

Complaint

IN THE MATTER OF

TELEVISION SERVICE ASSOCIATION OF
DELAWARE VALLEY ET AL.

ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL
TRADE COMMISSION ACT

Docket 8623. Complaint, May 13, 1964—Decision, Feb. 19, 1965

Order requiring a trade association of television and radio repairmen and its members, of Philadelphia, Pa., engaged in the repair service of television sets, radios, and other electronic devices, to cease entering into and carrying out any planned course of action to coerce, intimidate, or boycott wholesalers or distributors of electronic equipment or component parts who also sell such products at retail, to refrain from interfering with the practices in which such wholesalers conduct their business, and to cease using a policy to "black list" wholesalers or distributors who sell such products at retail and to "white list" wholesalers or distributors who refuse to sell such products at retail.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act (15 U.S.C. Sec. 41, et seq.), and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that the parties hereinafter referred to as respondents have violated the provisions of Section 5 of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint, stating its charges with respect thereto as follows:

PARAGRAPH 1. Respondent Television Service Association of Delaware Valley, a corporation, sometimes hereinafter referred to as TSA of Delaware Valley, is a non-profit trade association, organized and existing under and by virtue of the laws of the Commonwealth of Pennsylvania, with offices and its principal place of business at 4710 Old York Road, Philadelphia, Pennsylvania. Respondent TSA of Delaware Valley was organized and is maintained ostensibly to promote the welfare and mutual interest of the radio-television and electronic industry. The membership of said respondent constitutes a class so numerous and changing as to make it impracticable to name individually each and every member as a respondent herein. Accordingly, the following members of respondent TSA of Delaware Valley are herein named as respondents in their individual capacities, as members of respondent TSA of Delaware Valley, as past or present officers, directors or in other official capacities of said corpo-

rate respondent, and as fairly representative of all members thereof, as a class, all of whom are made respondents herein :

Herman Shore, 1218 W. Girard Avenue, Philadelphia, Pennsylvania, served as director of respondent TSA of Delaware Valley from 1959 to 1960, as vice president from 1960 to 1961 and as president from 1961 to 1962.

Raymond Fink, 7819 Rugby Street, Philadelphia, Pennsylvania, served as recording secretary of respondent TSA of Delaware Valley from 1959 to 1960 and served as a director of said respondent from 1960 to 1961 and from 1961 to 1962.

PAR. 2. Meetings are held by members of respondent trade association for the purpose of transacting the business of the association. These meetings are held periodically, generally once a month, within the community wherein the trade association has its principal place of business.

PAR. 3. All or virtually all of the members of respondent trade association are individuals or corporate or other organizations engaged in the business, among others, of repairing and servicing electronic devices and equipment including those designed and employed for the reception of radio and television broadcast signals. In the course and conduct of the business of so repairing and servicing such devices and equipment, various supplies are required by members of respondent association including different component parts thereof such as radio and television tubes. Such component parts are sold and shipped by the manufacturers thereof to wholesalers or distributors in states other than the states of manufacture or other than the states where shipment originated. Those wholesalers or distributors in turn resell them to members of the corporate respondent and also to ultimate consumers. Some of the sales so made by such wholesalers or distributors are or have been made to members of respondent trade association, or to others who are non-members, but who are similarly engaged in repairing and servicing television, radio or electronic devices and equipment, or to ultimate consumers, with places of business or residences in States other than those wherein the places of business of such wholesalers and distributors are located.

