

This Time The Anti-Trust Lawyers Won A Case Against A&P

As almost everyone now knows, the anti-trust lawyers in Washington have brought a civil suit to destroy A&P. They ask the courts to order the dissolution of this company.

They say that this suit is based on the fact that they won a suit against us at Danville, Illinois, in 1946.

They did. In that case, Federal Judge Walter C. Lindley made a decision against A&P.

Immediately thereafter, in a letter explaining his decision, Judge Lindley wrote:

"I have not condemned the A&P system.
I have not made a finding which could
be the basis for a suit of dissolution."

So, now we have the anti-trust lawyers saying that their suit to dissolve A&P is based on Judge Lindley's decision; while Judge Lindley himself says his decision could not be the basis for a suit of dissolution.

In previous ads we told you about the cases against A&P which the anti-trust lawyers lost. We promised to tell you about this case they won. Here is the story of the Danville case.

What Judge Lindley Objected To

At Danville, the anti-trust lawyers made all of the charges which they are again making against A&P today. They were substantially the same charges they had made and dropped at Dallas, Texas, after four federal judges had objected to some of them as "inflammatory." In his decision, Judge Lindley was critical of some of our activities. He threw some of the charges out of court. He did not make any decision on others.

He even took occasion to praise A&P for the efficient job of food distribution it had done.

Judge Lindley said:

"To buy, sell and distribute to a substantial portion of 130,000,000 people, one and three-quarter billion dollars worth of food annually at a profit of 1½ cents on each dollar, is an achievement one may well be proud of."

"No place in the world I take it are people so well fed as in the United States. Nowhere else, I suppose, do food distributors accomplish efficient distribution at so low a margin of profit. In contrast, we are told in other nations the problem is not one of an adequate diet but one of no diet at all."

But Judge Lindley did find us in violation of the Sherman Act. He based his ruling on the dual role played by our fresh fruit and vegetable buying subsidiary, the Atlantic Commission Company, whereby that organization acted both as buying agent for A&P and as selling agent for growers.

Judge Lindley said:

"If I assume for the purpose of disposition of this case that in general the policy of A&P was to operate within the law and attribute to defendants a desire to comply with the law, there still remains the conscious, knowing adoption by all defendants of a plan of action by the Atlantic Commission Company affecting every department of A&P and every retail store which cannot be squared with the intent and purpose of the act."

In his letter explaining the decision, Judge Lindley wrote: *"I have condemned their practices through the Atlantic Commission Company."*

Judge Lindley imposed fines totaling \$175,000. When his decision was upheld by the Circuit Court of Appeals in Chicago, we paid the fines. This ended the case—but we did not stop there.

Why, Then, Do They Want To Put A&P Out Of Business?

Ever since this suit was filed, the anti-trust lawyers have been making damaging statements that could seriously hurt our business if they were believed by the public.

They say that we were found guilty at Danville of all the charges they are making today.

This is not true. Judge Lindley did not sustain all of the charges of the anti-trust lawyers.

They say this suit is designed to enforce the law.

But A&P has clearly demonstrated its sincere desire to abide by the spirit, as well as the letter of the law.

What We Did To Correct This

In the light of the decision, we immediately set about reviewing our activities to be sure that there could never again be any criticism of our operations.

First, the Atlantic Commission Company abandoned the dual role to which Judge Lindley objected and which he said was the basis of his decision against us.

We did this even though the Atlantic Commission Company had been licensed for many years by the United States Department of Agriculture to act as both a buyer and seller of fresh fruits and vegetables.

The Atlantic Commission Company now only buys for A&P. In other words, we stopped doing the thing which Judge Lindley said put us in violation of the Sherman Act.

We made additional changes in other methods of operation which Judge Lindley had questioned at Danville, even though he did not base his decision on them.

We did even more than this!

We went down to Washington and asked the anti-trust lawyers what else they thought we should do to conform to their new interpretation of the vague anti-trust laws.

The only answer we ever got was that we should break up this company!

Despite their claim that they were not opposed to A&P's size, they insisted that we destroy this size.

Despite their claim that they were not opposed to our manufacturing operations, they insisted that we get rid of our factories which produce many of the fine foods you buy at A&P.

Despite their claim that they were not opposed to our low prices, they insisted that we destroy many of the efficiencies that make these low prices possible.

In other words, they insisted upon the dissolution of A&P.

We were still trying to find out from the anti-trust lawyers what else they thought we should do to conform to the law when they filed the current suit to destroy A&P.

THE GREAT ATLANTIC & PACIFIC TEA COMPANY

