

Do You Want Your A&P Put Out Of Business?

Last Thursday in New York, the anti-trust lawyers from Washington filed a suit to put A&P out of business.

They asked the court to order us to get rid of most of our stores and also the manufacturing facilities which supply you with A&P coffee, Ann Page products, Jane Parker baked goods, and other quality items we produce.

This would mean higher food prices for you. It would mean less food on every dinner table and fewer dollars in every pay envelope.

It would mean the end of A&P as you know it.

This poses a basic question for the American people: Do they want to continue to enjoy lower prices and better living? Or do they want to break up A&P and pay higher prices, and have lower living standards?

What do you want?

Why Destroy A&P?

This suit was brought under the anti-trust laws. These are good laws. They were passed about fifty years ago to prevent any company, or any group of companies, from getting a monopoly in a field and then raising prices to the public.

A&P has never done any of these things.

Nobody has ever shown that we have anything even approaching a monopoly of the food business anywhere. As every housewife knows, the retail grocery business is the most competitive in the country and we do only a small part of it.

Nobody has ever said we charged too high prices — just the opposite. This whole attack rises out of the fact that we sell good food too cheap. We would not have had any of this trouble if, instead of lowering prices, we had raised them and pocketed the difference.

Nobody has ever said that our profit rate was too high. During the past five years our net profit, after taxes, has averaged about 1 1/4% on every dollar of sales, which is less than almost any other business you can think of.

The American people have shown that they like our low-price policy by coming to our stores to do their shopping. If A&P is big, it is because the American people, by their patronage, have made it big.

Obviously, it is the theory of the anti-trust lawyers that the people have no right to patronize a company, if their patronage will make that company grow; and that any big business must be destroyed simply because it is big, and even if the public gets hurt in the process.

Do You Want Higher Prices?

There is much more involved in this case than the future of A&P. The entire American system of efficient, low-cost, low-profit distribution which we pioneered, will face destruction and the public will suffer.

A&P was the first chain store in this country. For more than ninety years we have tried to build a sound business on the simple formula the founder gave us: "Give the people the most good food you can for their money." Year after year we have tried to do a better job, make our business more efficient, and pass the savings on to the consumer in the form of lower prices.

Our efforts along these lines have led other grocers to keep their costs and profits down.

In the old days before A&P, food that cost the grocer 50¢, often sold as high as \$1.00 at retail.

Today, food that costs the grocer 50¢ generally sells to the public at less than 60¢.

The methods we pioneered have been adopted not only by other grocers, but by merchants in other lines. There are today literally hundreds of chain stores, voluntary groups and individual merchants operating with the same methods and in the same pattern here under attack.

If the anti-trust lawyers succeed in destroying A&P, the way will be clear for the destruction of every other efficient large-scale distributor.

Who Will Be Hurt?

There has never been any question in our mind that it is good business and good citizenship to sell good food as cheaply as possible. As Fortune Magazine said about A&P some time ago, "It is firmly attached to the one great principle — the selling of more for less — that has made the desert bloom and the nation wax great."

We sincerely believe that we have helped the American people eat better and live better.

We believe that the hundreds of thousands of farmers and manufacturers who have voluntarily sought our business have profited by our fast, low-cost distribution of their products.

We know that our 110,000 loyal employees enjoy today, as they always have, the highest wages, shortest hours and best working conditions generally prevailing in the retail food industry; and that these men and women have found in A&P good opportunities for security and progress.

We know that thousands of businessmen — the landlords who rent us our stores, the haulers who operate our trucks, the people who supply us with goods and services — have a big stake in our operations.

Obviously, all these people will suffer if this company is put out of business.

What Shall We Do?

We admit that the interests of the owners of A&P are of little importance.

Frankly, they could make an enormous amount of money by breaking up A&P, as the anti-trust lawyers wish, and selling off the parts.

But is this what the American people want? Do they agree with the anti-trust lawyers that our food prices are too low, and that we should be put out of the picture so other grocers can charge more?

Frankly, if this were the case, we would not want to continue in business.

But we seriously doubt that this is the case. Twelve years ago, an effort was made to tax this company and other chain stores out of business. The public rallied to our support. They said they liked our quality foods and our low prices. As a result of their opposition, the tax was defeated.

Now we are faced with this new attack through the courts. We are faced with the heavy costs and all the trouble that lawsuits involve.

But we believe this attack is a threat to millions of consumers who rely on us for quality foods at low prices; to farmers who rely on us for fast, low-cost distribution of their products; and to our loyal employees.

We feel that it is our responsibility to all these people to defend, by every legitimate means, this company and the low-price policy on which it was built.

THE GREAT ATLANTIC &



PACIFIC TEA COMPANY