PAR. 4. Respondent TSA of Delaware Valley for some years last past has published a monthly magazine called "TSA NEWS" which it has distributed to its members and to others in the radio, television and electronic industry both within the Commonwealth of Pennsylvania and in States other than the one wherein it or its members maintain their principal places of business. Members of respondent trade association, or some of them, in order to further carry out,

engage in, pursue or implement the acts, practices, methods of competition, combination, agreement, conspiracy, or planned common course of conduct, as hereinafter more particularly described and alleged to be unfair, in derogation of the public interest and in violation of law, have themselves traversed boundaries separating one state from another state or states, or have from points in one state or states employed channels of communication such as the United States mail or telephone lines extending to points in another state or states, or both. Respondent trade association and all of its members who are responsible for the acts and practices of said association, either actively participating and collaborating or tacitly acquiescing therein, are engaged in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 5. Members of respondent trade association and others similarly engaged have been, and are now, in competition with wholesalers or distributors from whom they purchase component parts for use in their business of repairing and servicing television, radio or electronic equipment or devices for the business of the ultimate consumer of such parts or devices except to the extent competition between them may have been prevented, eliminated, injured or impaired as a result of various unfair acts, practices or methods of competition engaged in, followed, pursued or adopted by or through the corporate respondent and by the members thereof as hereinafter more particularly alleged. Included among and illustrative of such acts, practices or methods of competition so engaged in, followed, pursued or adopted were the following:

At least as early as 1959, the impact of competition for the business of the ultimate consumer with wholesalers of television, radio and electronic devices and parts therefor became a matter of concern to members of respondent TSA of Delaware Valley. In March of that year said members, or some of them, caused respondent TSA of Delaware Valley to commence publication of articles and editorials in "TSA NEWS" denouncing and criticizing such wholesalers for selling at retail to the ultimate consumer and claiming such consumer was or should be the exclusive customer of individuals or organizations engaged in repairing and servicing such television, radio and electronic devices. Through the vehicle of "TSA NEWS" members of respondent TSA of Delaware Valley, or some of them, no later than September of 1959 caused it to commence publication of editorials or articles exhorting individuals or organizations engaged in repairing or servicing television, radio or electronic devices to unite and combine against such wholesalers of such devices or component

parts thereof, and to employ the threat of the combined and collective withdrawal of their purchases therefrom as a device to force such wholesalers to refrain from selling to the retail trade in competition with such members or others engaged in repairing or servicing such devices.

PAR. 6. Respondents, as hereinbefore named and described, in or about February 1960 combined, conspired, agreed or reached a common understanding with each other and others not named as parties hereto, including Television Service Dealers Association of Delaware County, Television Service Dealers Association of Delaware, Allied Electronic Technicians Association, Inc., and Radio Servicemen's Association of Trenton, N.J., Incorporated and their members, or some of them, to act in concert and collaboration to hinder and suppress the sale and distribution by wholesalers of television, radio or electronic devices, equipment or component parts thereof. Such combination, conspiracy, agreement or common understanding was entered into, or reached by and between said respondents and others, and has been pursued, followed, furthered implemented in interstate commerce and through utilization of the channels thereof. More particularly, the purposes sought to be accomplished by respondents through such combination, conspiracy, agreement or common understanding was the restriction and limitation of the channels of distribution employed in the marketing of television, radio and electronic devices, equipment or component parts by the elimination or diminution of sales thereof by wholesale distributors to the ultimate consumer. Illustrative of and included among the acts and practices designed to accomplish such purposes which were engaged in and pursued by respondents, or some of them, with the approval or acquiescence of all others, were the following:

(a) Communicated to such wholesale distributors threats of concerted withdrawal of patronage therefrom by television, radio and electronic equipment, service and repairmen;

(b) Combined and united to boycott such wholesale distributors to coerce them to discontinue selling television, radio and electronic devices or component parts thereof at retail to the ultimate consumer in competition with individuals or organizations engaged in the servicing and repair of such devices;

(c) Dictated or attempted to dictate practices to be followed or eschewed or discontinued, by such wholesalers in the conduct of their business involving such matters as hours of operation, display windows, and advertising;

(d) Caused publication to be made of a "white" list or lists of wholesalers who cooperated with respondents in refusing to sell at retail to the ultimate consumer;

(e) Policed sales made by wholesale distributors of television, radio and electronic devices or component parts thereof by employing individuals or committees for the purpose of shopping at the business establishments of distributors;

(f) Advocated, urged and preached, by way of published slogan, exhortation and appeal, that independent servicemen, both members of respondent association and non-members, should discontinue purchasing from wholesale distributors thereof who sold television, radio and electronic devices or component parts thereof, at retail to the ultimate consumer.

