

Complaint.

FEDERAL TRADE COMMISSION

v.

WHOLESALE GROCERS ASSOCIATION OF EL PASO,
TEX., ET AL.

COMPLAINT IN THE MATTER OF THE ALLEGED VIOLATION OF SECTION 5 OF
AN ACT OF CONGRESS APPROVED SEPTEMBER 26, 1914.

Docket 501—November 9, 1920.

SYLLABUS.

Where certain brokers, induced by the coercion, intimidation and threats of boycott of certain jobbers, who had secretly agreed that a competitor which dealt in groceries at retail as well as wholesale, and which had been purchasing supplies from manufacturers at regular jobbers' prices, was not entitled and should not be permitted to continue purchasing from such and other necessary wholesale sources of supply, agreed and conspired among themselves and with said jobbers, and did

- (a) Refuse to sell to it upon the usual jobbing terms and prices;
- (b) Recommend, justify, and urge the same course upon their principals;
- (c) Compel it to purchase from and through said competing jobbers at prices exceeding regular jobbers' prices;

All with the intent and effect of suppressing and preventing its competition as a jobber and causing it to lose a large volume of business:

Held, That such acts and practices of said jobbers and brokers, substantially as described, and each and all of them, constituted unfair methods of competition.

COMPLAINT.

The Federal Trade Commission, having reason to believe from a preliminary investigation made by it, that the Wholesale Grocery Association of El Paso, Tex., F. S. Ainsa Co. (Inc.), M. Ainsa & Sons (Inc.), American Grocery Co. (Inc.), Bray & Co. (Inc.), the James A. Dick Co., the H. Lesinsky Co., Trueba-Zozaya-Seggerman (Inc.), Western Grocery Co. (Inc.), Dan T. White, and John H. Grant, doing business under the name of White-Grant Co., J. W. Lorentzen, doing business under the name of J. W. Lorentzen & Co., W. H. Constable Co. (Inc.), H. W. Taylor and H. C. Smith, doing business under the name of Taylor & Smith, John H. McMahon, doing business under the name of John McMahon & Co., W. T. Bush and the George H. Griggs Co. (Inc.), hereinafter referred to as the respondents, have been and are violating the provisions of section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and

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duties and for other purposes," and it appearing that a proceeding by it in respect thereof would be to the interest of the public, issues this complaint, stating its charges in that respect on information and belief as follows:

PARAGRAPH 1. That the Standard Grocery Co. is a corporation having its principal place of business at El Paso, in the State of Texas, and also having a place of business at Deming in the State of New Mexico; and is engaged in the business of buying and selling in wholesale quantities, and in the usual course of wholesale trade, groceries and food products such as are bought and sold generally by persons, firms and corporations engaged in the business generally known as that of a wholesale grocer; that in the course of its said business the Standard Grocery Co. purchases commodities dealt in by it in the various States and Territories of the United States, and transports the same through other States and Territories, to the city of El Paso, in the State of Texas, where such commodities are resold and there is continuously and has been at all times herein mentioned, a constant current of trade and commerce in commodities so purchased by the said Standard Grocery Co., between and among the various States and Territories of the United States. That the said Standard Grocery Co. is in active competition with the respondents named in paragraph 3 hereof.

PAR. 2. That the respondent, Wholesale Grocers' Association of El Paso, Tex., is an unincorporated, voluntary association organized by the respondents enumerated in paragraph 3 hereof and of which all of the respondents enumerated in paragraph 3, are members.

