

tical Availability", beginning on page 910 with the words "Exclusionary Aspects" and ending on page 916 with the words "intended to condemn."

It is further ordered, That the initial decision as modified hereby be, and it hereby is, adopted as the decision of the Commission.

It is further ordered, That respondent Surprise Brassiere Co., Inc., shall, within sixty (60) days after service upon it of this order, file with the Commission a report, in writing, setting forth in detail the manner and form in which it has complied with the order to cease and desist.

Commissioner Elman dissenting.

IN THE MATTER OF
HENDERSON TOBACCO MARKET BOARD
OF TRADE, INC., ET AL.

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

Docket 8684. Complaint, May 18, 1966—Decision, June 15, 1967

Order requiring a Henderson, N.C., tobacco warehousing trade association and its members to cease restraining competition in the buying and selling of leaf tobacco through the adoption of bylaws and other rules which favor established warehouses and penalize new entrants.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that each and all of the parties named in the caption hereof, and hereby made respondents herein, and more particularly hereinafter described and referred to as respondents, have violated the provisions of Section 5 of said Act (U.S.C., Title 15, § 45), and it appearing to the Commission that a proceeding by it in respect thereto would be in the public interest, the Commission hereby issues its complaint charging as follows:

PARAGRAPH 1. The following is a description of the respondents:

1. Respondent Henderson Tobacco Market Board of Trade, Inc., hereinafter referred to as respondent Board, is a corpora-

tion duly organized under the laws of the State of North Carolina, with its principal office and place of business located in the city of Henderson, North Carolina. Membership in respondent Board is limited to those persons, firms, corporations, and associations engaged in or about to engage in business as leaf tobacco warehousemen, buyers or rehandlers of leaf tobacco on the Henderson tobacco market.

The following named individuals are now, or have been during the time mentioned here, officers of respondent Board and as such and individually, are named as respondents herein, and in that capacity have dominated, controlled and directed, and are now dominating, controlling and directing, the affairs of respondent Board, including the policies and practices as hereinafter set forth:

Charles Brooks Turner, President

W. J. Alston, Jr., Vice President

William H. Hoyle, Secretary-Treasurer.

2. Respondents George T. Robertson and Samuel E. Southerland are individuals engaged in the operation of five tobacco auction warehouses, four trading and doing business under the name and style of Liberty Warehouse, more commonly known, referred to and described as Liberty #1, Liberty #2, Liberty #3 and Liberty #4, and one under the name and style of Robertson & Southerland, all of which are located in or near the city of Henderson, North Carolina, where respondents have their principal office and place of business, and as such and individually are named as respondents herein. Said respondents are members of the Henderson Tobacco Market Board of Trade, Inc.

3. Respondent W. J. Alston, Jr., an individual trading and doing business under the name and style of Farmer's Warehouse, is engaged in the business of operating four tobacco auction warehouses commonly known, referred to and described as Farmer's Warehouse, Alston #1, Alston #2 and Alston #3, all of which are located in or near the city of Henderson, North Carolina, where respondent has his principal office and place of business, and as such and individually is named as respondent herein. Said respondent is a member of respondent Henderson Tobacco Market Board of Trade, Inc.

4. Respondents A. H. Moore and C. E. Jeffcoat, individuals trading and doing business under the name and style of Moore's Big Banner Tobacco Warehouse, are engaged in the business of operating three tobacco auction warehouses commonly known, referred to, and described as Big Henderson #1, Big Henderson #2,

and Big Banner, all of which are located in or near the city of Henderson, North Carolina, where respondents have their principal office and place of business, and as such and individually are named as respondents herein. Said respondents are members of respondent Henderson Tobacco Market Board of Trade, Inc.

5. Respondents F. H. Ellington, Gilbert F. Ellington, and John Ellington, individuals trading and doing business under the name and style of Ellington Warehouse, are engaged in the business of operating two tobacco auction warehouses commonly known, referred to, and described as Ellington Warehouse and Planters Warehouse, both of which are located in or near the city of Henderson, North Carolina, where respondents have their principal office and place of business, and as such and individually are named as respondents herein. Said respondents are members of respondent Henderson Tobacco Market Board of Trade, Inc.