PAR. 7. The acts, practices and methods of competition engaged in, followed, pursued or adopted by respondents, and the combination, conspiracy, agreement or common understanding entered into or reached between and among them or others not parties hereto, and the acts and practices engaged in and followed pursuant thereto and in furtherance and implementation thereof by respondents as hereinbefore alleged, constitute unfair acts, practices and methods of competition, the effect of which has been, is now or may be to injure, impair, frustrate, eliminate, or prevent competition between respondents and others engaged in the distribution of radio, television, or other electronic equipment, or devices or component parts thereof, or to tend to create a monopoly in respondents in the distribution of such equipment, devices or parts, or to unduly obstruct, hamper or impede the current of commerce in such equipment, devices or parts between and among the several states, or to deprive members of the public who have purchased, do purchase or may purchase such devices, equipment or parts of the advantage and opportunity to so purchase from vendors engaged in active and *bona fide* competition unimpeded by artificially imposed restraints, or to curtail the breadth of choice of vendors from which such members of the purchasing public may buy, all in derogation of the public interest and in violation of Section 5 of the Federal Trade Commission Act.

Mr. Richard E. Ely and *Mr. Bruce E. Lovett* for the Commission.
Mr. Sidney H. Black of Philadelphia, Pa., for respondents.

INITIAL DECISION BY ROBERT L. PIPER, HEARING EXAMINER
JANUARY 5, 1965

On May 13, 1964, the Federal Trade Commission issued its complaint against Television Service Association of Delaware Valley, a

corporation (hereinafter called TSA), and its members, and Herman Shore and Raymond Fink, individually, as members, officers or directors, and as representative members of the entire membership of TSA, charging them with a conspiracy to boycott in violation of Section 5 of the Federal Trade Commission Act (hereinafter called the Act), 15 U.S.C. 41, *et seq.* Copies of said complaint together with a notice of hearing were duly served on respondents. The complaint alleges in substance that respondents entered into a conspiracy to boycott, *i.e.*, refuse to purchase from or deal with, those wholesale distributors who sold at retail in competition with respondent servicemen.

Respondents appeared by counsel and filed answer admitting the corporate and certain other factual allegations of the complaint but denying the commerce allegations and the alleged violation. Pursuant to notice, a prehearing conference and hearings were held before the undersigned hearing examiner duly designated by the Commission to hear this proceeding.

Both parties were represented by counsel, participated in the hearings and were afforded full opportunity to be heard, to examine and cross-examine witnesses, to introduce evidence pertinent to the issues, to argue orally upon the record and to file proposed findings of fact, conclusions of law and orders, together with reasons in support thereof. Counsel for respondents did not so file. All of the findings of fact and conclusions of law proposed by counsel supporting the complaint not hereinafter specifically found or concluded are herewith specifically rejected.¹

Upon the entire record in the case and from his observation of the witnesses, the undersigned makes the following findings of fact, conclusions and order.

FINDINGS OF FACT

I. The Business of Respondents, Other Co-Conspirators, and Their Suppliers

TSA is a nonprofit corporation, a trade association organized and existing under and by virtue of the laws of the Commonwealth of Pennsylvania, with its offices and principal place of business at 4710 Old York Road, Philadelphia, Pennsylvania. It was organized and is maintained to promote the welfare and mutual interests of the radio, television and electronic service industry and to improve the financial stability and professional standing of its members. Its membership is limited to servicemen, *i.e.*, service dealers, actively engaged

¹ 5 U.S.C. 1007(b).

in the repair and servicing of television, radio or electronic devices in the Delaware Valley. Other persons may become associate members, but they have no voting privilege (Answer; CX 2 A-B; CX 4 J, p. 1).²

The number of members of TSA varied from 30 to 50, all servicemen. As of June 1961 there were 35 members listed on its roster plus an additional eight who were dropped as of February 23, 1960 for nonpayment of dues, and one dropped in April 1959 because he had gone out of business. From time to time new members are elected (CX 3 A-C; CX 2 A; CX 4 C, p. 10; RX 108, p. 19; Tr. 738).

