

Mr. WHITE. I'm not aware that they had advance notice; however, it is considered to be one of the most authoritative today.

Mr. ROSENTHAL. I wasn't aware of it either until we had the head of the Bureau of Labor Statistics, Dr. Arthur Ross, testify to our committee and inadvertently it slipped out that they called the stores 2 and 3 weeks in advance and set up the date to come. This raised a serious question as to the efficiency of the study.

Let me ask you a few questions.

Do your managers work on a straight salary basis or is it a salary-and-bonus basis or is it some other arrangement?

Mr. WHITE. Our managers work on a salary-plus-a-bonus base.

Mr. ROSENTHAL. Could you tell us what that arrangement is?

Mr. WHITE. Yes. They have a salary, a base salary on an annual basis, so many dollars per year, then they are eligible to participate in a bonus earning up to one-third of their base salary.

Mr. ROSENTHAL. Is that common in the industry?

Mr. WHITE. It is common in Kroger and in many other food chains; yes.

Mr. ROSENTHAL. I know that Safeway does it in similar fashion. Their managers can earn up to 60 percent. A. & P., on the other hand, offers a straight salary with no bonus benefits so that if one were to analyze the difference between the operations, your managers and, for example, Safeway's managers, have a much stronger incentive basis for turning a profit in their store; in other words, it affects their actual annual income.

Mr. WHITE. They can increase their annual income by participating in the bonus; yes.

Mr. ROSENTHAL. Have any or all of the managers of your five stores surveyed here by HDC reached their maximum one-third bonus?

Mr. WHITE. No, sir; I do not know those figures today, no.

Mr. ROSENTHAL. Could you do this for us? We'll leave the record open—do you have anybody here who might?

Mr. WHITE. Not to my knowledge; no.

Mr. ROSENTHAL. We'll leave the record open and would you address a communication to the committee advising us, and refer back to the HDC study which I am sure you have a copy of, their stores are numbered for Kroger's one to five, and tell us which of these managers have reached their maximum bonus arrangement, or if any have reached any bonus?

Mr. WHITE. Any of the seven stores involved? What they list under No. 1 and 4, they have two stores each, so it is a total of seven.

Mr. ROSENTHAL. Fine.

(In a letter of December 19, 1967, Mr. White advised the subcommittee that none of the managers of the Kroger stores included in the HDC survey "earned their maximum bonus so far this year." No information was received relative to whether any bonus was received.)

Mr. ROSENTHAL. Somewhere in the statement you indicated that you do make checks on prices, and I know that all of your colleagues in the industry do that. How often does someone under your jurisdiction or your command make a check on prices in any of these stores?