

**CHASE & CO.**

SANFORD, FLORIDA

December 28, 1936.

Mr. S. O. Chase  
Mr. J. C. Chase  
Mr. S. O. Chase Jr.

Gentlemen:

Saturday, at the telegraphic request of Mr. C. H. Walker, I attended a meeting at the Lakeland Terrace of several growers and shippers interested in the grapefruit situation. Among those present were:

H. C. Babcock  
John Snively  
L. Maxcy  
Fred Davis  
Gunn, or the Lake Wales Assn.  
Fowler  
Vet. Brown  
Pringle, of Leesburg  
Fender, of the A.F.G.  
A representative of W. J. Howey, whose name I do not recall.  
Mossberger of the State Chamber of Commerce.  
Gnunne, also of the State Chamber of Commerce and Marketing Bureau.

As might be expected, Snively dominated the talk with a lot of his school boy ideas. We convened shortly after ten o'clock, and a little after twelve adjourned with the following plan to be put into effect.

A Committee, consisting of John Rust, C. H. Walker and A. M. Pratt are to contact the chain buyers to ascertain how many cars of grapefruit for each prorated period they estimate they could use. These three men would then add to it the estimated amount sold thru other sources. The Control Committee will be requested to prorate the total amount of grapefruit estimated to be used. The chains expect to put on an advertising campaign, starting January 12, and want to be sure they can get supplies after they are advertised. The chains feel it would be a mistake to put the price up too high, but feel they could get from 20 cents to 45 cents a box more than is now being paid without curtailing the consumption.

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The chains are now operating approximately 53,000 stores. When they start the grapefruit advertising campaign they advise they are willing to handle grapefruit on the basis of 15%.

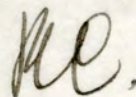
At first there was a good deal of criticism in the direction of the present Control Committee, but before adjourning every one felt that the Control Committee had a terrifically difficult job, nobody wanted to trade places with them, and they concurred that the present Control Committee was as good machinery to work with for a plan of control and merchandising as could be had.

Confidentially, I saw Mr. Kirkland and Mr. John Clark for a few minutes after the grapefruit meeting adjourned. They advise they fear that injunction proceedings may be filed at any time by some of the smaller disgruntled shippers, because they cannot get prorates enough to operate their houses as fast as they would like. If an injunction is filed they hope to get it thru the courts in about two weeks.

Apparently the A.A.A. officials in Washington are backing up the present Control Committee, and the A.A.A. will handle the matter of prosecution on matters of over-shipments, and any other flagrant violation of regulations.

In talking with Maxcy about the present prices on canned grapefruit he gave me the impression that an attempt is being made by some operators to stifle or smother out some smaller canneries which are attempting to start in business. The larger canners feel if they will sell cheap enough for a long enough period it will discourage or break some of the smaller operators. In the meantime the grower is paying the bill.

Yours very truly,



RC:HMR.