PAR. 3. That the respondents, F. S. Ainsa Co. (Inc.), M. Ainsa & Sons (Inc.), American Grocery Co., Bray & Co. (Inc.), the James A. Dick Co, the H. Lesinsky Co., Trueba-Zozaya-Seggerman (Inc.), and the Western Grocery Co. (Inc), are all corporations organized and existing under the laws of the State of Texas, having their principal offices and places of business at El Paso, in said State, and are engaged in the business known generally as that of wholesale grocers; that said respondents, with purpose, intent, and effect of stifling and suppressing competition in the sale of grocery products at wholesale, have agreed, combined, and conspired together and with the respondents named in paragraphs two and four hereof and with others to prevent the said Standard Grocery Co. from obtaining commodities dealt in by it from manufacturers and manufacturers' agents, and other usual sources from which a wholesale dealer in groceries must obtain the commodities dealt in by him, and have by boycott and threats of boycott, in many instances, induced manufacturers of grocery products, and the agents of such manufacturers, to refuse to

sell their products to the said Standard Grocery Co. and have threatened to withdraw their patronage from any and all manufacturers and manufacturers' agents who sell to the said Standard Grocery Co. upon the same terms and conditions usually accorded to buyers and sellers of such commodities in wholesale quantity in said district or who sell to said Standard Grocery Co. at the prices regularly charged to dealers in such commodities in said district who buy and sell in wholesale quantities; that all of the above-named respondents are members of the respondent Wholesale Grocers Association of El Paso, Tex.

PAR. 4. That the respondents, Dan T. White and John H. Grant, doing business under the name of White-Grant Co.; J. W. Lorentzen, doing business under the name of J. W. Lorentzen & Co.; W. H. Constable Co. (Inc.); H. W. Taylor and H. C. Smith, doing business under the name of Taylor & Smith; John H. McMahon, doing business under the name of John McMahon & Co.; W. T. Bush; and the George H. Briggs Co., are engaged in the business at El Paso, Tex., of selling the products of various manufacturers of groceries and food products, which said manufacturers supply the wholesale grocery trade in and about El Paso, Tex., and adjacent territory; that the said respondents, with the purpose, intent, and effect of stifling and suppressing competition in the sale of grocery products at wholesale, have agreed, combined, and conspired together and with the respondents named in paragraphs two and three hereof and with others to prevent the said Standard Grocery Co. from obtaining the commodities dealt in by it from manufacturers and manufacturers' agents, and other usual sources from which a wholesale dealer in groceries must obtain the commodities dealt in by him and to prevent manufacturers and manufacturers' agents from selling to said Standard Grocery Co. upon the same terms and conditions usually accorded to buyers and sellers of such commodities in wholesale quantity in said district, or from selling to said Standard Grocery Co. at the prices regularly charged to dealers in such commodities in said district who buy and sell in wholesale quantities; that the respondents named in this paragraph have permitted the respondents named in paragraph three hereof to persuade, induce, and compel them by boycott and threats of boycott to refuse to sell the products manufactured by their respective principals to the said Standard Grocery Co., and to refuse to sell to said Standard Grocery Co. upon the same terms and conditions usually accorded to buyers and sellers of such commodities in wholesale quantity in said district; or to sell to said Standard Grocery Co. at the prices regularly charged to dealers in such commodities in said district who buy and sell in wholesale quantities.

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PAR. 5. That each of the respondents mentioned herein has been for a period of two years last past and is now wrongfully and unlawfully hampering and obstructing and attempting to hamper and obstruct the said Standard Grocery Co., by inducing and compelling and attempting to induce and compel manufacturers of grocery products and their agents to refuse to sell to said Standard Grocery Co., in interstate commerce, upon the terms and conditions and at the prices usually accorded to dealers in said district who buy and sell in wholesale quantities, and have attempted to compel said Standard Grocery Co. to pay for the commodities purchased by it prices higher than those charged to other dealers in said district who buy and sell in wholesale quantities.

REPORT, FINDINGS AS TO THE FACTS, AND ORDER.

Pursuant to the provisions of an act of Congress approved September 26, 1914, the Federal Trade Commission issued and served a complaint upon the respondents, Wholesale Grocers Association of El Paso, Tex.; the F. S. Ainsa Co. (Inc.); M. Ainsa & Sons (Inc.); American Grocery Co. (Inc.); Bray & Co. (Inc.); the James A. Dick Co.; the H. Lesinsky Co.; Trueba-Zozaya-Seggerman (Inc.); Western Grocery Co. (Inc.); Dan T. White and John H. Grant, doing business under the name of White-Grant Co.; J. W. Lorentzen, doing business under the name of J. W. Lorentzen & Co.; W. H. Constable Co. (Inc.); H. W. Taylor and H. C. Smith, doing business under the name of Taylor & Smith; John H. McMahon, doing business under the name of John McMahon & Co.; W. T. Bush; and Sims, Robert & Co. (Inc.), successors to the George H. Griggs Co., charging them with the use of unfair methods of competition in commerce in violation of the provisions of the said act.

