

figure what the sales should be, what the operating costs should be of that store, and the total operating statement, and what in our judgment we should be doing as far as a profit result for that store is concerned. Then we attempt to establish what we call a bonus base for that store manager based on the relationship of the profit that he is expected to earn in that store or what we feel he should earn in that store; then he can earn up to one-third of his salary based on that at 10 percent of additional net profit over the bonus base.

Mr. MYERS. You said that store. Then each store is independent. One store is not in competition with other stores in the Greater St. Louis area?

Mr. WHITE. We like to think not. Actually there is cross shopping between Kroger stores.

Mr. MYERS. I mean the managers are not in competition, the best manager doesn't make the most, a store over here made \$10,000 and one made \$2,000, so each store is independent, on their own quota, so to speak?

Mr. WHITE. Right.

Mr. MYERS. Would it be possible for a store to operate in the red and the manager make a bonus?

Mr. WHITE. The one that to date that has not made any money, we still like to have some incentive for the store manager to improve the operation of that store, the new one I mentioned before, and thereby reducing his loss in the store, which is the reverse of making the profit, then he also would be eligible for a bonus.

Mr. MYERS. So he could do a good job and not necessarily make a profit—still make a bonus, though?

Mr. WHITE. That is correct.

Mr. MYERS. If I'm correct now, this Jefferson-Stoddard store is down in the so-called Pruitt-Igoe area?

Mr. WHITE. Yes, which is a housing—

Mr. MYERS. Is that the one right across the street from DeSoto Park?

Mr. WHITE. I could point the store out specifically on the map. I don't know if it is across the street from DeSoto Park or not. This [indicating] is it.

Mr. MYERS. Either I don't read a map—because within a mile and a quarter there are five other stores or six other stores, chainstores, from that store; is that correct? If this map is correct and I can measure.

Mr. WHITE. That map was prepared yesterday by our real estate department.

Mr. MYERS. I don't know what your clue is, but there are three red stores, two green stores, and one other blue store within a mile-and-a-quarter radius of this store.

Mr. WHITE. Red stores are A. & P., green stores are National, black stores are Bettendorf-Rapp stores.

Mr. MYERS. In this Jefferson-Stoddard store do you hire local people? Are your stock boys, are your checkout girls, are they local people or do you ship them in?

Mr. WHITE. Some of them are local people and again I don't know specifically each one. I do know that the head meatcutter has worked in that area for 15 years, not all of which was with the Kroger Co., but we hired him as an apprentice meatcutter, we trained him as an apprentice, made a journeyman meatcutter out of him in that store and then appointed him head meatcutter.