

IN THE MATTER OF
FOREMOST DAIRIES, INC.

CONSENT ORDER, OPINION, ETC., IN REGARD TO THE ALLEGED
VIOLATION OF SEC. 7 OF THE CLAYTON ACT AND THE FEDERAL TRADE
COMMISSION ACT

Docket C-1161. Complaint, Jan. 23, 1967—Decision, Jan. 23, 1967

Consent order permanently forbidding a nationwide dairy with headquarters in San Francisco from acquiring any pharmaceutical manufacturer or drug wholesaler without prior consent of the Federal Trade Commission, and also requiring divestiture of two previously acquired manufacturing drug companies.

COMPLAINT

The Federal Trade Commission has reason to believe that Foremost Dairies, Inc. has violated, and intends to continue to violate, the provisions of Section 7 of the Clayton Act (U.S.C., Title 15, Section 18) and Section 5 of the Federal Trade Commission Act, (U.S.C., Title 15, Section 45) by the acquisition of capital stock of McKesson & Robbins, Incorporated, and therefore issues this complaint, stating its charges in that respect as follows:

I

DEFINITIONS

1. For the purposes of this complaint, the following definitions shall apply:

a. The pharmaceutical preparations industry. This industry includes establishments primarily engaged in manufacturing, formulating, or processing drugs into pharmaceutical preparations for human or veterinary use. The greater part of the products of these establishments are finished in the form intended for final consumption, such as ampoules, tablets, capsules, ointments, medicinal powders, solutions and suspensions. Products of this industry consist of two important lines, namely: (1) pharmaceuti-

cal preparations promoted primarily to the health professions such as the dental, medical, or veterinary professions; and (2) pharmaceutical preparations promoted primarily to the public. This definition corresponds to Standard Industrial Classification Industry No. 2834.

b. Antibiotic preparations for human use are chemical substances produced by microorganisms which have the capacity, in diluted solutions, to inhibit the growth of, or to destroy, bacteria and other microorganisms.

c. Analgesic preparations, including narcotics are substances which reduce sensibility to pain without causing a loss of consciousness.

d. Lactose is a milk sugar produced by concentration and crystallization of whey, a by-product of the manufacture of cheese. Lactose is used in the manufacture of pharmaceutical preparations as a matrix for the production of penicillin, and as a binder or coating for tablets, pills or capsules. Substantial quantities of lactose are also used in the production of infant formula products.

e. Private formulators of pharmaceutical preparations are establishments engaged primarily in the manufacture of pharmaceutical preparations for and in accordance with specifications of other pharmaceutical manufacturers.

f. Drug wholesaling establishments are engaged primarily in the wholesale distribution of drugs, drug proprietaries, druggists' sundries, and toiletries. This definition corresponds to Standard Industrial Classification Industry No. 5022.

g. Merchant drug wholesaling establishments are engaged primarily in drug wholesaling on their own account. This definition excludes: (1) manufacturers' sales branches or sales offices, and (2) merchandise agents and brokers.

II

FOREMOST DAIRIES, INC.

A. *Business*

2. Respondent, Foremost Dairies, Inc. (Foremost), is a corporation organized and existing under the laws of the State of New York with its principal office and place of business located at 111 Pine Building, San Francisco, California, 94111.

3. In 1964, Foremost ranked as the nation's 144th largest industrial corporation. It had sales of \$417 million, earned profits of \$7.2 million, and enjoyed a satisfactory cash flow in 1964. It had assets in that year of \$150 million.

4. Through its Industrial Division, Foremost operates thirty-five dairy product processing plants throughout the United States. These plants produce dairy products and byproducts, including lactose, whey and whey based products, and dried and evaporated milk, among other products. Respondent alone accounts for about 60% of total United States lactose sales.

B. Merger History

5. Foremost has shown a predilection for growth by the merger route. This pattern of growth demonstrates a proclivity for the elimination of substantial competition in industries and market areas in which Foremost intends to expand its position. Between 1951 and 1954, Foremost entered the dairy business in California by the acquisition of several smaller dairy companies. In 1954, Foremost eliminated the most substantial competition to its further growth in this State by acquiring Golden State Company, Ltd., the largest dairy company in California. Foremost's acquisitional expansion in the Eastern United States between 1950 and 1955 brought it ever closer to the market area of Philadelphia Dairy Products, Inc., one of the largest independent dairies in the country. Foremost and this company were in direct competition in Brooklyn, New York, and were operating on the periphery of the markets of each other in several States. In 1955, Foremost acquired this company rather than compete its way into its very sizeable market area. Foremost would still have had an incentive to enter this company's markets and Philadelphia Dairy Products, Inc., would have had an incentive to penetrate respondent's areas, had not Foremost eliminated this company by acquisition.