The respondents having entered their appearances by their respective attorneys, and filed their answers herein, hearings were had and evidence was thereupon introduced in support of the allegations of the said complaint and on behalf of some of the respondents before an examiner of the Federal Trade Commission, theretofore duly appointed.

And thereupon this proceeding came on for final hearing, and the Commission, having heard argument of counsel and duly considered the record and being now fully advised in the premises, makes this its findings as to the facts and conclusions:

FINDINGS AS TO THE FACTS.

PARAGRAPH 1. That each of the respondents, the F. S. Ainsa Co., (Inc.), M. Ainsa & Sons (Inc.), American Grocery Co. (Inc.), Bray & Co. (Inc.), James A. Dick Co., the Lesinsky Co., Trueba-Zozaya-Seggerman (Inc.), and Western Grocery Co. (Inc.), is a corporation organized and existing under the laws of the State of Texas with its principal office in the city of El Paso, Tex., and is engaged in the business of buying and selling in and among the several States of the United States, in wholesale quantities, groceries and kindred products. These respondents are hereinafter called "Respondent jobbers."

PAR. 2. Each of the respondents, Daniel T. White and John H. Grant, doing business under the name of White-Grant Co.; J. W. Lorentzen, doing business under the name of J. W. Lorentzen & Co.; H. W. Taylor and H. C. Smith, doing business under the name of Taylor & Smith; John H. McMahon, doing business under the name of John H. McMahon & Co.; and W. T. Bush is a resident of the city of El Paso, Tex., and the respondent, W. H. Constable Co. (Inc.) is a corporation organized under the laws of Texas, with its principal office in said city of El Paso, and all of the respondents in this paragraph named were and are engaged in the brokerage business of selling the products of divers manufacturers of groceries and food products, manufactured in various States of the United States, which said manufacturers sell and ship to the wholesale grocery trade in El Paso, Tex., and adjacent territory.

PAR. 3. Pursuant to an amendment of the corporate charter of the respondent the George H. Griggs Co., Sims, Robert & Co. (Inc.) is its legal successor, and is a corporation organized and existing under the laws of the State of New Mexico, with its principal office in the city of Albuquerque, in said State, and at the time of the occurrences herein set forth maintained a branch office in the city of El Paso, where it was engaged in the brokerage business of selling the products of various manufacturers of groceries and kindred products manufactured in divers States of the United States, which said manufacturers sell and ship to the wholesale grocery trade in El Paso, Tex., and adjacent territory. This respondent and the respondents named in paragraph 2 hereof are hereinafter called "Respondent brokers."

PAR. 4. The Standard Grocery Co. is a corporation that was organized in January, 1916, under the laws of the State of Texas, with a fully paid capital stock of \$50,000, with its principal office in the city of El Paso, and from said date to October 31, 1919, was engaged

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in the business of buying and selling in and among the States of Texas, New Mexico, and Arizona, and the Republic of Mexico, in wholesale quantities, groceries and kindred food products, and was a competitor of the F. S. Ainsa Co. (Inc.), Bray & Co. (Inc.), the James A. Dick Co., the H. Lesinsky Co., Trueba-Zozaya-Seggerman (Inc.), and Western Grocery Co. (Inc.), in the business of buying and selling in wholesale quantities, in the usual course of wholesale trade, groceries and food products. Said Standard Grocery Co. also owned and operated during said period and now owns and conducts six retail grocery stores in El Paso, Tex., and in a separate department of the largest of these stores, commonly known as No. 1, conducted its wholesale grocery business with storage or warehouse facilities therefor in the basement thereof and in the basements beneath several other stores, and in store No. 1 carried a stock of goods in original packages valued at \$60,000. After filing its corporate charter with the Secretary of State for New Mexico and applying for a permit to do business in that State, thereafter duly issued, and on or about September 4, 1917, said corporation opened a branch house at Deming, N. Mex. It at once there engaged exclusively in the business of buying and selling throughout the several States of the United States in wholesale quantities groceries, produce, and other food products, and so continued until on or about January 13, 1919. At or about the time the Standard Grocery Co. opened its Deming branch the respondents, American Grocery Co., James A. Dick Co., and Bray & Co., also opened branch houses at Deming, N. Mex. In the conduct of its business at Deming, N. Mex., said Standard Grocery Co. and all respondent jobbers and other concerns similarly engaged were competitors.

