

FEDERAL TRADE COMMISSION DECISIONS

FINDINGS AND ORDERS MAY 22, 1922, TO FEBRUARY 13, 1923

FEDERAL TRADE COMMISSION

v.

CIGAR MANUFACTURERS' ASSOCIATION OF TAMPA, FLORIDA, ET AL.

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

Docket 709—May 22, 1922.

SYLLABUS.

Where an unincorporated Association composed of cigar manufacturers producing the larger part of the cigars manufactured in a certain territory agreed on a uniform stand regarding labor policies and with the intent and effect of coercing cigar manufacturers whose labor policies did not conform to those of the Association, made and respected contracts with three cigar box manufacturers upon whom the cigar manufacturers in that territory, both members and nonmembers of the Association, were dependent for a supply of cigar boxes, to take said box manufacturers' entire output at stipulated prices for an extended period, and declined to furnish, or permit the box manufacturers to furnish, cigar boxes to competing manufacturers whose labor policies did not conform to those of the Association, and thereby eliminated competition between cigar box manufacturers in the sale of their products, caused competing cigar manufacturers to do business under a handicap or curtail production or cease from business entirely, and unduly hindered commerce in the sale of cigars:

Held, That such acts and practices substantially as described, constituted unfair methods of competition.

COMPLAINT.

The Federal Trade Commission, having reason to believe from a preliminary investigation made by it, that The Cigar Manufacturer's Association of Tampa, Florida, an incorporated association, Jose Escalante as President of said association, Enrique Pendas, as Treasurer of said association, A. A. Martinez, as Secretary of said association, (and each of the aforesaid officers of said association as individuals), Porto Rican American Tobacco Company, a corporation, C. H. S. Cigar Company, a corporation, Francisco Arango Company, a corporation, Facundo Arguelles and Celestine Lopez, copartners under the firm name and style of Arguelles, Lopez and Brothers, Matthew W. Berriman and Edward C. Berriman, copartners under the firm name and style of Berriman Brothers, Alvara

Complaint.

5 F. T. C.

Garcia, doing business under the trade name of Garcia and Vega, Perfecto Garcia, Manuel Garcia, Jose Garcia and Angel Garcia, copartners under the firm name and style of Perfecto Garcia and Brothers, V. Guerra Diaz and Company, a corporation, Preferred Havana Tobacco Company, a corporation, American Cigar Company, a corporation, Moises Bustillo and Leopold Bustillo, copartners under the firm name and style of M. Bustillo and Company, Corral Wodeska and Company, a corporation, Cuesta Rey and Company, a corporation, J. M. Martinez Company, a corporation, Morgan Cigar Company, a corporation, Jose Escalante and Company, a corporation, F. Lozano Son and Company, a corporation, E. Redensberg and Sons, a corporation, J. W. Roberts and Son, a corporation, Salvadore Rodriguez, a corporation, Sanchez and Haya, a corporation, San Martin and Leon Company, a corporation, A. Santaella and Company, a corporation, Tampa-Cuba Cigar Company, a corporation, Celestine Vega and Company, a corporation, E. M. Schwartz and Company, Inc., a corporation, (each of said above-named respondents, individually, and as members of the said Cigar Manufacturers' Association of Tampa, Florida), The Tampa Box Company, a corporation, D. N. Holway, J. W. Young, and J. Van Roe, copartners under the firm name and style of D. N. Holway and Company, and George F. Weidman, T. D. Fisher, and J. A. B. Anderson, copartners under the firm name and style of Weidman-Fisher & Company, hereinafter referred to as the respondents, have been, and are now using unfair methods of competition in violation of 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 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 this respect on information and belief as follows:

PARAGRAPH 1. That the respondent, Cigar Manufacturers' Association of Tampa, Florida, is a voluntary, unincorporated association of cigar manufacturers, the membership of which is limited to manufacturers of cigars engaged in business as such in the city of Tampa, Florida, and in the vicinity thereof, who subscribe to its articles of association and comply with its by-laws and rules; that the executive authority of said respondent is vested by its articles of association in a President, Vice President, Treasurer and Secretary, and a Board of Directors, and that the duty of said several officers, and said Board of Directors are prescribed and defined by said articles of association.

That the respondent, Jose Escalante, is the President of said respondent (Cigar Manufacturers' Association of Tampa, Florida) and

1

Complaint.

the respondent Enrique Pendas, and A. A. Martinez, are, respectively, Treasurer and Secretary thereof.

That the respondents, C. H. S. Cigar Company, Francisco Arango Cigar Company, V. Guerra Diaz and Company, Corral Wodeska and Company, Cuesta Rey and Company, Jose Escalante and Company, F. Lozano Son and Company, J. M. Martinez Company, Morgan Cigar Company, E. Redensberg and Sons, J. W. Roberts and Son, Salvadore Rodriguez, Sanchez and Haya, San Martin and Leon Company, A. Santaella Cigar Company, Tampa-Cuba Cigar Company, Celestine Vega and Company, are each corporations organized, existing and doing business under and by virtue of the laws of the State of Florida, and each is engaged in the business of manufacturing cigars at the city of Tampa or within the vicinity thereof.

That the respondent E. M. Schwartz and Company, Inc., is a corporation, organized and existing under the laws of the State of New York, and operating a factory for the manufacture of cigars in the city of Tampa, Florida, under the name of Jose Lovera Company; that the respondent, Preferred Havana Tobacco Company is a corporation, organized and existing under the laws of the State of New York and operating a factory for the manufacture of cigars in the said city of Tampa, Florida, under the name of Bustillo Brothers and Diaz; that the respondent, Porto Rican American Tobacco Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, and operating a factory for the manufacture of cigars in the city of Tampa, Florida, under the name of M. Alvarez and Company; that the respondent, American Cigar Company is a corporation organized and existing under and by virtue of the laws of the State of New Jersey, and operating three factories for the manufacture of cigars in said city of Tampa, under the name of Havana-American Cigar Company, Stachelberg-Vega and Company, and M. Vallez and Company, respectively.

That the respondents Facundo Arguelles and Celestine Lopez are copartners doing business under the firm name and style of Arguelles, Lopez and Brothers; that the respondents Matthew W. Berriman and Edward C. Berriman are copartners doing business under the firm name and style of Berriman Brothers; that the respondent Alvara Garcia is a sole trader doing business under the trade name of Garcia and Vega; that the respondents Perfecto Garcia, Manuel Garcia, Jose Garcia, and Angel Garcia are copartners doing business under the firm name and style of Perfecto Garcia and Brothers; that the respondents Moises Bustillo and Leopold Bustillo are copartners doing business under the firm name and style of M. Bustillo and Company, and that each of said copartners and said respondent

Complaint.