6. Foremost has for many years expressed a desire to diversify its operations, and has had an intention of long standing to enter the drug industry. Over the last five years, Foremost has acquired an entirely new management team which borrows heavily from past experience in the drug industry. The chief executive officer and the financial vice president of Foremost have spent many years with Rexall Drug & Chemical Company. Foremost considers food and drug products to be complimentary since both are consumer directed and highly regulated. Foremost's interest in the drug industry is thus a natural one.

C. Acquisition of Strong Cobb Arner, Inc.

7. On July 1, 1965, Foremost took its first substantial step into the drug industry by acquiring, for a consideration of approximately \$14 million, all of the assets and business of Strong Cobb

Arner, Inc. (SCA), a New York corporation, having its office and principal place of business at 11700 Shaker Boulevard, Cleveland, Ohio.

8. SCA was the surviving corporation in a merger on June 8, 1959, with Strong Cobb and Company, Inc., and the Arner Company, Inc., both of which were successors to drug manufacturing businesses which had been continuously operated since 1833 and 1908, respectively. In 1960, SCA entered the business of wholesale drug and sundry distribution by the acquisition of Rawson Drug & Sundry Company, Inc., and expanded its position by the acquisition of Housewares Distributing Company of Dallas, the name of which has since been changed to Rawson Drug & Sundry Company of Texas, Inc. In July, 1964, SCA's pharmaceutical manufacturing operations were extended to the West Coast through the acquisition of the assets of Teknol, Inc. In December, 1964, Teknol, Inc., entered into a long-term requirements contract with Boyle & Company, one of the West's oldest and largest pharmaceutical companies, and obtained an option to purchase the manufacturing assets of this company.

9. Prior to the sale of its assets to Foremost, SCA was the nation's largest custom formulator of pharmaceutical preparations. In addition, SCA manufactures pharmaceutical preparations which it markets to some 600 member hospitals of Hospital Bureau, Incorporated. In 1964, SCA's sales of pharmaceutical preparations manufactured by it were approximately \$10 million. Through its Rawson subsidiaries, SCA ranked as a leading distributor of drug proprietaries, druggists sundries, toiletries, housewares and related products, with sales of approximately \$33 million. In the San Francisco-Oakland Standard Metropolitan Statistical Area, SCA's wholesale sales of such products totaled \$9.5 million in 1964 and accounted for approximately eight percent of the sales of such products by merchant wholesalers in this area.

10. The acquisition of SCA by Foremost, with its greater financial, technical and marketing resources, was consummated to permit the SCA business to be strengthened and expanded; and to give Foremost an entree into the pharmaceutical field, a field Foremost selected for good growth potential. Foremost-SCA plans further growth in private label pharmaceutical preparations, a market in which Foremost estimates a growth potential of from 50% to 75% in the next five years. Foremost-SCA expects vitamins to show the greatest gains, particularly in multiple one-day, therapeutic and chewable forms for children. Foremost-

SCA also plans gains in cold remedies and pain relievers. Foremost-SCA now have pending a new drug application for a new sustained release analgesic compound for use in the treatment of arthritis. All of the formulae for these products are currently produced by Foremost-SCA. Further growth of Rawson Drug & Sundry operations is also contemplated in new Western markets, *i.e.* the Pacific Northwest, Phoenix, Arizona, and Los Angeles, California.

11. On January 26, 1966, Foremost placed SCA in a conditional five year trust administered by Crocker-Citizens National Bank. The trust provides that SCA shall be returned to Foremost at the expiration of five years unless the trust property has been sold for not less than \$23 million cash, or unless the Federal Trade Commission has informed Foremost that it may reacquire the trust property without the Federal Trade Commission presently issuing a complaint against Foremost, alleging that such acquisition or the acquisition of a controlling stock interest in McKesson & Robbins, Incorporated are violative of the antitrust laws.