6. Respondent M. L. Hight is an individual engaged in the operation of a tobacco auction warehouse trading and doing business under the name and style of Hight Warehouse, which is located in or near the city of Henderson, North Carolina, where respondent has his principal office and place of business, and as such and individually is named as respondent herein. Said respondent is a member of respondent Henderson Tobacco Market Board of Trade, Inc.

7. Carolina Tobacco Warehouse is a partnership comprised of the subsequently named individuals who formulate, direct and control the acts and practices of the said partnership, including the acts and practices hereinafter set forth. The principal office and place of business of respondent partnership is located in or near the city of Henderson, North Carolina.

8. Respondents M. L. Hight, B. W. Young and J. S. Royster, copartners trading and doing business under the name and style of above partnership, are engaged in the business of operating six tobacco auction warehouses commonly known, referred to and described as follows:

Carolina Warehouse.

Royster-Hight No. 1 (known also as Golden Belt Warehouse).

Royster-Hight No. 2.

Royster-Hight No. 3.

Big Four Warehouse No. 18.

Big Four Corporation House No. 17.

All of the above-named warehouses are located in or near the city of Henderson, North Carolina, where respondents have their

principal office and place of business. Said respondents are members of respondent Henderson Tobacco Market Board of Trade, Inc., and as such and individually are named as respondents herein.

9. Respondent Royster-Hight Corporation is a corporation organized under the laws of the State of North Carolina with its principal office and place of business in Henderson, North Carolina. Respondent corporation was chartered in 1954 for the purpose of conducting the business of the above-named Royster-Hight Warehouses No. 1, No. 2 and No. 3 and as such said corporation is named a respondent herein.

The following named individuals are now, or have been during the time mentioned herein, officers and directors of respondent Royster-Hight Corporation, and in that capacity they have dominated, controlled and directed and are now dominating, controlling and directing the affairs of said respondent corporation, and as such and individually are named as respondents herein:

Fred S. Royster—President
W. G. Royster—Vice President
J. S. Royster—Secretary
M. L. Hight—Treasurer.

10. Respondents C. B. Turner, R. E. Tanner, S. P. Flemming and R. E. Flemming, individuals trading and doing business under the name and style of High Price Tobacco Warehouse, are engaged in the business of operating four tobacco auction warehouses commonly known, referred to and described as Dixie #1, Dixie #2, New Dixie, and High Price Warehouse, all of which are located in or near the city of Henderson, North Carolina, where respondents have their principal office and place of business, and as such and individually are named respondents herein. Said respondents are members of respondent Henderson Tobacco Market Board of Trade, Inc.

11. The membership of respondent Board includes, in addition to those warehouse owners and operators hereinabove described, other members whose names are not known at this time to the Federal Trade Commission but who may possess or own interests in one or more of the different warehouses operating on the Henderson tobacco market and thus be eligible under respondent Board's Constitution and By-Laws to vote on matters pertaining to the allocation of selling time to said warehouses operating on the Henderson market. Furthermore, such membership of said respondent Board is, or may be, changed from

time to time by the addition and withdrawal of such members. For these reasons, all of such members of said respondent Board at any given time cannot be properly described and set forth herein for the purpose of naming them as respondents without considerable inconvenience and delay. Wherefore, the respondents hereinbefore named as respondents, as such officers and warehouse members, are also made respondents as generally and fairly representative of and as representing all of the warehouse members of said respondent Board, including those not herein specifically named and described.

PAR. 2. Flue-cured tobacco (type 11[b]) produced in the States of North Carolina and Virginia is brought to the Henderson tobacco auction warehouses, operated and controlled by respondent members of respondent Board, where it is sold at auction on such warehouse floors to purchasers, or agents or representatives thereof, who are also members of respondent Board and who are, in a great many instances, engaged in the export tobacco trade or in the domestic manufacture of tobacco products in States other than North Carolina. Said tobacco is then shipped or otherwise transported by such purchasers or by those to whom such tobacco is resold or for whom such tobacco is purchased, from said State of North Carolina to other States within the United States and the District of Columbia and foreign countries, and there has been, and now is, a constant and continuous current and flow of said tobacco and tobacco products between and among the several States of the United States and the District of Columbia, and with foreign countries.