PAR. 5. A large number of manufacturers other than those represented by the respondent brokers sold, and until October 31, 1919, continued to sell, directly to the Standard Grocery Co., the goods and commodities manufactured by them, respectively, at the prices regularly charged to the competitors of said company and others engaged in similar business.

PAR. 5a. On or about October 31, 1919, the Tri-State Grocery Co. was incorporated under the laws of Texas by the majority stockholders of the Standard Grocery Co., and thereupon the latter company sold and transferred to the former company its wholesale grocery business, and thereafter the Standard Grocery Co. owned and operated and now owns and operates the several retail stores at El Paso, Tex., and Deming, N. Mex., hereinabove described. The creation of said Tri-State Grocery Co. and the sale to it by the Standard Grocery Co. of the latter's wholesale grocery business was

brought about by the refusal of manufacturers to sell directly to the Standard Grocery Co. as a result of the actions of the respondent jobbers and brokers hereafter described.

PAR. 6. About the month of September, 1917, the several respondents named in paragraph 1 of these findings, associated themselves together in the city of El Paso at the request of the local representative of the United States Food Administration, for the purpose of the discussion and faithful compliance with the rules and regulations promulgated by said Food Administration during the war of 1917, and having to do with conservation, profiteering, and other things concerning which rules and regulations were from time to time promulgated by said Food Administration, the War Trade Board, the price-interpreting committees, and other governmental agencies. Said respondents at their first meeting designated this voluntary and unincorporated association as the Wholesale Grocers' Association of El Paso, Tex., and elected a president, secretary, and treasurer thereof. Its officers were, respectively, C. S. Nasits, of said American Grocery Co.; Leonard M. Hanson, of James A. Dick & Co.; and E. M. Hurd, of the H. Lesinsky Co. Said association did not have a written constitution or by-laws. The meetings of said association were attended more or less regularly by the respondents named in paragraph 1 hereof, and among the discussions carried on at such meetings was the subject of sales by various manufacturers of the United States directly to wholesale and retail grocers in and about El Paso, Tex., and particularly such sales to said Standard Grocery Co. To such sales in general, and to sales to the Standard Grocery Co. in particular, objections condemning the same were voiced by the several members. Sales by the Quaker Oats Co., a manufacturer of cereal products with a national reputation, to the Standard Grocery Co. were likewise discussed and condemned. Formal minutes or records of the proceedings and actions of said association were not kept and the meetings were held informally and from time to time in the offices of the different association members. At divers meetings of said association held since its organization, and particularly during the period subsequent to the month of February, 1918, the members thereof, viz.: The F. S. Ainsa Co. (Inc.), M. Ainsa & Sons (Inc.), American Grocery Co. (Inc.), Bray & Co. (Inc.), The James A. Dick Co., The H. Lesinsky Co., Trueba-Zozaya-Seggerman (Inc.), and Western Grocery Co. (Inc.), secretly agreed among themselves that by virtue of the method of conducting its business the Standard Grocery Co. was not and is not entitled to purchase its supplies of groceries and kindred products from manufacturers and manufacturers' agents and other sources

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from which a dealer in groceries, in wholesale quantities, must obtain commodities dealt in by him, and said members secretly agreed that they should and would take such action as would prevent said Standard Grocery Co. from purchasing the commodities dealt in by it directly from the manufacturers thereof, and particularly agreed in secret amongst themselves:

(a) To represent to various manufacturers and their agents that the Standard Grocery Co. was not entitled to purchase directly from such manufacturers commodities dealt in by it;

(b) To induce, coerce, and compel by means of boycott and threats of boycott of manufacturers of groceries and other food products, and their agents, to refuse to deal with or sell to the Standard Grocery Co. upon the terms and at the prices offered and charged to competitors of said Standard Grocery Co., including the respondent jobbers and others similarly engaged, or at all, and to compel the Standard Grocery Co. to purchase its supplies from and through the respondent jobbers.