12. Foremost is and for many years has been, engaged in commerce, as "commerce" is defined in the Clayton Act.

III

McKESSON & ROBBINS, INCORPORATED

13. McKesson & Robbins, Incorporated (McKesson), is a corporation organized and existing under the laws of the State of Maryland, with its principal office and place of business located at 155 East 44th Street, New York, New York.

14. In 1964, McKesson's net sales totaled \$844 million, ranking it among the largest merchandising firms in the nation. McKesson is the only nationwide wholesale distributor of drugs and related products. Approximately 60% of McKesson's sales are derived from its wholesale distribution of drugs and related products. McKesson operates more than 100 merchant wholesale drug establishments throughout the nation, including establishments located in the Pacific Northwest, San Francisco, Oakland and Los Angeles, California, and in Phoenix, Arizona. McKesson wholesale drug establishments serve the wholesale drug needs of more than 38,000 retail pharmacies and 6,000 hospitals in the United States.

15. In the San Francisco-Oakland SMSA, McKesson operates merchant drug wholesale establishments, serving retail pharmacies through its McKesson division, and other retail establish-

ments through its Skaggs-Stone division. Together, these divisions rank among the leading merchant wholesalers of drug and related products in this area; its sales of about \$11.6 million accounted for approximately 9% of all sales by San Francisco-Oakland SMSA merchant drug wholesalers in 1964.

16. Through its McKesson Laboratories and Norcliff Laboratories divisions, McKesson engages in the manufacture and sale of pharmaceutical preparations. McKesson's pharmaceutical manufacturing sales have increased continuously since 1961, to a 1965 level of approximately \$17 million.

17. McKesson manufactures and distributes a large line of pharmaceutical preparations. Vitamins, nutriments and hematinic preparations constitute the largest single class of products manufactured by McKesson. Other products manufactured by it include cough and cold preparations, analgesics, tranquilizers, sedatives, hypnotics, hormone preparations and a number of proprietary preparations. McKesson commenced the marketing of tetracycline, a broad spectrum antibiotic, on July 1, 1964, at a price to the druggist of approximately one third the prices of competing tetracycline manufacturers.

18. Since 1959, McKesson has expanded its position by the acquisitions of Merchant's Chemical Co., Barade & Page, Inc., Skaggs-Stone, Inc., and Roemer & Karrer, Inc. In 1966, McKesson expanded its Hospital and Laboratory Supplies Department by the acquisition of W. H. Curtin, a manufacturer and wholesaler of laboratory supply equipment located in Houston, Texas.

19. In 1965, McKesson had sales of approximately \$844 million and net income of about \$12 million. McKesson is in sound financial condition. Its current assets of about \$240 million on March 31, 1965, were more than \$100 million in excess of its total current and long term debt.

20. McKesson is, and for many years has been, engaged in commerce, as "commerce" is defined in the Clayton Act.

VIOLATION CHARGED

21. Prior to October, 1965, Foremost acquired 71,029 shares of McKesson common stock for \$3,081,000. In October, 1965, Foremost purchased an additional 1,000,000 shares of McKesson common stock from Glen Alden Corporation for \$50,500,000. On February 7, 1966, Foremost purchased for \$38,917,500 approximately 750,000 additional shares of McKesson stock, tendered to it in response to its tender offer and solicitation. Foremost now

owns approximately 40% of the total outstanding shares of McKesson common stock. All but \$9,581,000 of the \$92,498,500 paid by Foremost for McKesson stock thus far has been borrowed from The Prudential Insurance Company or other financial institutions.

22. Foremost solicited the purchase of an additional 250,000 shares of McKesson common stock at \$51 per share, to be tendered on or before February 18, 1966, but did not receive the number of shares required to be tendered. On September 16, 1966, Foremost purchased an additional 550,000 shares of McKesson common stock at a price of \$53 per share, tendered to it in response to a solicitation of September 1, 1966. Foremost now owns more than 51% of the outstanding common stock of McKesson. Foremost intends to effect a merger between Foremost and McKesson.

23. Foremost considers McKesson's principal business, distribution of consumer-directed products, a natural area for further corporate growth. McKesson's excellent credit rating, capital structure, and debt free properties are viewed by Foremost as a means for financing further acquisitions in the areas selected by it for corporate expansion.

