



# To Mr. Will Henry, Boss of the Milk Business

Everyone knows you are boss of the milk business, Mr. Henry.

You and your distributor-dominated committee are carrying on a desperate campaign to prevent reform of your milk control law.

This committee is composed of representatives of these Portland companies: Damascus Milk Co. (wholly owned subsidiary of Carnation Milk Co.); Fairview Farms; Sunshine Dairy; Dairy Co-operative Association.

To perpetuate your legalized monopoly and guaranteed profits your propaganda agents led by Mr. Stanley Church have created a variety of bogymen with which they hope to frighten Oregon citizens.

Instead of discussing the issue of milk control on its merits you hope to fool the people with clever cartoons of an imaginary devil labeled "chain grocery store." With this strawman you say sly, tricky things which you could not say openly because you would be sued for libel.

For years Safeway has tried to give its customers richer milk at lower prices. Long ago we publicly announced our support of the milk reform bill which will be on the November ballot. Therefore, thousands of Oregonians identify Safeway with your "chain grocery store" strawman. And with the misleading and untrue things which your agents put in his mouth.

Safeway people are indignant. We realize that the moral standards of political campaigns are often low. But there is a limit. We must recognize some responsibility for acting in the public interest. Especially on a complicated economic issue such as milk.

We intend to protect our reputation and to keep the record straight.

Safeway sells food at fair prices. They are lower because we and other efficient merchants pass on to consumers legitimate savings from better distribution methods.

Safeway buys foods at fair prices. We buy millions of dollars worth of farm products—fruits, vegetables, meats, nuts and dairy products. We need a steady supply of high quality farm products. Thousands of farmers—including cooperatives—like to sell to Safeway. We offer them a steady market and our buying policies are fair. Which is just good business.

Over one third of the sales of our stores are made to farmer customers. Prosperous farmers mean more business for us. For Safeway to do anything which would hurt farmers would be just as silly as biting the hand that feeds us.

Safeway—and its Lucerne Milk Company—is in the milk business in many states. Based upon our intimate knowledge of milk conditions in those states we are certain that passage of the milk reform bill in Oregon will be good for dairymen and consumers alike.

But we don't expect anyone to take our word for that statement. We asked milk cooperatives to write a letter about conditions in their states for publication in Oregon.

They are located in every section of the country

In none of the states is there any arbitrary fixing of wholesale and retail prices.

Nor any restrictions on the freedom of a man to go into the dairy business.

In some of the states the producer price is set by a federal marketing order.

Except for minor details the conditions are the same as they will be in Oregon if the milk reform bill is passed by a vote of 332 Yes.

These cooperatives represent 31,588 dairymen members. They say that:

Safeway pays producers more.

Safeway sells milk at fair prices—does NOT use it as loss leader.

Safeway is a constructive force in the milk business.

Could it be that you are out of step, Mr. Henry?

*George M. Mangon*  
Division Manager, Safeway Stores, Inc.

1189 E. 3rd Ave., Portland, Oregon.

## SAFEGWAY

Here's the record, Mr. Henry:

*Denver Milk Producers, Inc.*  
CO-OPERATIVE  
945 - 112 STREET  
Denver 4, Colorado

PHONE TABOR 0167

October 10, 1952

Ernest Gallo  
Lucerne Milk Co.  
Safeway Stores, Inc.  
190 W. Nevada Place  
Denver, Colo.

Dear Mr. Gallo:

During the past six years your operation of Lucerne Milk Co. as a part of Safeway stores has received its milk supply through our organization, THE DENVER MILK PRODUCERS, INC.

During that time Lucerne has paid the prices as set by this organization without arguments. We have valued our relationships and sale of milk to you as a constructive customer in the Denver milk market.

In our marketing area, from which we draw milk and serve your raw milk needs, there is no State, Federal or Municipal fixing of prices at the retail or wholesale level.

As the retail price and handling of milk is important to the total movement of milk we have watched Safeway stores and have observed that Safeway has not used milk as a loss leader and have not to our knowledge used any practice detrimental to the milk industry.

Further more we have found Lucerne and Safeway to be extremely helpful and constructive in our problems ranging from supply to health matters.

We appreciate your operations in Denver area as being a constructive force in the marketing of milk.

Yours very truly,

DENVER MILK PRODUCERS, INC.

*Walter C. Moore*  
Walter C. Moore, Manager.

WCM/jfs



**NORTH TEXAS**  
Producers Association

PRODUCING QUALITY MILK FOR THE GREAT SOUTHWEST

J. O. WOODMAN  
MANAGER

October 13, 1952

TELEPHONE 488-2844  
P. O. BOX 11  
ARLINGTON, TEXAS

Safeway Stores, Inc.  
Oakland,  
California

Gentlemen:

Since the opening of the Lucerne Creamery in Forth Worth the early part of this year the major portion of the milk sold through this plant was purchased from members of the North Texas Producers Association.

Our relationship with the Lucerne Creamery has been most pleasant and satisfactory. Consistently higher prices have been paid producers selling to Lucerne than have been paid producers marketing their milk to other handlers in this market.

There is no State, City or Federal regulation which fixes the wholesale or retail prices in this area. We have a Federal Milk Order in the market which requires that a minimum price be paid all producers for milk. Lucerne has consistently paid a premium above this minimum Order price.

While we are primarily a bargaining Association for our members and do not concern ourselves too much with retail prices, we do not think that the Lucerne plant here has used milk as a "loss-leader" or to take unfair advantage of other handlers. We feel that the Safeway Stores have increased Class I sales, which benefits all producers in the market.

Recently the Association found it necessary to negotiate with handlers for an increase in producer-milk prices, due to the effects of a prolonged drought period in Texas. The Lucerne plant was the only one in the market that agreed to the full amount of our proposal and paid it.

We have found that the Lucerne policy is to pay as much or more for his milk than will other handlers, and to sell the processed product to the public at a fair price.

Very truly yours,

*J. O. Woodman*  
J. O. Woodman

JOW:jw