

The rate of return in this community is closer to 6½ percent which is pretty much what the banks are paying, with far less risk than the average supermarket operator, regardless of type of ownership.

Mr. ROSENTHAL. Let me just put into the record then, the net profit after income as a percent of net worth, the latest figures the Food Commission had, which was 1964: for A. & P. it was 9 percent; Safeway was 14.7 percent; Kroger was 11.9; Acme was 8.4; Food Fair was 9.3; National Tea, 8.9; Winn-Dixie, 21.3; Jewel Tea, 12.1; First National 5.7; Grand Union, 10.7; Colonial Stores, 11.6; Allied 11; Stop and Shop, 13 percent; Mayfair Markets, 10.6; Red Owl, 19.3; Lucky Stores, 11 percent; Thrifty Mart, 16.8; Von's Grocery is missing; Bohack is 2.7. I guess that is why they're not doing so well. Giant Food is 10.3; Winegarten is 11.2; Thorofare Markets is 10.2; Daitch-Kris-Kaldairs, 10.4; Big Bear Stores, 14.9; Fisher Brothers is 2.5; Food Mart is 13 percent; March Food Line is 8.8—making a total weighted national average of 11 percent.

VOICE. You mentioned six chains that operate in the Metropolitan New York area—Grand Union, you referred to Bohack with 2.7, you referred to Daitch Shop Well with 10 point something. I can tell you a much more recent figure is closer to 6 percent. You mentioned First National with something resembling 3 percent. These are the figures for stores operating in this area. Safeway, Kroger, Winn-Dixie, Barnes, none of the others you mentioned, only six that you mentioned, operate in this marketplace.

The proof is there if you will bear with us and realize when you speak of rate of return on investment on a national scale, you are not referring to the marketplace we live and work in, and the figures are far less than the 10 percent you referred to. Much closer to 6 percent.

Mr. ROSENTHAL. Does any rate of return justify anyone charging more for the same item in a ghetto area?

Mr. HILDEBRANDT. Absolutely not. We heard the testimony delivered in rebuttal to a rather dubious suggestion that this is taking place on some systematic basis. Evidence is in to you of Waldbaum's and A. & P., which are both corporate-owned chains, of their prices, books available, of one price zone for Brooklyn. Everybody in the place is meant to charge the same price. Apparently, someplace along the line you give far too little weight to this wide area of human error.

It isn't only happening in the food industry, you have it in your own problems with your own people, anyplace in our world and society. We are having more difficulty getting good people.

Mr. Stern makes a sound, worthwhile contribution with his suggestion of what he is doing. We are working with the city, meeting with the commissioner of markets next Wednesday, to discuss exactly what you have talked about at great length today. How do we correct the human errors that occur in changing price specials?

Mr. ROSENTHAL. How would you address yourself to the question of human error in every case? One hundred percent of the human errors come down against the ghetto residents.

Mr. HILDEBRANDT. These are based solely upon singular reports, and I think you would agree with me this is not a reasonable way in which chain organizations or independent grocers must be placed on public trial to answer questions that were delivered to them in a vague telegram, delivered only 2 days ago, and then expect that they