IV

TRADE AND COMMERCE

A. Pharmaceutical Preparations

24. The pharmaceutical preparation industry has expanded from a level of approximately \$342 million in 1939 to a level of approximately \$3,142 million in 1964. Sales of pharmaceutical preparations promoted primarily to health professions increased rapidly, growing from approximately \$158 million in 1939 to \$2,191 million in 1964; sales of pharmaceutical preparations promoted primarily to the public increased from \$168 million to \$845 million during the same period. Recent legislation increases opportunities for further expansion in the sales of pharmaceutical preparations.

25. The rate of return on invested capital of the leading pharmaceutical firms during 1964 surpassed that of the leading firms of all other major industries in the United States. In 1964, the leading pharmaceutical firms had a median rate of return of 16.3 percent after taxes, and in 1963 they had a median rate of return of 14.7 percent. This is considerably higher than the

median of the 500 largest manufacturing corporations who averaged a 10.5 percent return after taxes on invested capital in 1964 and 9.1 percent in 1963. In 1964, profits before tax as a percent of sales in the pharmaceutical industry were approximately 20 percent, the highest in any manufacturing industry and more than twice the rate of all manufacturing industries combined.

26. In 1958, the 20 largest firms accounted for 71 percent of the value of shipments of pharmaceutical preparations. These 20 firms averaged 2,333 employees each. Conversely, the 500 smallest companies averaged less than 2 employees each, and the 905 small-est companies averaged less than 9 employees each. Between 1958 and 1963, the number of companies in the pharmaceutical industry declined by more than 100.

27. The entry barriers to the manufacture of pharmaceutical preparations on a significant scale are substantial, primarily as a result of the existing high degree of concentration, patent protection and the large resources required to introduce new drugs by heavy advertising and promotion or by intensive use of detail men. These high entry barriers not only make it difficult for new firms to enter but severely limit the capability of the smaller firms already engaged in the manufacture of pharmaceutical preparations to expand to a scale whereby they could be able to furnish effective competition to the industry leaders.

B. Antibiotic Preparations for Human Use

28. Shipments of antibiotics for human use have increased substantially from approximately \$253 million in 1954 to approximately \$350 million in 1964. Penicillin, tetracycline, and streptomycin are among the leading antibiotics. The manufacture and sale of antibiotics is highly concentrated. In 1964, the four largest companies accounted for approximately 57 percent of antibiotic sales, and the eighth largest accounted for approximately 88 percent. In 1958, the percent of the value of shipments accounted for by the four and eight largest firms were 59 and 85, respectively. In 1958, the 20 largest accounted for 98 percent of such shipments.

29. Both Foremost-SCA and McKesson manufacture antibiotics for human use. McKesson has been conspicuously active in the sale of antibiotics at prices considerably lower than those of industry leaders. In 1964, Foremost-SCA began marketing antibiotics to Hospital Bureau, Incorporated member hospitals. The expected increased sale of antibiotics under generic names may prove beneficial to both McKesson and Foremost-SCA.

C. Analgesic Preparations

30. Shipments of analgesics have increased substantially, from approximately \$256 million in 1958 to approximately \$399 million in 1964. Acetylsalicylic acid (aspirin), other salicylates, and aspirin combinations accounted for approximately \$214 million of all analgesic shipments in 1964. The manufacture and sale of analgesics is highly concentrated. In 1958, the four largest companies accounted for 55 percent of the value of shipments of all analgesics, the eight largest accounted for 70 percent, and the 20 largest for 85 percent.

31. Both Foremost-SCA and McKesson manufacture and sell analgesics. Foremost-SCA also has a patented sustained release aspirin tablet for which it has a new drug application pending approval of the Food and Drug Administration.

D. Other Pharmaceutical Preparations

32. Both Foremost and McKesson are engaged in the manufacture and sale of other pharmaceutical preparations in which concentration is high. These include, but are not limited to, tranquilizers, sedatives and hypnotics, of which the four, eight and twenty largest companies accounted for 55, 73 and 92 percent, respectively, of value of shipments in 1958; and hormone preparations, of which the four, eight and twenty largest companies accounted for 58, 83, and 95 percent, respectively, of such shipments in 1958. In addition, both McKesson and Foremost are significant producers of vitamins, nutriment and hematinic preparations. Such preparations constitute the largest single class of pharmaceutical preparations manufactured by Foremost-SCA and McKesson.