The geographical area with which this case is concerned is known as the Delaware Valley. As found above, and as the name of TSA connotes, it accepted as members any servicemen located in the Delaware Valley. The Delaware Valley has no fixed or legally delineated boundaries, such as an incorporated municipality, county or other legal territory, but it is a term in common usage and well known both to the public and in this industry, particularly in the Philadelphia area. In general, it comprises the tri-state area of the valley surrounding the Delaware River, extending from, and including, Trenton, New Jersey on the north, to and including Wilmington, Delaware on the south, and encompassing Philadelphia, its suburbs, Chester, Pennsylvania, and Camden, New Jersey (CX 4 I, p. 3; CX 4 J, p. 1; RX, 108 pp. 14-15; RX 107 G, p. 2; Tr. 662-3).

Respondent Herman Shore, a Philadelphia serviceman and member of TSA served as a director of TSA in 1959, 1960 and 1961, its vice president in 1960, and its president in 1961. Respondent Raymond Fink, a Philadelphia serviceman and member of TSA, served as a director of TSA in 1959, 1960 and 1961, its secretary in 1959, and as editor of its official publication, TSA News, in 1959, 1960 and 1961 (Answer; CX 4 A-4 Z(4)). Because the membership of TSA is a class too numerous and changing to make it practical to name each member individually as a respondent, in accordance with well established principles and practice,³ the complaint named respondents Shore and Fink not only as individuals, members and officers of TSA but also as representative of all members of TSA as a class as respondents.

TSA publishes, and during 1959 through 1961 published, a monthly magazine or trade journal called TSA News. TSA News is the official

² The following abbreviations are used throughout this decision: CX (Commission exhibit); RX (Respondents' exhibit); Tr. (Transcript); and P. Tr. (Prehearing transcript).

³ *Chamber of Commerce of Minneapolis v. F.T.C.*, 13 F. 2d 673 (8th Cir. 1926); *Advertising Specialty National Ass'n v. F.T.C.*, 238 F. 2d 108 (1st Cir. 1956); *National Macaroni Mfrs. Ass'n*, 65 F.T.C. 583, Docket No. 8524 (1964).

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publication of TSA. TSA distributes the News by United States mail to its members and thousands of others, primarily servicemen but including wholesale distributors, both in the State of Pennsylvania and in other States. Approximately 2,000 copies of TSA News are thus distributed, free of charge (Answer; CX 4 A-Z(6); CX 4 S, p. 3; RX 107 A-L; RX 108, p. 49; Tr. 129, 491, 698, 753).

In addition to the above respondents, the complaint named others as co-conspirators but not respondents, namely: Television Service Dealers Association of Delaware County (Pennsylvania), (hereinafter called the Chester Association); Television Service Dealers Association of Delaware (hereinafter called the Wilmington Association); Allied Electronic Technicians Association, Inc. (hereinafter called the Camden Association); Radio Servicemen's Association of Trenton, New Jersey, Inc. (hereinafter called the Trenton Association); and their members or some of them. Said associations, like TSA, are comprised of electronic industry servicemen as members and are trade associations organized for the same general purposes as TSA (CX 41 A-B; CX 42 A; CX 56 A-B; CX 60 A; CX 72 B, E, F).

