

CHASE & CO.

SANFORD, FLORIDA

November 9, 1935.

Mr. S. O. Chase
Mr. J. C. Chase
Mr. S. O. Chase, Jr.
Mr. W. A. Leffler.

Gentlemen:

Last night W. C. Hutchison and I attended a citrus meeting in Lakeland. H. C. Case of Fort Myers presided at the meeting. The purpose was the consideration of recommendations by a committee on the Federal Marketing Agreement. Askew, Chairman of the Committee, made the report that the committee recommended that we drop any further consideration of a Federal Marketing Agreement, and immediately take up the question with the Florida Citrus Commission, with a view of arranging to pro rate citrus shipments. There was considerable discussion of a sort of desultory nature. Every one seemed to agree that a Federal Marketing Agreement was out of the question, but just how to approach the matter of control here seemed a little difficult. A motion was finally made by Andrew Spada to the effect that the Associated Growers favor pro-rating, and are willing to pro-rate amongst themselves, and a committee be appointed to invite the Florida Citrus Exchange, American Fruit Growers, Gentile, and others to join in such an arrangement. The legal question should be watched carefully. It will have to be in some organization under the Capper Volstead Act, which provides for grower control, otherwise we would be in trouble under the Sherman Anti-Trust Law. Judge Holland pointed out that phase of the situation, and stated that the American Fruit Growers had been indicted in California with some others account of a gentleman's agreement to reduce shipments of melons. No mention of price was made in connection with the melon movement, but Holland said that time and time again the courts had ruled that where shipments of supplies were restricted which effected prices that it was a violation of the anti-trust law. This is something that will have to be watched carefully in the celery situation in event we do not have a Federal Marketing Agreement. There should be some grower controlled organization that would provide the medium for the allotment or regulation of shipments.

It might be that the AAA has something to do with prosecuting shippers who are working under some gentlemen's agreement, rather than surrendering all their rights and working under the AAA. This would be all the more reason why we should watch carefully in the celery deal, in view of the fact that we have turned down the AAA machinery, if we substitute something ourselves.

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Kirkland reported that he was going to Washington to confer with Doctor Campbell and Secretary Wallace on the matter of color-added. The meeting passed a resolution authorizing Kirkland to make such assurances to the Federal Government as in his judgment were necessary in order that the industry may continue to use color-added. Kirkland explained the rather strict color shades that were being required by the Commission. Each inspector is furnished with a metal plaque with colors, to which the fruit must conform. The idea was expressed that if Florida had to eliminate color-added it would reduce the average price of Florida oranges in the markets from 50 to 75 cents per box.

Mouser next took up the auction question. He explained at some length, in detail, in his usual manner how Mr. Schwalb, of the Di Giorgio auction, just happened to be in the state, and he called a meeting to consider:

- (1) Requesting all New York receivers to pro-rate supplies.
- (2) To have Florida offerings sold in only two rooms.
- (3) For the Florida shippers to request the unit of sale in New York City to be increased to 40, from the present unit of 20.

I told him I was heartily in accord with the first two propositions, but the third, of increasing the unit of sale, should be omitted. Mouser was very insistent that the resolutions not be changed, and it rather looked as if he had been asked, or requested to present them in such a form. The only other shipper present who opposed the increased unit was Andrew Spada. He made some very pertinent statements, and asked whether Brown & Seccomb had been consulted. Several remarks were made, mostly by Mouser, which indicated that Schwalb had made some uncomplimentary remarks about Brown & Seccomb. It was even stated that Brown & Seccomb had not lived up to their agreement, and that most of the buyers wanted the 40 unit plan, but that a few, 3 or 4%, of the buying power wanted the 20 unit and this 3 or 4% depressed the market, really should not be in business at all, and that by increasing the unit of sale the prices would be raised at least 10%, maybe more. I told Mr. Mouser that I could not follow the reasoning of his statements, that all commodities were being sold in smaller units, that it was the general trend of the times, and I could not understand how it would increase prices for the citrus industry to adopt the opposite policy. When a vote was taken I requested that I be recorded as not voting. Waverly did the same thing. I am not sure whether Spada did the same thing or not, but there were no opposing votes. Mouser was smooth

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enough to include the two desirable features with the one to increase the unit of sale, and would not handle them separately.

I asked that we go on record as favoring selling first, or before California, during the season when we are heaviest. Mouser replied that that would be to the disadvantage of Florida, as it would split the buying power, and it was much best to let California sell first when they had to compete with deciduous fruits, and after the California sale Florida would receive the full strength of the market. That reasoning also seemed a little unusual.

For Mouser

Yours very truly,

*Instead of Florida
selling in 4 rooms
as he said to Ford
who was about
7th Calif saw
them in different
rooms -
or Orange Room
or App.*

RC:HMR.