E. Drug Wholesaling

33. Sales of drug wholesaling establishments are substantial and increasing. In 1963, drug wholesaling establishments sales totaled \$6.9 billion, an increase of nearly \$1 billion over such sales in 1958.

34. Merchant wholesalers account for by far the largest number of drug wholesaling establishments and the largest portion of sales by drug wholesaling establishments. In 1963, the nation's 2,946 merchant drug wholesalers represented about 92 percent of all drug wholesaling firms and accounted for more than half of all wholesale drug sales. Merchant drug wholesalers accounted for approximately four-fifths of the total increase in all wholesale drug establishment sales between 1958 and 1963.

35. McKesson is the largest and only nationwide drug wholesaler in the United States. In 1963, McKesson's wholesale drug establishment sales accounted for about 14 percent of all sales by merchant drug wholesalers in the United States.

36. Both McKesson and Foremost operate merchant drug wholesale establishments in the San Francisco-Oakland Standard Metropolitan Statistical Area. This area ranks sixth among the nation's Standard Metropolitan Statistical Areas in population, with 2.9 million persons; and fifth in the retail value of drug sales, with 1963 retail drug sales of approximately \$186.4 million. Combined, the wholesale drug establishments of McKesson and Foremost rank first among merchant drug wholesalers in this area, accounting for approximately 17 percent of all sales by San Francisco-Oakland SMSA merchant drug wholesalers.

V

EFFECTS OF VIOLATION CHARGED

37. The effects of the acquisition of McKesson common stock by Foremost may be substantially to lessen competition or to tend to create a monopoly in the manufacture and sale of pharmaceutical preparations, in drug wholesaling, and in the manufacture and sale of lactose, throughout the United States and in Sections thereof, in violation of Section 7 of the Clayton Act (U.S.C., Title 15, Section 18); and to create an unreasonable restraint of trade and commerce, or to hinder or have a dangerous tendency to hinder competition unduly, thereby constituting an unfair act and practice in commerce, in violation of Section 5 of the Federal Trade Commission Act (U.S.C., Title 15, Section 45), in the following, among other, ways:

(a) Foremost, a firm which possesses the capability to become a significant competitor and has demonstrated its intention to expand its position in the manufacture and sale of pharmaceutical preparations, has been or may be eliminated as an actual and potential competitor in the manufacture and sale of pharmaceutical preparations, in general, and in the manufacture and sale of antibiotics and analgesics, among others, specifically.

(b) Foremost has been or may be eliminated as an actual and potential competitor of McKesson in the manufacture and sale of pharmaceutical preparations, in general, and in the manufacture and sale of antibiotics and analgesics, among other individual pharmaceutical preparations.

(c) The elimination of substantial, actual or potential competi-

tion which has been, or may be, the probable effect of the violation charged tends further to sustain or increase already high levels of concentration in the manufacture and sale of pharmaceutical preparations in general, and in antibiotic preparations and analgesic preparations in particular, among other individual pharmaceutical preparations.

(d) Substantial, actual or potential competition has been, or may be, eliminated between Foremost and McKesson in the merchant wholesale distribution of drugs, drug proprietaries, druggist sundries and toiletries in the United States and subdivisions thereof.

(e) A substantial probability of reciprocal dealing has been, or may be, created between Foremost, a seller of private pharmaceutical formulations, and its private pharmaceutical formulation customers whose products are suitable for distribution through McKesson's wholesale establishments.

(f) Members of the consuming public have been, or may be, denied the benefits of free and open competition in the manufacture and wholesale distribution of pharmaceutical preparations by the substitution of Foremost's conflicting pharmaceutical industry interest and business objectives for McKesson's demonstrated vigorous competition in the manufacture and sale of pharmaceutical preparations, including tetracycline.

(g) The cumulative effect of the violation charged has been, or may be, to accelerate tendencies toward increasing concentration in the manufacture and sale of pharmaceutical preparations, and in drug wholesaling, by encouraging tendencies toward combination and merger of actual and potential competitors, and by increasing barriers to the entry of new competition.

38. The acquisition by respondent, as alleged above, constitutes a violation of Section 7 of the Clayton Act (U.S.C., Title 15, Section 18) as amended.