The above four associations comprise the membership of a joint group known as the Tri-State Council. During 1960, the president of the Tri-State Council was the president of the Wilmington Association, the vice president of the Council was the secretary of the Camden Association, and the secretary of the Council was the secretary of the Chester Association. During 1960, the Tri-State Council's official publication was a monthly trade journal called *The Vanguard*, edited by Tony De Franco, vice president of the Camden Association, and distributed free of charge (CX 36; CX 37, pp. 1-2; CX 45; CX 101, p. 2; Tr. 129, 491).

Approximately 50 wholesale distributors of television, radio, and electronic equipment and parts supplied the servicemen throughout the Delaware Valley (CX 4 J, p. 2). Said wholesale distributors were in direct and substantial competition with servicemen in the Delaware Valley, including respondents and their alleged co-conspirators, in the sale of television, radio and electronic parts at retail to the ultimate consumer, except to the extent that such competition may have been impaired or eliminated as a result of the conspiracy to boycott hereinafter found (CX 4 N, p. 1; CX 4 O, p. 1; Tr. 263).

II. *Interstate Commerce*

As previously found, the servicemen purchased their needed television, radio and electronic parts from the wholesale distributors in

the Delaware Valley. Except as otherwise indicated, all of the distributors hereinafter named were located in Philadelphia or its suburbs. Mr. John Stern wholly owned the Radio Electric Service Co. of Philadelphia and Wilmington, and owned a one-third interest in the Radio Electric Service Co. of New Jersey. Almo Radio had branch stores in Wilmington, Camden, and Trenton; Allied Parts had a branch store in Trenton; and Radio Electric Co. had branch stores in North Philadelphia and West Philadelphia (CX 22 A; CX 24 E; CX 4 G, p. 6; CX 95; Tr. 266-7). In addition, Wholesale Electronics, a distributor in Wilmington, sold parts in Maryland and Pennsylvania as well as Delaware; Raymond Rosen & Co. sold parts in New Jersey, Delaware, and Pennsylvania; and Radio Electric Service Co. of Philadelphia frequently exchanged parts in short supply with Radio Electric Service Co. of Wilmington (Tr. 125-8, 266-7, 588).

The wholesale distributors purchased their television, radio, and electronic parts and equipment from various manufacturers, most of whom were located in States other than Pennsylvania. Approximately 80% to 99% of all such parts and equipment were purchased outside the State of Pennsylvania and shipped to such distributors. A substantial majority, approximately 85% to 95%, of such products were resold to servicemen in the manufacturers' original cartons or packages, normally, of course, in smaller quantities than purchased from the manufacturers by said distributors (Tr. 91, 123-5, 263-5, 339-41, 464-5, 477-8, 569-72).

It is concluded and found that such distributors were engaged in interstate commerce and that the sale of parts by them to servicemen was in interstate commerce.⁴

Assuming *arguendo* that such sales by distributors, or purchases by servicemen, were not in interstate commerce, nevertheless the alleged conspiracy was among persons of diverse citizenship, *i.e.*, the associations and their members in the States of Pennsylvania, New Jersey and Delaware; and as such was an "unfair method of competition in commerce," as specified in Section 5 of the Act. As the court observed in the *Salt Producers* case:

The production of salt is a local transaction, but an *agreement* between many producers, of diverse citizenship, to limit their respective productions is an unfair method of competition *in* interstate commerce.⁵

Even if the servicemen were not engaged in interstate commerce, the alleged conspiracy to boycott the distributors was a direct re-

⁴ *Standard Oil Co. v. F.T.C.*, 340 U.S. 231 (1951).