5 F. T. C.

Alvara Garcia, maintains a factory in the city of Tampa, Florida, or in the vicinity of said city for the manufacture of cigars.

That the respondent Tampa Box Company is a corporation organized and existing under and by virtue of the laws of the State of Florida; that the respondents D. N. Holway, J. W. Young, and J. Van Roe are copartners doing business under the firm name and style of D. N. Holway and Company, and that the respondents George F. Weidman, T. D. Fisher, and J. A. B. Anderson, are copartners doing business under the firm name and style of Weidman-Fisher & Company; that the last-named corporation and said two copartnerships are each engaged in the business of manufacturing cigar boxes in the city of Tampa, Florida.

PAR. 2. That each of the above named respondent cigar manufacturers is a manufacturer of cigars within the City of Tampa, Florida, or within the vicinity thereof and in the course of such business sells the cigars so manufactured by it, to purchasers throughout the United States, and causes the cigars so manufactured and sold by it to be shipped through and into the several states of the United States and the District of Columbia, and that each of said respondent cigar manufacturers is a member of the respondent Cigar Manufacturers' Association of Tampa, Florida.

PAR. 3. That in the said city of Tampa, and in its vicinity, there are and have been for many years past, cigar manufacturers, not members of the respondent Cigar Manufacturers' Association, who manufacture cigars and sell them to purchasers throughout the United States and who cause the cigars so sold by them to be shipped through and into the several States of the United States and the District of Columbia, in active competition in interstate commerce, in the sale of cigars with the respondent Cigar manufacturers.

PAR. 4. That by long established custom, cigars are packed for sale in boxes suitable for the protection of the cigars and the preservation of their moisture and flavor, so that a supply of boxes is essential to the sale of cigars in interstate commerce. That the respondent cigar box manufacturers were capable of producing, and prior to the month of March, 1920, or thereabouts, did produce a sufficient quantity of cigar boxes to supply the requirements of the respondent cigar makers and their competitors in that district; that the cigar makers of Tampa and vicinity are limited to the production of respondent cigar box makers for a supply of boxes; the cost of procuring boxes elsewhere being in effect prohibitive.

PAR. 5. That the respondent cigar manufacturers, the respondent association and the respondent cigar box manufacturers, some time

1

Findings.

in the month of March, 1920, combined, confederated, and agreed to restrain competition in the sale of cigars in interstate commerce and to create a monopoly of the supply of an essential element in the sale of cigars in interstate commerce and as a means of accomplishing the object of such combination, on or about the 16th day of March, 1920, the respondent association and the respondent cigar box manufacturers entered into an agreement, a copy of which is attached hereto, marked "Exhibit A"¹ and made a part of this complaint, the intent and effect of which was that the respondent association controls the whole of the supply of cigar boxes upon which the manufacturers of cigars in Tampa and vicinity are dependent, for the remainder of the year 1920, with an option for the continuance of this control for the year 1921; that the respondent association employs its control of the supply of cigar boxes to deny to and withhold from nonmember and competing cigar makers, their necessary supply of boxes.

PAR. 6. That the effect of the acts of the respondents hereinbefore charged, has been and is to prevent manufacturers of cigars in and around Tampa, Florida, other than those named as respondents herein, from securing a supply of boxes adequate to their needs and thus to compel cigar manufacturers not members of the respondent association, to reduce their output and sales of cigars in interstate commerce as aforesaid; and such acts of respondents have a dangerous tendency unduly to hinder competition in the sale of cigars in interstate commerce and to create monopoly directly affecting interstate commerce.

REPORT, FINDINGS AS TO THE FACTS, AND ORDER.

The Federal Trade Commission having issued and served its complaint herein, wherein it alleged that it had reason to believe that the respondents hereinafter named, have been and are using unfair methods of competition in interstate commerce, in violation of 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 duties, and for other purposes"; and that a proceeding by it in that respect would be to the interest of the public, and stating its charges in that respect,

And the respondents having entered their appearances by their attorneys-at-law, Messrs. McKay and Withers, for the respondent, Cigar Manufacturers; Messrs. Whitaker, Himes and Whitaker for the Tampa Box Company, and Weidman, Fisher and Company;

¹ See contract reproduced on pp. 13 and 14.

Findings.

5 F. T. C.

and H. C. Gordon, Esq. for D. N. Holway and Company; and respondents having duly filed their answers admitting certain allegations of said complaint and denying others and setting up certain new matter in defense, and hearings having been held before an examiner of the Commission, and the Commission having offered evidence in support of the charges of said complaint, and said respondents having offered evidence in their defense, and the parties to this proceeding having rested, and attorneys for the respective parties having fully argued the issues in this proceeding, and having presented said issues herein to the Commission for final consideration and determination,

The Federal Trade Commission having fully considered the record herein, and being fully advised in the premises, now makes its report and findings as to the facts and conclusion:

FINDINGS AS TO THE FACTS.

PARAGRAPH 1. (a) The respondent, the Cigar Manufacturers' Association of Tampa, Florida, is a voluntary unincorporated Association, hereinafter referred to as the Cigar Manufacturers' Association, the membership of which is limited to individuals, partnerships and corporations engaged in the manufacture of cigars at Tampa, Florida and its vicinity. The President of said Association is Jose Escalante. Its Treasurer is Enrique Pendas; and A. A. Martinez is its Secretary;

(b) The membership of said Cigar Manufacturers' Association consists of the following persons, firms and corporations:

Solis Alvarez
Francis Arango and Company
Albana Cigar Company
M. Alvarez and Company
A. Amo and Company
Arguelles, Lopez and Bro.
Ramon Alvarez and Company
Berriman Bros.
F. Benjamin and Company
Big Four Cigar Company
M. Bustillo and Company
Cuesta Rey and Company
Corral Wodiska and Company
Maximo Cueto
F. Capitano and Company
Mulero Cerra Company
Dulin and Company
Diaz Raphael and Company
Demmi Cigar Company

Felipe DeSoto and Company
Andrea Diaz and Company
Rafael Espina and Company
Every Day Cigar Company
Jose Escalante and Company
Fernandez Bros. and Company
Sebrinos Ferandes and Company
Garcia and Vega
Perfecto Garcia and Bros.
F. Garcia and Bros. Inc.
Guerra, Diaz and Company
Maximo Grahn and Son
Henriquez Cigar Company
Hygiene Cigar Company
Havatampa Cigar Company
Havana-American Cigar Company
Thomas Leon and Company
LaVista Cigar Company
Jose M. Lopez

1

Findings.

