

Mr. ROSENTHAL. Two questions and we want to thank you gentlemen for spending so much time with us. Are all of your stores in, for example, Bedford-Stuyvesant, run at a profit?

Mr. VAN LENTEN. This I am not in a position to be able to say off-hand. I really don't know, exactly.

Mr. ROSENTHAL. If a store doesn't run at a profit, do you keep the operation going or do you close it down?

Mr. VAN LENTEN. This would be dependent on many conditions such as lease term, certainly. What you can do to make it profitable. Renovation is something. You have to upgrade——

Mr. ROSENTHAL. Mr. Van Lenten, we hear a lot of stories that in slum areas excessive pilferage is a problem that one has to accommodate to or make up for in prices. Do you find that a problem?

Mr. VAN LENTEN. Let me say this, Mr. Chairman. We find that we have—you can put the definition to it as you may think of it—as good, but we have good stores in all areas, we have problem stores in all areas, and a lot of it is dependent on the management within the store itself. You can have a good manager that can take a poor store in any area. We don't think of the poor area as a poor area as such. All stores get merchandise as they come up to be selected. They are all in the same price schedule. As far as we were talking about upgrading stores, we can't upgrade a store unless we certainly have enough protection, police protection and so forth, to protect the investment. This applies to all stores.

So we don't segregate—we do a very fine job on many items of our own line which we are very proud of in areas where we say we have working type people who shop for value. We are very proud of our A. & P. products as pointed up in the many "Who Cares" ads that we have.

Mr. ROSENTHAL. In other words, you don't feel that in stores located in ghetto areas, there are special things you have to take into account such as high insurance risk or other social phenomena?

Mr. VAN LENTEN. No. We can have a good store in say a poor area, as you mention, and we can have inventory problems in one of the wealthiest towns.

Mr. ROSENTHAL. Some sources say that it is a problem. You are not necessarily impressed by that?

Mr. VAN LENTEN. Not too.

VOICE. They are self-insured it should be noted, because of their resources.

Mr. ROSENTHAL. Someone from the audience volunteered you are self-insured. That doesn't make much difference to me, because it would be the same ratio of cost, regardless of whether you pay it to a private carrier or insure it yourself.

Mr. McINERNEY. May we have the gentleman identified for the record?

VOICE. Irving Stern, Greater New York Labor Food Council.

Mr. ROSENTHAL. Thank you very much.

The next witness will be Mr. Samuel Mandell, Key Foods. Mr. Mandell, thank you for appearing. You are the president of Key Foods.