⁵ *Salt Producers Ass'n v. F.T.C.*, 134 F. 2d 354 (7th Cir. 1943).

straint on their sales in commerce. The Supreme Court has found upon substantially similar facts that such sales were in interstate commerce, and that such a conspiracy to boycott, by refusing to deal with wholesalers, was a direct restraint of trade in violation of the Sherman Act. The Court held:

The trade of the wholesalers involved covers a number of States, and there is no question but that the supplying of lumber to the large number of retailers in these associations in different states is interstate trade * * *.⁶

It is, of course, well settled that violations of the Sherman Act constitute violations of Section 5 of the Act.⁷

Furthermore, the means and instrumentalities used to effectuate and carry out the alleged boycott, as more fully found hereinafter, were in commerce. The TSA News was mailed to servicemen and others in many States, and was the principal vehicle by which the conspiracy was organized and carried out. In addition, The Vanguard, correspondence and notices in furtherance of the conspiracy were sent through the mails to various States; and a number of meetings were held in the three States comprising the tri-state area and attended by representative servicemen from all of the associations.

Finally, the alleged conspiracy to boycott was ultimately joined by certain distributors who agreed to abide by the demands of the servicemen, as more fully found hereinafter, and thus was made up of some persons allegedly not engaged in commerce, *i.e.*, the servicemen, and others, *i.e.*, the distributors, obviously engaged in commerce. The Supreme Court in the *Cement Institute* case held that the Commission has jurisdiction over all parties to such a conspiracy, including those over whom it would not otherwise have jurisdiction.⁸

For all of the foregoing reasons, it is concluded and found that the alleged unfair method of competition was "in commerce", as commerce is defined in the Act.

III. *The Unfair Practices*

A. The Issue

The basic issue in this matter is whether respondents and certain alleged co-conspirators, all television servicemen and their trade associations, entered into a conspiracy or agreement to boycott, *i.e.*, refuse to purchase from, certain wholesale distributors to cause them to cease selling electronic parts at retail to the ultimate con-

⁶ *Eastern States Retail Lumber Dealers' Ass'n v. U.S.*, 234 U.S. 600 (1914).

⁷ *F.T.C. v. Cement Institute*, 333 U.S. 683 (1948); *F.T.C. v. Motion Picture Advtg. Service Co.*, 344 U.S. 392 (1953).

⁸ Note 7, *supra*.

sumer in competition with such servicemen.⁹ Fundamentally, the objection of the servicemen was to retail sales by the distributors, their suppliers, at wholesale prices. The relevant period of time encompassed by the issues is from 1959 through 1961.

B. The Conspiracy to Boycott

1. Identification of Specific Individuals

For the purpose of clarity, the following finding identifies certain officers and officials of TSA and the four alleged co-conspirator trade associations, and certain distributors, all of whom played a more or less active part in the events hereinafter found.

TSA

Herman Shore, director, 1959-61; vice president, 1960; president, 1961.

Raymond Fink, director, 1959-61; secretary, 1959; editor, TSA News, 1959-61.

Louis Smith (deceased), director, 1959-61; corresponding secretary, 1959; president, 1960; associate editor, TSA News, 1959-61. (Respondents stipulated that Messrs. Shore and Fink believed that Mr. Smith used the pen name Allen Roberts in TSA News.)

Tony D'Annibale, director, 1959-61; vice president, 1959.

Dave Krantz, director, 1959-61.

Charles Sonnenberg, director, 1960; corresponding secretary, 1960.

John McCloy, Jr., director, 1959-61; treasurer, 1960.

(CX 4 A-4 Z(4))

Chester Association

Peter Rapagnani, vice president, 1959; president, 1960-61.

William Jordan, president, 1959.

William Boyd, vice president, 1960-61.

Leon Skalish, secretary, 1959-60; advisory board, 1961.

(CX 73)

⁹Most of the testimony of the witnesses, primarily representatives of wholesale distributors, called by counsel supporting the complaint, was corroborated by the testimony of other persons present at the events, the written admissions of respondents and co-conspirators, such as TSA News, The Vanguard, correspondence and notices, and the testimonial admissions of servicemen called by both sides, or was un rebutted. To the limited extent that such testimony was rebutted and uncorroborated, the undersigned credits the testimony of said wholesale distributor representatives based upon his observation of them.

Wilmington Association

James Mayhart, president, 1960.

Ralph Brinton, vice president, 1960.

