

Special Report:

Detroit Kresge's Folds, Chain Reaction to Come

Oct. 5 — The national management of Kresge's Corp. has closed the "7-mile Road" Kresgestore in Detroit. The first crack in the façade of financial solvency put forth for the edification of Kresge K-Mart stockholders is just the beginning of a chain reaction bankruptcy. High level sources report that at least two other stores are slated for permanent shut-down, including Baltimore's Northeast Kresge store. All the stores, in areas of high USLP penetration, have been pushed over the edge of the general retail collapse by the U.S. Labor Party's strike against Kresges.

When the USLP began the strike action against Kresge K-Mart harassment of Labor Party electoral campaign organizers the demand was "End the CREEP harassment or face bankruptcy." Since the end of July, the strike has cut sales at the high turnover retail chain by an estimated \$3 million per week. At the 43 targeted stores, commission salaries for store managers — based on store profits — have been slashed from \$25-30 thousand to \$10-15 thousand per year.

The Kresge CREEP management, however, has refused to end its harassment. Instead, store managers have deployed goons to attack the Labor Party picket line, cut prices by 75 per cent to attract shoppers, and have submitted in the last two weeks, a fraudulent financial report to a Wall Street firm which claimed that sales were up by 20 per cent.

Illegal Support

What is keeping Kresge and Co. momentarily afloat are a series of questionable financial transactions between the Kresge Foundation and the company. Money is funneled out of Kresge K-Mart into the Foundation through the Foundation's illegal purchase of the bulk of Kresge stock. The Foundation, the major stockholder in Kresge's and Ford Motor Co., then jacks up the dividends.

This financial ruse, however, is short-lived. Although the stores targeted for shut-down are not the stores targeted by the USLP strike, it will not be long before the effects of plummeting sales at these 43 stores will have its effect.

According to Robert H. Anderson, president of the bankrupt W.T. Grant Co., "When you have 1,000 stores and you are in the dire situation we have been in of fighting for you corporate life, missing your sales goals makes your losses multiply quickly."

Shut Down Kresge Drug-Running

The imminent bankruptcy of the Kresge K-Mart retail chain should close down Rockefeller's drug-pushing operation — the Kresge Foundation. The Kresge Foundation, according to the Commuter Digest, a local Wilmington paper reporting on the USLP strike against Kresge, "is a heavy sponsor of methadone programs."

In 1975 alone, the Kresge Foundation gave \$45,000 to the Northeast Guidance Center in Detroit, a methadone maintenance center; \$60,000 to Project Headline, an umbrella organization funding methadone maintenance, withdrawal and detoxification centers; and \$25,000 to the Detroit Transit Alternative, a one-year program for runaways offering Transactional Analysis and classes in "Radical Political Theory."

Further, Kresge stores are major contact points for large heroin transactions. A Sept. 17 drug bust in the parking lot of Detroit's Farmington K-Mart netted three arrests and \$4 million in heroin.

Desperate Harassment

The USLP exposure of the Kresge pushers has evoked a desperate response from the CREEPs who have upped their harassment of Labor Party campaign organizers.

With a false arrest suit already pending for hearing next week, Officer in Chicago and Roseland K-Mart security guard Caputo arrested six Labor Party picketers yesterday.

Friday, USLP candidate for Congress Phil Valenti was arrested for disorderly conduct by the Wilmington, Del. Kresge store manager, Mr. Rigley. Police at the precinct house declared, "You must be really hurting those guys. Those charges are ridiculous." Valenti was released on his own recognizance after two radio stations broadcast the arrests.