PAR. 7. Since the organization of said Wholesale Grocers' Association of El Paso, Tex., and particularly since February, 1918, in order to accomplish and effectuate the purpose and object of their said agreement, all of the members thereof, to wit, the respondents, the F. S. Ainsa Co. (Inc.), M. Ainsa & Sons (Inc.), American Grocery Co. (Inc.), Bray & Co. (Inc.), the James A. Dick Co., the H. Lesinsky Co., Trueba-Zozaya-Seggerman (Inc.), and Western Grocery Co. (Inc.), have:

(a) Represented to the respondent brokers that the Standard Grocery Co. was not entitled and should not be permitted to purchase its supplies directly from manufacturers upon terms and at the prices offered and charged to the respondent jobbers;

(b) Questioned the salesmen and agents of various manufacturers as to whether such agents were selling the products handled by them respectively to the Standard Grocery Co., and informed such agents that if they, or either of them, or their principals, sold or shipped any commodities directly to the Standard Grocery Co., one by one, the jobbers forming said Wholesale Grocers' Association of El Paso, Tex., would discontinue handling the products of the manufacturers so selling or shipping it; and all such salesmen or agents have in turn communicated such interrogatories and information to their respective principals, and urged and recommended that further sales and shipments to said Standard Grocery Co. should not be made directly but should be solicited through some of the respondent jobbers.

(c) Since July, 1918, the respondent jobbers, the F. A. Ainsa Co. (Inc.), M. Ainsa & Sons (Inc.), American Grocery Co. (Inc.), Bray & Co. (Inc.), the James A. Dick Co., the H. Lesinsky Co., and the Western Grocery Co. (Inc.), have discontinued handling some or all of the various products of a certain manufacturer of national reputation when learning from its broker, White-Grant Co., one of the respondents herein, that that manufacturer declined to discontinue making sales and shipments directly to the Standard Grocery Co.

PAR. 8. The secret understanding and agreement of the respondent jobbers set forth in paragraph 7 hereof, was made with the purpose and intent and had the effect of suppressing and preventing competition in commerce between the Standard Grocery Co. and said respondent jobbers and others similarly engaged.

PAR. 9. In or about the month of February, 1918, the respondent brokers were induced by the coercion, intimidation, and threats of boycott of their principals' products on the part of the several respondent jobbers, to agree and conspire, and they did agree and conspire, among themselves and with the respondent jobbers—

(a) To refuse to sell or solicit the sale to the Standard Grocery Co., the products manufactured by their respective principals upon the terms and at the prices offered and charged to its competitors, including the respondent jobbers, and others engaged in similar business;

(b) To recommend to their respective principals that they should not sell their commodities directly to the Standard Grocery Co. upon the terms and at the prices offered and charged to its competitors, including the respondent jobbers, and others similarly engaged; and

(c) To compel the Standard Grocery Co. to purchase its supplies from and through some of the respondent jobbers, its competitors, at prices higher than those charged to such competitors and others similarly engaged.

PAR. 10. Since the month of February, 1918, in order to accomplish and effectuate the purpose and object of their said agreement, said respondent brokers have—

(a) Represented to their respective principals that the Standard Grocery Co. was not entitled and should not be permitted to purchase its manufactured products directly and upon terms and at prices offered and charged to the competitors of the Standard Grocery Co., including the respondent jobbers;

(b) Represented to their respective principals that if the Standard Grocery Co. was permitted to purchase its supplies directly from manufacturers, upon terms and at prices offered and charged

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to competitors of the Standard Grocery Co., including the respondent jobbers, said respondent jobbers would discontinue handling their products;

(c) Made representations to a certain manufacturer, principal of one of the respondent brokers, that said respondent jobbers were not placing as large orders for its products as theretofore because of sales made by that manufacturer directly to the Standard Grocery Co.