(CX 47)

Camden Association

Joseph Papovich, director and secretary, 1959-61.

Tony De Franco, director, 1959-61; vice president, 1960; president, 1961.

(CX 57 B)

Trenton Association

H. F. Leverage, director, 1959-61; vice president, 1959; president, 1960-61.

Lewis Edwards, director, 1959-61; chairman of program and public relations committee, 1959-61.

(CX 61 B; CX 64)

Distributors

A. G. Radio, Amil Gumula; Albert Steinberg & Company, Albert Steinberg; Almo Radio, Morris Green; Allied Parts, Frank Zuschlag; A. C. Radio, Joseph Branca; Lee Electronics, Eli Goldstein; Radio Electric Service Co. (Philadelphia), Harry Fallon and James Foti; Radio Electric Service Co. (New Jersey), Joseph Berman; Radio Electric Service Co. (Wilmington), Sol Furman; Kass Electronics, Albert Kass; and Raymond Rosen & Co., Titus Yonker (Tr. 90, 93, 122, 262-3, 277, 475, 480, 488, 577).

2. The Inception of the Conspiracy

In January 1959, TSA began a campaign in its official publication, TSA News, against the distributors' practice of retail selling to the ultimate consumer at wholesale prices in competition with their customer servicemen, urging servicemen not to buy from distributors who did so. A first page editorial in the January issue of TSA News advocated collective action by servicemen against distributors who did not "cooperate" with them. After pointing out the formidable power collective action gave the servicemen, the editorial stated, *inter alia*:

Industry-wide the annual service business purchasing power mushrooms out to a fabulous \$1,140,000,000 at the retail level. Collectively, this huge purchasing power places a potent economic weapon in your hand. *Buy from the jobber who cooperates with you, * * * Rest assured that a serious drop of business resulting from your buying elsewhere, coupled with hundreds of outspoken*

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letters, *will force a policy shift to your favor.* (Emphasis added.) (CX 4 A, p. 1).

In the same issue appeared this statement by "Allen Roberts":

* * * some * * * Parts Distributors spend a great deal of money for newspaper and radio advertising directed to the public. Why must they compete with their Dealer customers?

Succeeding issues of TSA News during 1959 made ever more clear TSA's program to have its members and all servicemen not buy from distributors who sold at retail and instead engage in "selective buying" from those distributors who "cooperated," *i.e.*, did not sell at retail in competition with servicemen. Ultimately, "start selective buying" became an increasingly reiterated slogan. In the February issue, Allen Roberts stated:

Each month I have been receiving many letters asking why I haven't had more to say about our local Parts Distributors' practice of selling wholesale to anyone who can drag himself to their counter with a buck held between his teeth.

In the same column appears a quote from a letter to Mr. Roberts.

"* * * I believe that now is the time for the Service Shop Owners to get together and try to get our Distributors to clean up their practice of selling wholesale to one and all."

And later:

* * * His [Marty Fox] biggest gripe is about the Parts Distributors, who recklessly sell without discrimination to anyone at trade discounts. He would like to see something done to get these Parts Distributors selling only to those with established places of business. He suggested that if they will not cooperate, then the service shop owners should use selective buying.

Mr. Roberts further reported that another serviceman had said that "he has been facing the same problems most of us have and that is wholesale selling of electronic parts and equipment to the retail trade." In the same issue of TSA News, a cartoon depicted the distributors as picking the pockets of servicemen by "sales to retail" (CX 4 B, pp. 6, 7, 12).

In the September TSA News it was stated:

* * * Practice Selective Buying in YOUR purchases of tubes and parts.
* * * No manufacturer or distributor, in light of their recent statements, has any right to expect you to continue to buy parts or tubes from him if he is also competing with you for your customers. (CX 4 I, p. 2).

In October, the feature editorial of TSA News was entitled "LOOSE DISTRIBUTION DESERVES JUST RETRIBUTION." The editorial stated, *inter alia*:

