on this important issue. Thank you.

Mr. ROSENTHAL. Thank you very much for what I consider a very useful and enlightening statement.

One thing I am interested in: Your managers are all on a straight-salary basis?

Mr. VITULLI. Yes.

Mr. ROSENTHAL. In other words there is no bonus or net profit arrangement whereby they could increase their income in any way based on the performance of the store?

Mr. VITULLI. None whatsoever.

Mr. ROSENTHAL. Does each store have a profitability or a net-profit picture or is there assigned to each store a profit they must turn in for their operation for a year?

Mr. VITULLI. No, sir.

Mr. ROSENTHAL. In other words there is no incentive arrangement under which a manager operates?

Mr. VITULLI. No, sir.

Mr. ROSENTHAL. Is that true throughout the industry?

Mr. VITULLI. It is unique to an A. & P.

Mr. ROSENTHAL. In other words, most other chain managers do have a bonus or other arrangement.