(d) Since the month of February, 1918, at the instigation of respondent jobbers, refused to sell to the Standard Grocery Co. at the prices charged to its competitors; have refused to accept orders from said company unless such orders were billed to said company through one of the respondent jobbers, its competitors, at prices higher than those charged to such competitors and others engaged in similar business; and have at divers times recommended to their respective principals that the Standard Grocery Co. should not be permitted to purchase directly from said principals upon the terms and at the prices offered and charged to its competitors, including respondent jobbers, and others engaged in similar business.

(e) Some of the respondent brokers have since the month of February, 1918, insisted that the Standard Grocery Co. should purchase the commodities dealt in by them respectively through the respondent jobbers, who are competitors of the Standard Grocery Co., and who rendered no service in connection with the distribution or handling of the commodities so sold to the Standard Grocery Co., but merely rendered to the Standard Grocery Co. bills for such commodities at prices higher than those charged to such respondent jobbers and others engaged in similar business.

(f) During the period of July, 1918, to April, 1919, the respondents Daniel T. White and John H. Grant, doing business under the name of White-Grant Co., sent divers letters to their principals, the Quaker Oats Co., in which, among other things, it was stated that:

We advised you that jobbers at El Paso had taken up this matter [sales to Standard Grocery Co.]. * * * At the present time we are unable to book our jobbers up for further business, and we don't know how long this condition will last, but for the present we know that the jobbers here are not going to take the same interest in Quaker Oats that they have in the past. * * * If we could assure the jobbing trade here of distribution of goods through them, we feel that we could get practically all of them to get in line with us, but with selling the Standard people, the question is whether we get any support from the jobbers other than that which they necessarily have to give.

Dick Co., as you know, canceled their order on account of your selling the Standard Grocery Co., and we are having the dickens of a time with the other two here; likewise it is impossible just at this time to get others to come in line.

We must say to you with complete knowledge that if the Standard Grocery Co. business had not come up, we would have shown an increase of 50 to 75

per cent. Bray & Co. would have had at least 4 or 5 cars booked with us, and we would have had practically every jobber in El Paso with us.

The jobbers here are, we might say, entirely out of your goods—that is to say, Bray probably has 10 or 15 cases of Quaker Oats (nothing else) and Lesinsky probably a couple hundred cases of Quaker Oats and nothing else, and we are at a deadlock with the jobbers, as they do not want to place orders upon Quaker Oats under present existing conditions.

El Paso, unfortunately, is not a large enough market to work the game like it is at present. We have talked the matter over very fully with the two parties most interested in Quaker Oats, namely, Lesinsky and Bray, and there is no question but what they want to place orders on the line, but we can not get them to come through at this time as they are waiting for a final decision from you. Lesinsky or Bray would be willing to handle Standard Grocery business on a very close margin.

The two jobbers above mentioned have been holding off buying some other lines of goods, hoping that an adjustment would be made so that they could come back in the Quaker Oats fold, and if we do not get the matter straightened out before long the outlook for the Quaker line is not very good here.

(g) In the month of November, 1918, representatives of the respondent brokers W. H. Constable Co. (Inc.) and White-Grant Co. proceeded from El Paso, Tex., to San Francisco, Calif., and there interviewed officers of the California Packing Corporation regarding sales through its El Paso representatives, John H. McMahon & Co., one of the respondent brokers, to the Standard Grocery Co., and sought the discontinuance of such sales.

(h) Thereafter and on or about December 12, 1918, said White-Grant Co. sent a letter to its principal, the Quaker Oats Co., in which, among other things, it said:

We would like for you to make a comparison of your records on El Paso business for the last four months of 1917 and 1918, which we believe will get you some evidence that will be convincing. We are absolutely getting no support from the jobbers here and they have agreed among themselves to withhold any support as long as present conditions continue.

With the elimination of this disturbing element we can get the full cooperation, we believe, of practically every jobber in El Paso, which would mean we should sell from 15 to 20 cars of goods per year, probably more.

The California Packing Corporation has been selling these people for the past two years, but did not understand the condition here and they have advised us that the Standard Grocery Co. will be advised between now and January 1 that they can not buy direct from them. This is only one of the concerns that are withdrawing direct business with the Standard Grocery Co.

You wrote us some time ago relative to corn flakes. At present it is absolutely impossible for us to interest anyone here on this item, but if we can assure our friends and jobbers here of your cooperation we can do some corn-flake business, probably more than you have done with the Standard Grocery Co.

(i) The respondent, W. H. Constable (Inc.), through its manager, sent a telegram to the United States Food Administrator at San

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Francisco on April 9, 1919, in response to an inquiry concerning an order for sugar given by the Standard Grocery Co. to an Albuquerque (N. Mex.) brokerage house, in which, among other things, it said:

My firm would not think of selling the Standard Grocery Co. direct, and although they are large distributors we do not consider it advisable for you to sell them.

(j) The respondent, Sims, Robert & Co. (Ins.), legal successor to the George H. Griggs Co., sent the following telegram on May 6, 1918, to its principal, the Southern Cotton Oil Trading Co.:

Have thoroughly covered situation to-day with jobbers. Have about 1,200 cases old style Snowdrift. To move it, is imperative that Standard Grocery here and at Deming be cut off immediately. Jobbers demand this action for their support. Bitter fight being waged on manufacturers now selling Standard who surely are not entitled to buy direct. They will hardly get Crustene. Dick & Co. rather controls this. * * * Wire quick authority cut off Standard so we can advise jobbers it has been done. * * *

PAR. 11. The agreement and conspiracy of the respondent brokers hereinabove set forth was made with the purpose and intent and had the effect of—

(a) Suppressing and preventing competition in commerce between the Standard Grocery Co. and the respondent jobbers and others engaged in similar business;

(b) Causing numerous manufacturers of products dealt in by the Standard Grocery Co. who sold and shipped directly to said company, as hereinabove set forth, to refuse to sell said company on the terms and at the prices theretofore extended to it, or at all;

(c) Compelling Standard Grocery Co. on numerous occasions subsequent to the month of February, 1918, to purchase from its competitors, the respondent jobbers, large quantities of the products dealt in by it in the course of its business and to pay therefor higher prices than those regularly charged by manufacturers to its said competitors;

(d) Causing Standard Grocery Co. to lose to its competitors, the respondent jobbers, a large volume of business with a resulting financial loss to it.

PAR. 12. The decisions and actions of the respondent brokers with respect to the Standard Grocery Co. and their refusal to sell said company at the prices regularly charged to its competitors have been influenced by the loss of patronage or the fear of loss of patronage, and because of the influence, coercion, and constraint of said respondent jobbers.

CONCLUSIONS.

The acts, agreements, understandings, policies, and practices of the respondent jobbers and the respondent brokers, and each and all of them, are unfair methods of competition in interstate commerce and constitute a violation of the act of Congress approved September 26, 1914, entitled, "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes."

ORDER TO CEASE AND DESIST.

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission, the answers of the respective respondents, the testimony and evidence, and the argument of counsel, and the Commission having made its findings as to the facts with its conclusions that the respondents have violated the provisions of the act of Congress, approved September 26, 1914, entitled, "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes,"

PARAGRAPH 1. *It is, therefore, now ordered,* That the respondents, F. S. Ainsa Co. (Inc.); M. Ainsa & Sons (Inc.); American Grocery Co. (Inc.); Bray & Co. (Inc.); The James A. Dick Co.; the H. Lesinsky Co.; Trueba-Zozaya-Seggerman (Inc.); Western Grocery Co. (Inc.); Dan T. White and John H. Grant, doing business under the name of White-Grant Co.; J. W. Lorentzen, doing business under the name of J. W. Lorentzen & Co.; H. W. Taylor and H. C. Smith, doing business under the name of Taylor & Smith; John H. McMahon, doing business under the name of John McMahon & Co.; W. T. Bush; W. H. Constable Co. (Inc.); and Sims, Robert & Co. (Inc.), legal successor to the George H. Griggs Co., and each of them and their officers and agents, forever cease and desist from directly or indirectly—