39. The acts and practices of respondent, as alleged above, including without limitation paragraphs 5, 11, 21-23 and 37, constitute unfair methods of competition in violation of Section 5 of the Federal Trade Commission Act (U.S.C., Title 15, Section 45).

DISSENTING STATEMENT

BY JONES, *Commissioner*:

Because of the continued growth and importance of the drug industry and because of the increasing significance of the aged in our population, the wide assortment of government-assisted health

programs and their increasing availability to larger and larger sections of our population, together with the general increase in affluence affecting all segments of our population, I cannot agree that the consent order entered today by the Commission represents an adequate disposition of our complaint charging that the acquisition by Foremost Dairies, Inc., of McKesson & Robbins Company violated Section 7.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondent named in the caption hereof with violation of Section 7 of the Clayton Act, as amended, and the respondent having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondent and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondent of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondent that the law has been violated as set forth in such complaint, and waivers and provisions as required by the Commission's rules; and

The Commission, having considered the agreement, hereby accepts same, issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent Foremost Dairies, Inc., is a corporation organized and existing under the laws of the State of New York, with its principal office and place of business located at 111 Pine Building, San Francisco, California, 94111.
2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent, and the proceeding is in the public interest.

ORDER

I

It is ordered, That respondent, Foremost Dairies, Inc., a corporation, and its officers, directors, agents, representatives and employees, shall forthwith terminate the trust entered into with the Crocker-Citizens National Bank pursuant to an indenture of

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trust made on January 26, 1966, by and between Foremost Dairies, Inc., and Crocker-Citizens National Bank.

II

It is further ordered, That respondent, Foremost Dairies, Inc., a corporation, and its officers, directors, agents, representatives and employees, shall, within six (6) months from the date this Order becomes final, divest absolutely and in good faith of all stock, share capital, right, title or interest in Strong Cobb Arner, Inc., and associated companies, together with all additions and improvements to the assets of said companies, to a purchaser or purchasers to be approved by the Federal Trade Commission.

III

It is further ordered, That respondent, Foremost Dairies, Inc., a corporation, and its officers, directors, agents, representatives and employees, shall, within six (6) months from the date this Order becomes final, divest absolutely and in good faith of all stock, share capital, right, title or interest in Rawson Drug & Sundry Company, Inc., and associated companies, together with all additions and improvements to the assets of said companies, to a purchaser or purchasers to be approved by the Federal Trade Commission.

IV

It is further ordered, That respondent, Foremost Dairies, Inc., a corporation, and its officers, directors, agents, representatives and employees, shall make available at reasonable, nondiscriminatory prices, to other producers and consumers of lactose in the United States, crude lactose used in the production of pharmaceutical grades of lactose for so long as Foremost Dairies, Inc., sells thirty percent (30%) or more of the lactose sold in the United States.

V

It is further ordered, That respondent, Foremost Dairies, Inc., a corporation, and its officers, directors, agents, representatives and employees, henceforth from the date this Order becomes final, shall cease and desist from the acquisition, directly or indirectly, or through any corporate or other device, of any part of the stock, share capital, right, title or interest in any corporation (other

than McKesson & Robbins, Incorporated) engaged in the manufacture of pharmaceutical preparations, or engaged in the wholesale distribution of drugs, drug proprietaries, druggist sundries, toiletries, housewares or related products without the prior approval of the Federal Trade Commission.

VI

It is further ordered, That within sixty (60) days after the effective date of this Order and every sixty (60) days thereafter until it has fully complied with the provisions of Paragraphs I through III of this Order, respondent, Foremost Dairies, Inc., submit in writing to the Federal Trade Commission a report setting forth in detail the manner and form in which it intends to comply, is complying or has complied, with said paragraphs of this Order. All compliance reports shall include, among other things that will be from time to time required, a summary of all contacts and negotiations with potential purchasers of the properties to be divested under this Order, the identity of all such potential purchasers, and copies of all written communications to and from such potential purchasers.

VII

It is further ordered, That within sixty (60) days after the effective date of this Order and annually thereafter until it has fully complied with the provisions of Paragraphs IV and V of this Order, respondent, Foremost Dairies, Inc., submit in writing to the Federal Trade Commission a report setting forth in detail the manner and form in which it intends to comply, is complying or has complied, with said paragraphs of this Order.

Commissioner Jones dissenting.