Lopez, Alvarez and Company
 F. Lozano, Son and Company
 Celestino Lopez
 J. M. Martinez and Company
 Jose Maseda and Company
 Morgan Cigar Company
 Saint Minitol Cigar Company
 Marsicano Cigar Company
 Newman Cigar Company
 Y. F. O'Halloran and Son
 Preferred Havana Tobacco Company
 A. M. Perez
 Marcelino Perez and Company
 S. Perez and Bro.
 Pent and Wright
 Pride Cigar Company
 Salvador Rice and Company
 Salvador Rodriguez and Company
 E. Regensburg and Sons

J. W. Roberts and Son
 Wm. J. Seidenberg and Company
 El Sidelo Cigar Company
 L. Sanchez and Company
 M. Stachelberg and Company
 A. Santaella and Company
 South Florida Cigar Company
 San Luis Cigar Company
 San Martin and Leon Company
 Sanchez and Haya Company
 Salvador Sanchez and Company
 Tampa Best Cigar Company
 Tampa-Cuba Cigar Company
 Tampa Token Cigar Company
 Celestine Vega and Company
 M. Valle and Company
 Wolff Bros. Cigar Company
 Jose Lovera Company

Each of said members is engaged in the manufacture of cigars and their sale and shipment in interstate commerce, in competition with other manufacturers of cigars at Tampa, Florida and elsewhere in the United States.

PAR. 2. Respondent Cigar Manufacturers' Association was organized in January, 1920. Its charter members and those afterwards admitted to membership, bound and pledged themselves to strict compliance with and obedience to the articles of association and the by-laws of the Association and to all lawful resolutions adopted by the Association or any of its officers, boards or committees within the terms or reasonable intent of the articles of association or the by-laws. Individual membership was required to be evidenced by the signature and seal of the individual; each of the partners was required to sign and affix his seal on behalf of a partnership member and the execution of the articles by a corporation was required to be made by the signatures of the executive officers pursuant to authorization by resolution of its Board of Directors and under its corporate seal duly attested.

PAR. 3. Each member of respondent, Cigar Manufacturers' Association, was obliged to file a bond with respondent association with sureties in an amount not less than \$500.00 nor more than \$10,000.00, which bond was conditioned that said member will comply with the articles of association, the by-laws, rules, resolutions and acts of the association, and pay all dues and assessments, on penalty of forfeiting the amount named in said bond. The executive authority of said respondent, Cigar Manufacturers' Association, was vested in a President, a vice President, a Treasurer, a Secretary and a Board of Direc-

Findings.

5 F. T. C.

tors, and the duties of said several officers were prescribed and defined by said articles of association, and its by-laws.

PAR. 4. Said respondent, Cigar Manufacturers' Association, adopted the following declaration of policies in said articles:

ARTICLE VI.

SECTION 1. This Association adopts the following declaration of its policies, and all members pledge to each other their mutual cooperation and unreserved support and protection in enforcing and keeping the same inviolate:

(1) All persons are entitled to seek and have legitimate employment without discrimination, whether they belong to any labor union or association or not, and no discrimination shall be made for or against any person in the factory of any member of this Association because of membership or nonmembership in any labor union or association.

(2) No labor union or association shall be permitted to transact any of its business, directly or through any of its representatives, on the factory premises of any member of this Association.

(3) The right of each member to deal directly with his, their or its own employees is reserved, and no member shall deal with any person or persons, except such member's own employees, with respect to any dispute between such member and his, their or its employees, except in matters submitted to arbitration, or in such manner as may be prescribed by the by-laws or the acts and resolutions of the Association or the Board of Directors.

(4) Arbitration is recognized as the most equitable method of settling disputes between employer and employee, and the members bind themselves to use every effort to settle all disputes with their employees, that cannot be honorably adjusted between themselves directly, through means of arbitration.

(5) No member shall deal with any permanent committee or the employees of such member, but in all negotiations between any member and his, their or its employees shall deal only with special committees elected by the employees in each instance.

(6) The members mutually pledge to each other all their resources and moral support for the protection of each other in their persons and property, and for the protection of their employees against violence, intimidation or other unlawful aggression from any source.

(7) Each member shall adopt all reasonable means to maintain proper sanitary and working conditions in the factory premises, and keep the environments of the employees healthful and pleasant.

(8) Each member will honorably keep and perform all lawful agreements as to wages and working conditions entered into directly or through this Association with the employees of the factories.

(9) In order that no advantage may be taken of any member whose business may be temporarily interrupted by any strike or other labor disturbance, the members severally agree that they will not attempt to increase their own business to the detriment of such member, while such strike or disturbance exists, and to that end will not increase the working forces in any of their factories, as they existed at the time of the beginning of such strike or disturbance, until such strike or disturbance is terminated or settled, or until permission to do so, after full investigation, is given by the Association at a meeting duly held.

(10) No reader shall be permitted to read anything in the factory of any member that tends to create sedition or disloyalty to the Government, or that is contrary to the interests of the manufacturers, or insulting or reflecting upon the character of the

1

Findings.

members of this Association or any of the employees of their factories, or that may be in conflict with reasonable rules adopted by this Association governing reading in the factories.

PAR. 5. The by-laws adopted by said respondent, Cigar Manufacturers' Association, contain the following, among other provisions:

ARTICLE II.

SECTION 7. Each member of the Association shall submit to the Directors any new size of cigars not in the existing "Cartabon" that such member proposes to manufacture, and the Board of Directors shall appraise such new size, so as to make the scale of wages to be paid therefor conform as nearly as practicable to existing agreements between the members of the Association and their employees with respect to sizes and prices, and such new sizes shall be presented to the Board of Directors before being submitted to the "Nivelation" committee.

Said by-laws also provide:

- (1) For the trial, fining and expulsion of members.
- (2) For the notification of the secretary and treasurer of respondent association by its members of all strikes and disturbances amongst the workmen in any of the factories of said members.
- (3) That the Board of Directors shall attempt to settle such labor troubles and failing in such attempt shall call a meeting of said respondent association and submit the matter to such meeting.
- (4) That committees of Directors, or members other than Directors, shall be appointed whose duties it shall be to seek to adjust difficulties of members with their employees.
- (5) That under certain contingencies, members of said respondent association may cooperate with or support a factory of a member outside Tampa, Florida, affected by a strike or a labor disturbance.