(a) Combining and conspiring among themselves to induce, coerce, and compel manufacturers, or manufacturers' agents to refuse to sell to the Standard Grocery Co., or to refuse to sell to said Standard Grocery Co. upon the terms and at the prices offered at and charged to competitors of said company, or to refuse to sell to others engaged in similar business;

(b) Carrying on between and among themselves or with others communications having the purpose, tendency, or effect of inducing, coercing, or compelling manufacturers and manufacturers' agents to refuse to deal with or sell to the Standard Grocery Co. or others engaged in similar business, upon terms agreed upon between such manufacturers, or their agents, and said company, and others;

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(c) Combining and conspiring among themselves, or with others, or using any scheme or device whatsoever, to hinder, obstruct, and prevent the Standard Grocery Co. or others engaged in similar business, from freely purchasing and obtaining in interstate commerce the commodities and products usually handled by it in the course of its business, or from freely competing in interstate commerce with the respondents, F. S. Ainsa Co. (Inc.), M. Ainsa & Sons (Inc.), Bray & Co. (Inc.), the James A. Dick Co., the H. Lesinsky Co., American Grocery Co. (Inc.), Trueba-Zozaya-Seggerman (Inc.), and Western Grocery Co. (Inc.), or others engaged in similar business;

(d) Hindering, obstructing, or preventing any manufacturer or manufacturer's agent from selling and shipping in interstate commerce to the Standard Grocery Co. or others engaged in similar business;

(e) Combining or conspiring together, or with others, or using any scheme or device whatsoever, to hinder, obstruct, or prevent manufacturers, or their agents, from dealing with the Standard Grocery Co. or others engaged in similar business, upon any terms agreed upon by such manufacturers, or their agents, and said company and others;

(f) Combining or conspiring among themselves, or with others, to compel, or attempt to compel, the Standard Grocery Co. or others engaged in similar business, to purchase the products and commodities required for its business from or through any competitor of said company, or others similarly engaged.

PAR. 2. *It is further ordered*, That the respondents, F. S. Ainsa Co. (Inc.), M. Ainsa & Sons (Inc.), American Grocery Co. (Inc.), Bray & Co. (Inc.), the James A. Dick Co., the H. Lesinsky Co., Trueba-Zozaya-Seggerman (Inc.), and Western Grocery Co. (Inc.), and their officers and agents, forever cease and desist from—

(a) Combining and conspiring among themselves, or with others, to boycott, or to threaten to boycott, or to threaten with loss of custom or patronage, any manufacturer engaged in interstate commerce, or the agent or representative of such manufacturer, for selling or agreeing to sell to the Standard Grocery Co., or others engaged in similar business, at prices regularly charged competitors of said company or others engaged in similar business.

PAR. 3. *It is further ordered*, That the respondents, Dan T. White and John H. Grant, doing business under the name of White-Grant Co.; J. W. Lorentzen, doing business under the name of J. W. Lorentzen & Co.; H. W. Taylor and H. C. Smith, doing business under the name of Taylor & Smith; John H. McMahon, doing business un-

der the name of John McMahon & Co.; W. T. Bush; Sims, Robert & Co. (Inc.), legal successor to the George H. Griggs Co.; and W. H. Constable Co. (Inc.), and their officers and agents, forever cease and desist from—

(a) Combining and conspiring among themselves or with the other respondents herein, or with others, to hinder, obstruct, or prevent the Standard Grocery Co. or others engaged in similar business, from freely purchasing and obtaining in interstate commerce the products and commodities dealt in by it in the course of its business, or to induce, coerce, or compel manufacturers, producers, or dealers engaged in interstate commerce to refuse to sell to said Standard Grocery Co. or others engaged in similar business.

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FEDERAL TRADE COMMISSION DECISIONS.

Complaint.

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