

Mr. O'NEAL. He better not forget very long.

Mr. ROSENTHAL. But that is a built-in possibility; isn't it?

Mr. O'NEAL. The same possibility exists in anything.

Mr. ROSENTHAL. Is there anything you can do to change this system to prevent that from happening? You are depending too much on human possibilities here. He can cheat the customer and improve his own income by doing it.

Mr. O'NEAL. I don't think so. I don't think he'll improve his own income. I just don't believe so, because our—maybe I didn't say—our bonus plan is not quite like that. The 10-percent bonus that the manager earns is based on sales and profits.

Mr. ROSENTHAL. He also increases his gross sales if he sells it at 43 instead of 39?

Mr. O'NEAL. It won't work that way. This is like, say that if Chevrolet raises the price of Chevrolet \$500 per car, they are going to make more money. Well, they would if they could sell as many Chevrolets, but they won't sell as many.

Mr. ROSENTHAL. When a lady comes in to buy Crisco or flour, and if she needs it, she is going to buy it from National whether it is 39 or 43 and she is not going to walk three blocks away to find out if they are selling it for 39 or 43?

Mr. O'NEAL. Mr. Chairman, I spent 30 years in this business. When I was a store manager, and it is no different today, the phone rings off the hook whenever we have a price that's too high, and our manager says, "Joe down the street or somebody has lowered the price of this or something, or he's got a circular out, what are you going to do for me, how am I going to protect my business?" Sales is the only way you make money in the food business. You don't make money by trying to take excessive markup.

Mr. ROSENTHAL. What do you do when you have an advertisement with a lot of items on special and if the store runs out of an item, what happens?

Mr. O'NEAL. We sell a comparable item.

Mr. ROSENTHAL. Can the customer get a raincheck on that item?

Mr. O'NEAL. We don't use the raincheck policy and I have a specific reason for it. We have experimented a little bit with raincheck policy. I did several years ago, and maybe my experience is bad, maybe I didn't get—maybe I didn't make it work right or something, but what happened, it became a built-in crutch for the store manager, and I'm not throwing rocks at anybody that uses a raincheck policy, but it became a built-in crutch for a manager to not order enough of an advertised item, because then he could hand out rainchecks.

Mr. ROSENTHAL. Well, that would be a pain in the neck to him to do that.

Mr. O'NEAL. It is not hard to do.

Mr. ROSENTHAL. But the lady comes in and wants Wesson oil.

Mr. O'NEAL. How many rainchecks do you think you get back the next week?

Mr. ROSENTHAL. I have no idea.

Mr. O'NEAL. We didn't get too many of them back.

Mr. ROSENTHAL. If a lady comes in and wants Wesson oil, you have a big special, you run out of it—

Mr. O'NEAL. We sell Mazola oil, a comparable item.