PAR. 6. (a) The total production of cigars of all classes in the United States Internal Revenue District of which Tampa, Florida, is the center, comprising three contiguous counties, for the year 1919, was 417,995,788 on which a revenue tax was paid of \$3,359,108.61. In 1920 the total production of cigars of all classes in said district was but 227,291,093 and the revenue tax thereon amounted to \$1,958,512.12. Of the 417,995,788 cigars manufactured in Tampa, Florida, and the neighborhood thereof, in 1919, respondent members of Cigar Manufacturers' Association in this district manufactured about 395,000,000 or about 94 5/10 per cent. Figures for 1920 were not available at the time of taking the testimony in this case.

(b) Following its organization in January 1920 with thirty members, by March of that year the membership rose to between fifty and fifty-five. By the middle of April the number of members increased to sixty-five or sixty-six and stood at seventy-seven when the testimony was taken on the complaint. The number of manufacturers not members of the association was at all times greater than the number of members but the total production and capacity

Findings.

5 F. T. C.

of members was at all times greater than the production and capacity of non-members.

PAR. 7. Cigars are marketed in boxes of wood, in tin containers and in paper packages, but the metal and paper packages are not used to any considerable extent. The wooden box is the standard method of packing for market, and an adequate and continuous supply of wooden boxes, is absolutely essential to the manufacture and sale of cigars. There were but three manufacturers of cigar boxes operating in Tampa, Florida prior to June or July, 1920 who made all the cigar boxes produced in that city or its immediate vicinity and upon whose product all the manufacturers of cigars in and around Tampa were then practically dependent. They are the respondents Tampa Box Company, a Florida corporation; D. N. Holway, J. W. Young and J. Van Roe, copartners, trading together under the name of D. N. Holway and Company; and George F. Weidman, F. D. Fisher and J. A. B. Anderson, copartners, trading under the name of Weidman, Fisher and Company. Each of these respondents is engaged in interstate commerce in the sale and shipment of cigar boxes in and to other states of the United States than the state of Florida. And prior to March 16, 1920 each of said cigar box manufacturers was in competition with the others and with other manufacturers of cigar boxes elsewhere in the United States.

PAR. 8. For some years prior to September, 1920, there was a cigar box factory in Key West, Florida, and there were cigar box factories in Baltimore, New York, and other cities at a distance from Tampa, Florida, but the extra cost of securing boxes from such outside factories, including the cost of freight or express charges and the difficulties incident to dealing with cigar box manufacturers at a distance from Tampa, Florida, made it impracticable for Tampa cigar manufacturers, especially small manufacturers, to depend upon a supply of cigar boxes from such sources. Subsequent to June 1920 two cigar box manufactories of small capacities were in operation in Tampa, Florida, and one small factory in Brunswick, Georgia, but the boxes made by these factories were not considered by the cigar manufacturers in Tampa and in the neighborhood thereof as desirable as the boxes made by the three respondent box manufacturers. That tin cans or boxes have been used to a limited extent in which to pack cigars for shipment and sale in interstate commerce by cigar manufacturers in Tampa, Florida, and the neighborhood thereof, when especially ordered for certain dealers, but they have not been generally looked upon with favor by the trade, nor generally used unless especially ordered. No tin cans or tin boxes were made in Tampa for that purpose in the year 1919 and but few in the year 1920.

1

Findings.

PAR. 9. (a) To provide boxes for the 417,995,788 cigars manufactured in Tampa, Florida, and the neighborhood thereof in 1919 required about 8,340,000 boxes, on an estimated average of 50 cigars to the box. The output of respondent cigar box manufacturers in 1919 amounted in the aggregate to 9,349,955 cigar boxes and there was a surplus in excess of the needs of the cigar manufacturers in Tampa, Florida, and the neighborhood thereof, of about 1,000,000 cigar boxes manufactured by respondent cigar box manufacturers in 1919. This does not take into account a few million cigars made in Tampa and the neighborhood thereof which were packed in tin boxes or cans.

(b) Demand for cigar boxes by cigar manufacturers in Tampa, Florida and the neighborhood thereof, however, was not uniform and at times, more especially in the weeks preceding the Christmas holidays in 1919 there was a delay of several weeks in the filling of orders for cigar boxes given respondent cigar box manufacturers by cigar manufacturers in Tampa and the neighborhood thereof.

(c) Normally it required respondent cigar box manufacturers one to two weeks to fill an order for cigar boxes, but at times in 1919 there was a delay of from three to six weeks or in exceptional cases eight weeks in the filling of such orders. Such delay applied more especially to special orders of special sizes for holiday trade. This in addition to shortage of labor and to strikes and in face of exceptional demand, caused orders for holiday goods to remain unfilled until after the holidays and resulted in their cancellation in some cases. At the same time, cigar manufacturers in Tampa and the neighborhood thereof, had at all times in 1919 and the first three months of 1920 more orders than they could fill with the labor then available to them.

PAR. 10. The difficulties with labor which were common to all lines of industry commencing toward the end of 1918 and continuing in 1919, affected the cigar making industry in Tampa. Some of the manufacturers operated their establishments on an "open shop" basis, employing non-union workmen or not restricting their employees to union members. Other manufacturers did or were willing to operate on a closed shop basis employing only union members. Efforts were being made to unionize the industry which efforts were resisted by certain manufacturers, some of whom organized the respondent Cigar Manufacturers' Association. All of those subsequently becoming members subscribed to the policy of the open shop. These differences of policy among the manufacturers themselves and between the manufacturers and their employees, resulted in strikes and disturbance of industrial conditions. Competition in

Findings.

5 F. T. C.

the manufacture and sale of cigars in interstate commerce was resolved principally into two groups, the respondent Cigar Manufacturers' Association and the respondents members of said association and certain non-member manufacturers standing for the open shop and other non-member manufacturers standing for the closed shop. Members of both groups were then practically dependent upon the three respondent cigar box manufacturers for their supply of cigar boxes which were essential to the business.

PAR. 11. (a) The year 1919 was a time of extraordinary activities in cigar trade in Tampa and the neighborhood thereof—an activity probably never before surpassed. Orders for cigars sent the manufacturers of said territory were far in excess of those usually received and far in excess of the ability of said manufacturers to fill. Especially was this the case in the latter half of 1919 and just before the Christmas holidays.

(b) While there was a shortage of labor in the cigar manufacturing industry in Tampa and the neighborhood thereof, and there were several local strikes among cigar manufacturers in Tampa and the neighborhood thereof, and in the year 1919 there was some delay in getting cigar boxes, it was one of the most productive, if not the most productive year experienced by cigar manufacturers in Tampa, and the neighborhood thereof, and it does not appear that the cigar business suffered in Tampa in any way in 1919 to any greater extent than in previous years.

PAR. 12. Sometime prior to March 16, 1920 the respondents or some of them conceived the purpose of controlling the labor situation and forcing manufacturers to refuse to adopt the closed shop policy or to abandon it if previously adopted, by concentrating in respondent Cigar Manufacturers' Association the monopoly of sale and distribution of all cigar boxes then capable of being produced in Tampa and vicinity and having obtained such monopoly the respondent Cigar Manufacturers' Association should cut off the supply of boxes and so cripple the business of any competitor who refused to adopt and abide by the Association's open shop policy. Accordingly, there was a meeting held in the Elks Club house at Tampa, Florida, on March 16, 1920 which was attended by the officers and Directors of the respondent Cigar Manufacturers' Association and by the officers or partners of each of the three respondent cigar box manufacturers, or the sufficient representative thereof, at which meeting it was agreed that the respondent Cigar Manufacturers' Association should control the disposition of all the cigar boxes manufactured in Tampa, or vicinity, at a basing price then and there fixed for all boxes produced and sold by the box manufacturers either at the direction of

respondent association to its members, or by its consent, to non-members. This basing price was fixed at 16 cents per box which was an increase from the previously existing price of 13½ cents per box. This agreement was evidenced by the execution of three written instruments by and between the respondent Cigar Manufacturers' Association and each of the respondent cigar box manufactures, each of whom knew and intended at the time of the execution of said agreement, that each several agreement was collateral to the execution of a similar agreement by the other cigar box manufacturers and formed a part of a complete arrangement by which complete control of all cigar boxes produced in Tampa became vested in respondent Cigar Manufacturers' Association and the price of all cigar boxes produced in Tampa was increased and stabilized at a uniform level during the period covered by said agreements.

PAR. 13. Each of the three agreements is in the following form except as to the name and style and address of the cigar box manufacturer.

"THIS AGREEMENT made and entered into this 16th day of March, A. D., 1920, by and between the CIGAR MANUFACTURERS' ASSOCIATION of Tampa, Florida, a voluntary association the membership of which is composed of manufacturers of cigars at Tampa, Florida, and immediate vicinity, party of the first part, and TAMPA BOX COMPANY, a corporation, of Tampa, Florida party of the second part.

"WHEREAS the various members of the party of the first part require in the conduct of their business large quantities of cigar boxes, manufactured according to special abels and designs, and the party of the second part is engaged in business in the city of Tampa as a manufacturer of such cigar boxes, and—

"WHEREAS the available supply of cigar boxes manufactured at Tampa and vicinity is barely sufficient to supply the requirements of the members of the party of the first part and it desires to make such agreement as will insure its members securing for the period herein provided for an adequate supply of such boxes at reasonable prices,

"Now, THEREFORE, in consideration of the premises, as well as the sum of One (\$1.00) Dollar by the said parties mutually paid to each other, the said parties do hereby agree:

"FIRST. The party of the first part will furnish orders for cigar boxes to the party of the second part to the full capacity of the plant of the party of the second part, and the party of the second part will make, sell and deliver to the party of the first part cigar boxes manufactured by the party of the second part, in accordance with such orders, up to the full capacity of its plant, in the City of Tampa, Florida, beginning with the date hereof and to the thirty-first day of December A. D., 1920.

"SECOND. The party of the first part will appoint a purchasing agent and will receive from the various members of the party of the first part orders for cigar boxes as the party of the second part may require from time to time during said period, in order to keep their cigar box factory operating at full capacity and said orders will be promptly transmitted by said purchasing agent to the party of the second part, and by the said party of the second part filled with all reasonable dispatch.

"THIRD. Bills for boxes so sold and delivered will be transmitted direct by the party of the second part to the members whose orders are filled and the same will be charged by the party of the second part upon its books to such members. The party

Findings.

5 F. T. C.

of the second part may require payment in advance, or security, before filling any order for any member as to whose financial ability the second party is in doubt.

"FOURTH. The prices charged by the party of the second part for cigar boxes so manufactured, sold and delivered shall be the current prices in effect for similar merchandise in the City of Tampa as evidenced by the price list issued by the party of the second part dated March 15th, 1920; provided that in the event of an increase to the party of the second part of the cost of labor and materials in producing said merchandise, said prices may be increased by the party of the second part to an amount not greater than such increased cost of production.

"FIFTH. That party of the second part will operate its said plant and manufacture cigar boxes on orders given through the purchasing agent of the party of the first part as aforesaid, continuously during the aforesaid period up to the full capacity of the plant of the party of the second part; provided that in case of destruction of or damage to the plant of the party of the second part, by fire or other casualty, or inability to secure raw materials, after diligent effort, or strikes or labor disturbances, or other causes beyond the control of the party of the second part, interfering with the production of boxes, the said party of the second part shall be excused from the performance of this contract to the extent only justly attributable to such unavoidable circumstances.

"SIXTH. The party of the second part shall be entitled to fulfill any existing contracts heretofore entered into by it for future delivery of boxes, but otherwise shall be bound to sell and deliver to the party of the first part, and the party of the first part shall be bound to furnish box orders sufficient to keep the said plant of the party of the second part in full operation and to receive of and from the party of the second part, whether specially needed by the several members of the party of the first part or not, the entire number of boxes manufactured by the party of the second part as herein provided during the period aforesaid, and at the expiration of said period the party of the first part shall have the option, by giving notice in writing of its intention so to do not less than fifteen days before the expiration of said period, to extend this contract and all of its obligations for the term of one year.

"It being the true intent and meaning of this contract that the party of the first part has bought of and from the party of the second part, and the party of the second part has sold and will deliver to party of the first part all cigar boxes manufactured by party of the second part at its plant in the City of Tampa, Florida, between the date hereof and the 31st day of December, A. D., 1920.

"IN WITNESS WHEREOF the party of the first part has caused these presents to be executed in its name by its President and attested by its Secretary, and the party of the second part has also caused these presents to be executed by its President and attested and its corporate seal affixed by its Secretary, on the day and year first above written.

THE CIGAR MANUFACTURERS' ASSOCIATION
OF TAMPA, FLORIDA,

By

Attest:

.....
Secretary.

TAMPA BOX COMPANY,

By

Attest:

.....
Secretary.

1

Findings.

PAR. 14. Said agreements between respondent Cigar Manufacturers' Association, and respondent cigar box manufacturers were renewed prior to December 31, 1921 by letters from officers of respondent Cigar Manufacturers' Association to respondent cigar box manufacturers, and by letters accepting said renewals.

PAR. 15. (a) Before the making of said written agreements, respondent cigar box manufacturers were in competition with one another in interstate commerce, but after said agreements, said respondent box manufacturers sold their products at the uniform price fixed in said agreements and respondent Cigar Manufacturers' Association selected or approved the customers of each respondent box manufacturer, and all real competition between the box manufacturers ceased.

(b) Prior to the making of said agreements, for the year 1919, respondent cigar box manufacturers had outputs as follows:

1. Respondent D. N. Holway and Company.....	975,208
2. Respondent Tampa Box Company.....	4,818,606
3. Respondent Weidman, Fisher and Company.....	3,553,141
Total.....	9,346,955

(c) After said agreements were signed and from about March 16, 1920 to April 10, 1921 the outputs of said respondent cigar box manufacturers were as follows:

1. Respondent D. N. Holway and Company.....	738,277
2. Respondent Tampa Box Company.....	3,789,680
3. Respondent Weidman, Fisher and Company.....	2,802,226
Total.....	7,330,183

being a falling off for the period above last mentioned as compared with the calendar year of 1919 of 2,016,772 boxes, or about 21 4/10 per cent.

(d) The output of respondents cigar box manufacturers for the year 1919 was approximately the capacity of their plants and such capacities had not changed materially in 1920.

PAR. 16. The respondent cigar box manufacturers curtailed their production of boxes as above indicated for the period subsequent to the date of such agreement of March 16, 1920 and did not operate their plants at full capacity. It does not appear that the curtailment was due to any of the provisos in paragraph 5 of said agreement as hereinabove noted. Said respondent Cigar Manufacturers' Association did not furnish cigar box orders sufficient to keep the plants of respondent box manufacturers in full operation, nor did respondent cigar box manufacturers receive from the cigar manufacturers, whether members of respondent Cigar Manufacturers' Association

Findings.

5 F. T. C.

or not, orders for the entire number of boxes manufactured by respondent cigar box manufacturers during the period after the date of said agreements. Subsequent to the date of said agreements, respondent cigar box manufacturers did not rely upon the furnishing of orders by respondent Cigar Manufacturers' Association as provided for in said agreements but at their own expense continued to solicit orders as formerly, both within and without Tampa, Florida, and the neighborhood thereof. But the solicitation and acceptance of such orders and sales in pursuance thereof were always subject to the approval of respondent Cigar Manufacturers' Association. The refusal of respondent Cigar Manufacturers' Association to approve sales to nonmembers, tended to a reduction of accepted orders and sales of boxes by respondent box manufacturers. But no complaint or claim for remuneration on that account was made by respondent cigar box manufacturers and renewals of the agreements were accepted by them without protest.

PAR. 17. Orders for cigar boxes have come to respondent cigar box manufacturers direct from cigar manufacturers since the signing of said agreements of March 16, 1920, as they had come before the making of said agreements; cigar boxes were shipped from the factories of cigar box manufacturers to cigar manufacturers direct since the making of said agreements as they had been shipped before the making of said agreements; cigar boxes sold by respondent cigar box manufacturers to cigar manufacturers have been paid by said cigar manufacturers directly to respondent cigar box manufacturers since the making of said agreements of March 16, 1920 as they had been paid for before the making of such agreements. But respondent box manufacturers, since the making of such agreements of March 16, 1920 have permitted respondent Cigar Manufacturers' Association through its secretary, to designate to what cigar manufacturers respondent cigar box manufacturers should sell their cigar boxes and to what cigar manufacturers respondent cigar box manufacturers should refuse to sell their cigar boxes.

PAR. 18. Said respondent Cigar Manufacturers' Association as such is not now and never has been engaged in the manufacture of cigars; it is not now using and never has used cigar boxes nor dealt in them otherwise than to control their distribution. It has no cigars to pack nor to market, and never has had any cigars to pack nor to market in Tampa or elsewhere. It has not now and never has had a warehouse for the receiving, storing or handling of cigar boxes. It has never received nor stored, handled nor shipped any cigar boxes from said respondent cigar box manufacturers, nor has

1

Findings.

it had any connection with the purchase, sale or distribution of cigar boxes by said respondent cigar box manufacturers, except through its secretary to inspect orders coming to the plants of said respondent box manufacturers and to determine those cigar manufacturers whose orders for cigar boxes should be filled by respondent cigar box manufacturers, and those whose orders should be refused. In addition, at times, said secretary of respondent Cigar Manufacturers' Association, has indicated to said respondent cigar box manufacturers cigar manufacturers from which they should solicit orders for cigar boxes and cigar manufacturers from which they should not solicit orders.

PAR. 19. Respondent Cigar Manufacturers' Association having acquired through the cooperation of respondent cigar box manufacturers, control of the sale and distribution of all the cigar boxes manufactured in Tampa, was in a position to assure to its members a competitive advantage over non-members in the conduct of their business so long as said members conformed to the open shop policy of respondent Cigar Manufacturers' Association. And the respondent Cigar Manufacturers' Association was likewise in position to place at a serious competitive disadvantage all manufacturers of cigars at Tampa, competitors of its members, who declined to conform to the open shop policy, by cutting off their supply of cigar boxes from the manufacturers in that city. This position of advantage to respondent association and its members was known to respondent cigar box manufacturers when they executed their several agreements hereinbefore set out and was a result intended by each of them.

PAR. 20. Respondent Cigar Manufacturers' Association employs and has employed its control of such supply of cigar boxes to deny to and withhold their necessary supply of boxes from non-members who are competing cigar manufacturers and who refuse to conduct their business in the manner prescribed and directed by said respondent Cigar Manufacturers' Association and the members thereof. In accordance with their agreements respondent cigar box manufacturers after the signing of said agreement refused to cigar manufacturers not members of respondent Cigar Manufacturers' Association, the supply of cigar boxes needed in the business of said cigar manufacturers and informed them that to secure such a supply they must join respondent Cigar Manufacturers' Association, or must see A. A. Martinez, secretary of said respondent Cigar Manufacturers' Association, and sold cigar boxes only to such purchasers as were approved by respondent association.

PAR. 21. (a) Several cigar manufacturers in Tampa, Florida, and the vicinity thereof, were forced to join respondent Cigar Manufac-

Findings.

5 F. T. C.

turers' Association in order to secure a supply of boxes necessary in the conduct of their businesses. Jose Garcia, a cigar manufacturer in Tampa, Florida, engaged in selling and shipping cigars among the several states of the United States, was told by the secretary of the Cigar Manufacturers' Association, after having been refused boxes from respondent Tampa Box Company, that before he could obtain any boxes he would have to join said Cigar Manufacturers' Association, that Jose Garcia did join such Cigar Manufacturers' Association, and was furnished boxes from the Tampa Box Company, but he refused to "lockout" or close his shop after the strike in April, thereby violating one of the Cigar Manufacturers' Association's rules and was expelled from said Association and thereafter was refused boxes from respondent cigar box manufacturers and respondent Cigar Manufacturers' Association. Garcia and Brothers; Lopez, Alvarez and Company; W. M. Lamb; Otto Reiner; S. Bruno and Company; and D. Minutel also joined the association because it was necessary to do so to obtain a supply of boxes. Their supply was cut off by the respondents, but upon becoming members of the Association, their supply was restored.

(b) Some manufacturers whose supply of boxes was cut off by respondents were compelled to close their plants for varying periods. Such were A. C. Jones, cigar manufacturer at Lakeland, Florida; Jose Garcia, Tampa; Jose Hilgers, Tampa; Armando Gonzalez, Tampa; Manuel Rodriguez, Tampa; Tierra de Lago Cigar Company. They declined to join the respondent Association and as non-members were deprived of their box supply.

PAR. 22. On or about April 14, 1920, a strike of employees occurred in some of the plants of respondent cigar manufacturers, affecting about 25 of the members of respondent Cigar Manufacturers' Association. A week later practically all other members of respondent Cigar Manufacturers' Association locked out their employees engaged directly in manufacturing cigars, except some few who were engaged in packing for shipment the cigars theretofore manufactured. Thereafter and while non-member manufacturers in Tampa and vicinity were deprived of the supply of boxes which they needed in the conduct of their business, respondent cigar-box manufacturers and respondent Cigar Manufacturers' Association were soliciting business from cigar manufacturers outside Tampa, Florida, and the neighborhood thereof, and were selling and shipping cigar boxes to cigar manufacturers located in the various states of the United States and in the District of Columbia, so that in the year 1920, subsequent to the signing of said agreement dated March 16, 1920, respondent cigar box manufacturers sold and shipped to cigar manufacturers

1

Findings.

outside of Tampa, Florida, and the neighborhood thereof, a substantial percentage of the cigar boxes manufactured by respondent cigar box manufacturers in Tampa during that period—amounting probably to 40 or 50 per cent of their output. During the months immediately following said agreement dated March 16, 1920, the proportion of the output of respondent cigar box manufacturers sold and shipped to manufacturers outside of Tampa and the neighborhood thereof, was much greater than in any previous period. Some of the outside cigar manufacturers so supplied conducted portions of their shops as “closed shops” or with union working men, being the selecting and packing departments of such outside manufacturers.

PAR. 23. Subsequent to said strike and “lockout,” respondent Cigar Manufacturers’ Association directly and indirectly solicited for membership competing cigar manufacturers in Tampa and the neighborhood thereof, who had conducted “closed shops” or employed union workmen, as a condition precedent to getting the needed supply of boxes from respondent cigar box manufacturers. A few competing cigar manufacturers in Tampa and the neighborhood thereof, who conducted “open shops” or employed non-union workmen were supplied with cigar boxes by respondent cigar box manufacturers with the approval of respondent Cigar Manufacturers’ Association. One Vol Antuono, who was not a member of the respondent Cigar Manufacturers’ Association, and who was one of the largest cigar manufacturers in Tampa, Florida, and who conducted an “open shop” or employed non-union workmen, was supplied with cigar boxes by respondent cigar box manufacturers with the approval of respondent Cigar Manufacturers’ Association. Gonzales and Sanches, a large cigar manufacturer in Jacksonville, Florida, who was not a member of respondent Cigar Manufacturers’ Association, conducted “open shops” or employed non-union workmen, and was supplied with cigar boxes by respondent cigar box manufacturers with the approval of respondent Cigar Manufacturers’ Association. These exceptions were made in favor of a few strong concerns which conducted their operations on the “open shop” basis but for some reason did not desire membership in the respondent association. The manufacturers working on the “closed shop” basis were in the main, small concerns, employing relatively few workmen and with limited resources.

PAR. 24. About the middle of July 1920, respondent members of Cigar Manufacturers’ Association opened their factories and invited the former employees to return to work on the “open shop” basis. The strike was declared off in Tampa in the early part of the year 1921. Subsequent to the time that said factories were reopened,

Findings.

5 F. T. C.

respondent Cigar Manufacturers' Association refused to admit some competing cigar manufacturers of Tampa and the neighborhood thereof to membership. Such applicants were informed that respondent Cigar Manufacturers' Association would admit no additional members until the pending strike was settled, nor would respondent Cigar Manufacturers' Association nor respondent cigar box manufacturers supply such excluded cigar manufacturers with cigar boxes needed in their business.

PAR. 25. Subsequent to the signing of said agreement dated March 16, 1920, respondent Cigar Manufacturers' Association, through one of its directors, Mr. J. A. Jones, asked George W. Hardee, Manager of Gonzales and Sanches, a cigar manufacturing corporation in Jacksonville, Florida, affiliated with Cuesta, Rey and Company, one of the members of respondent Cigar Manufacturers' Association, to use his influence with the Brunswick Cigar Box Company, a cigar box manufacturer who had begun business in Brunswick, Georgia, in the summer of 1920, to have such box manufacturer refuse to sell cigar boxes to competing cigar manufacturers in Tampa and the neighborhood thereof known as "Buckeyes" (which means small manufacturers in the Tampa vernacular) and said manager George W. Hardee did so use his influence and secured assurance that such course of action would be pursued by said Brunswick Cigar Box Company, which did not enter into competition in the sale of cigar boxes in Tampa during the term covered by said agreements and their renewal.

PAR. 26. (a) Subsequent to the signing of said agreement dated March 16, 1920, respondent cigar box manufacturer, Weidman, Fisher and Company, refused further to supply cigar boxes needed in his business to a customer, one Max Smith, up to that time a cigar manufacturer of Tampa then employing about 45 workmen in the manufacture of cigars, unless Max Smith would become a member of respondent Cigar Manufacturers' Association. Said Max Smith was at that time selling his cigars to Thompson and Company, a large mail order house in Tampa, which company caused the cigars so made by Max Smith to be sent to purchasers residing in the various states of the United States. Said Max Smith became a member of respondent Cigar Manufacturers' Association and for about three months following March 16, 1920, secured an adequate supply of cigar boxes from respondent manufacturer, Weidman, Fisher and Company.

(b) Subsequently, respondent Weidman, Fisher and Company refused to supply said Max Smith with cigar boxes as theretofore and informed him that he could get no more boxes without the approval

1

Findings.

of A. A. Martinez, secretary of respondent Cigar Manufacturers' Association, whom he was advised to see. Subsequently, said Max Smith was summoned before the officers or directors of respondent Cigar Manufacturers' Association, and thereafter was expelled from respondent Cigar Manufacturers' Association, and was then cut off from the supply of cigar boxes needed in his business and rendered unable to fulfill his contracts for the manufacture and delivery of cigars.

(c) Said Max Smith was expelled and his supply of cigar boxes cut off because he refused to comply with section 7, article 2 of the by-laws of respondent Cigar Manufacturers' Association, in substance requiring each member to permit a committee of the Cigar Manufacturers' Association to inspect his plant and to fix the price which he should pay his employees for the manufacture of cigars of various sizes.

PAR. 27. (a) Sometime after January 1, 1920 and prior to March 16, 1920, respondent members of respondent Cigar Manufacturers' Association and respondent cigar box manufacturers, combined confederated and agreed with one another to unduly hinder competition in the sale of cigars in interstate commerce and as a means to that end respondent Cigar Manufacturers' Association and respondent cigar box manufacturers entered into certain agreements in writing dated March 16, 1920, the intent and effect of which agreements was to give respondent Cigar Manufacturers' Association full and complete control of the supply of cigar boxes practically available to the competitors of respondent cigar manufacturers doing business in Tampa and the neighborhood thereof. Said control of said cigar box supply by respondent Cigar Manufacturers' Association was used by its officers and directors with the knowledge and consent of its members for the purpose of, and had the effect of, unduly hindering the sale of cigars in interstate commerce by making it difficult or impracticable for the competitors of members of respondent Cigar Manufacturers' Association to secure a supply of cigar boxes vitally necessary in the sale of cigars in interstate commerce and caused some of said competitors to curtail production of cigars, others to cease business for varying periods and still others to do business under a distinct handicap because of the extra expense and the difficulty and inconvenience of securing cigar boxes outside Tampa, Florida.

PAR. 28. That prior to the organization of respondent Cigar Manufacturers' Association, and its entering into said agreement dated March 16, 1920, respondent members of respondent Cigar Manufacturers' Association were in active competition in interstate commerce with one another, and were then and are now in active competition with other cigar manufacturers throughout the United States similarly engaged.

Order.

5 F. T. C.

CONCLUSION.

That the practices of said respondents under the conditions and circumstances described in the foregoing findings are unfair methods of competition in interstate commerce and constitute a violation of an 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 answer of the respondents, the testimony and the evidence, and the Commission having made its findings as to the facts with its conclusion that the respondents have violated the provisions of an 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,"

It is ordered, That the Cigar Manufacturers' Association of Tampa, Florida, Jose Escalante, as President of said Association; Enrique Pendas, as Treasurer of said Association, and A. A. Martinez, as Secretary of said Association and each of its aforesaid officers as an individual, and the Members of said Cigar Manufacturers' Association of Tampa, Florida, namely:

Solis Alvarez
Francisco Arango & Co.
Avena Cigar Co.
M. Alvarez & Co.
A. Amo & Co.
Arguelles, Lopez & Bros.
Ramon Alvarez & Co.
Berriman Bros.
F. Benjamin & Co.
Big Four Cigar Co.
Andres Diaz & Co.
Rafael Espina & Co.
Every Day Cigar Co.
Jose Escalante & Co.
Fernandez Bros. & Co.
Sobrinos Fernandez & Co.
Garcia & Vega.
Perfecto Garcia & Bros.
F. Garcia & Bros. Inc.
Guerra, Diaz & Co.
Maximo Grahn & Son
Henriquez Cigar Co.
Hygiene Cigar Co.
Havatampa Cigar Co.

Havana-American Cigar Co.
Thomas Leon & Co.
Jose Lovera Co.
La Vista Cigar Co.
Jose M. Lopez.
Lopez, Alvarez & Co.
F. Lozano Son & Co.
Celestino Lopez
J. M. Martinez Co.
Jose Maseda & Co.
Morgan Cigar Co.
Saint Minitol Cigar Co.
Marsicano Cigar Co.
Newman Cigar Co.
M. Bustillo & Co.
Cuesta Rey & Co.
Corral Wodiska & Co.
Maximo Gueta
F. Capitano & Co.
Mulero Cerra Co.
Dulin & Co.
Diaz Raphael & Co.
Demmi Cigar Co.
Felipe DeSoto & Co.

1

Order.

Y. F. O'Halloran & Son
 Preferred Havana Tobacco Co.
 A. M. Perez
 Marcelino Perez & Co.
 S. Perez & Bro.
 Pent & Wright
 Pride Cigar Co.
 Salvador Rico & Co.
 Salvador Rodriguez & Co.
 E. Regensburg & Sons.
 J. W. Roberts & Son
 Wm. J. Seidenberg & Co.
 El Sidelo Cigar Co.
 L. Sanchez & Co.

M. Stachelberg & Co.
 A. Santaella & Co.
 South Florida Cigar Co.
 San Luis Cigar Co.
 San Martin & Leon Co.
 Sanchez & Haya Co.
 Salvador, Sanchez & Co.
 Tampa Best Cigar Co.
 Tampa-Cuba Cigar Co.
 Tampa Token Cigar Co.
 Celestino Vega & Co.
 M. Valle & Co.
 Wolff Bros. Cigar Co.

and said respondent cigar box manufacturers, namely; the Tampa Box Company, a corporation, D. N. Holway, J. W. Young and J. Van Roe, copartners under the firm name and style of D. N. Holway & Company; George F. Weidman, T. D. Fisher and J. A. B. Anderson, under the firm name and style of Weidman, Fisher & Co., forever cease and desist—

(1) From entering into any agreement or understanding whereby control of the entire production of cigar boxes manufactured by respondents Tampa Box Co., Weidman, Fisher & Co. and D. N. Holway & Co., is exclusively vested in respondent Cigar Manufacturers Association of Tampa, Florida, or its members, and nonmember cigar manufacturers of cigars are hindered and obstructed in procuring cigar boxes, and

(2) From entering into any agreement or understanding whereby cigar manufacturers who are not members of respondent Association are hindered or obstructed in or prevented from purchasing cigar boxes from the manufacturers thereof upon the same terms and conditions as members of respondent Association, and

(3) From continuing in force and effect three certain agreements by and between respondent Association and respondent cigar box manufacturers, each dated March 16, 1920, or any extensions or renewals thereof.

It is further ordered, That the respondents within sixty days after the service upon them of a copy of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with the order to cease and desist hereinbefore set forth.

24

FEDERAL TRADE COMMISSION DECISIONS.

Complaint.

5 F. T. C.

FEDERAL TRADE COMMISSION