PAR. 3. There are five types of flue-cured tobacco as classified by the United States Department of Agriculture, the primary bases of classification being the date of maturity and area of production:

Type 11(a): Grown in northwestern North Carolina and south central Virginia, an area commonly referred to as the "Old Belt."

Type 11(b): Grown in central North Carolina and southwestern Virginia, an area commonly referred to as the "Middle Belt."

Type 12: Grown in eastern North Carolina.

Type 13: Grown in southeastern North Carolina and northeastern South Carolina.

Type 14: Grown in southern Georgia and northern Florida.

In 1963, the total sales of all flue-cured tobacco (types 11[a], 11[b], 12, 13 and 14) was 1,463.4 million pounds worth

\$843,980,000 or \$56.67 per cwt. The State of North Carolina, which is the largest producer of flue-cured tobacco, accounted for 64 percent of this total or 933.3 million pounds worth \$541,490,000. Thus, in North Carolina, the cash receipts from flue-cured tobacco accounted for 47 percent of the total receipts from the sale of all farm commodities.

PAR. 4. (1) The Henderson tobacco market, located in north central North Carolina, ranks as one of the largest markets engaged in the auction of type 11(b) flue-cured tobacco. Of the total 1963 sales of type 11(b) flue-cured tobacco (177.7 million pounds worth \$101,356,000), the Henderson market accounted for 16 percent (27.9 million pounds worth \$15,650,000 or \$56 per cwt.). Among the ten markets engaged in the auction of type 11(b) flue-cured tobacco, the Henderson market ranks third in terms of pounds of tobacco sold. And among the 93 markets engaged in the auction of all types of flue-cured tobacco, the Henderson market ranks 16th.

(2) The perishable nature of flue-cured tobacco—once it is put “in order” by the grower for sale at auction—demands that there be a coordination of efforts between grower, warehouseman and purchaser. To a large extent, the Bright Belt Warehouse Association, a voluntary association comprised of the majority of warehousemen engaged in the auction of flue-cured tobacco, has fulfilled this coordinating function. This Association sets the opening and closing dates for each market engaged in the auction of flue-cured tobacco (the opening dates being determined by the projected date the type of tobacco sold on a particular market matures), establishes maximum rates of sale as well as the length of each selling day and the maximum allowable weight for each basket of tobacco, and declares market holidays to prevent or relieve a glutted market. There is no statutory authority for this action by the Association. Such authority is derived from the consent of its membership and the farmers and industry generally. The Association takes no action with respect to the internal allocations of selling time among warehouses on any market.

The selling season for the Henderson market generally opens the beginning of September and ends in November. The Henderson market is allowed a 5½ hour sale day at a rate of 400 baskets per hour (the maximum weight of each basket being set at 300 pounds) for a total of 2200 baskets per day per single set of buyers. And, because it is a two-buyer market—thus permitting two auctions to be held simultaneously in two different

warehouses—the number of baskets of tobacco which can be sold on the Henderson market is doubled.

(3) The auction sale of flue-cured tobacco must be accomplished within a short time after the tobacco is placed on the warehouse floors in order to prevent deterioration in the quality and value of the tobacco. Accordingly, after tobacco is delivered to a warehouse, it is weighed and identified in accordance with the provisions of the Tobacco Inspection Act of 1935, and, in most instances, auctioned within the next two sales days. After the tobacco is sold, it is either removed from the warehouse floor and shipped to the redrying plants of the purchaser or hauled to local redrying plants and subsequently shipped to the tobacco purchasers for further processing.

(4) The sale of flue-cured tobacco by means of the auction system is encouraged as a means of promoting competition among the buyers in bidding for the producers' tobacco. Consequently, the presence of buyers from the major tobacco manufacturing companies and independent buying companies and speculators and rehandlers is essential to a successful auction.

PAR. 5. (1) Prior to 1949, the sale of leaf tobacco at auction on the Henderson market was governed by the rules and regulations promulgated by the Henderson Tobacco Board of Trade, Inc., a corporation organized under the laws of the State of North Carolina in 1921. On October 3, 1949, respondent Board was organized and chartered as successor to the Henderson Tobacco Board of Trade, Inc.

(2) Membership in respondent Board is divided into two categories; warehousemen, and purchasers of leaf tobacco other than warehousemen. Each person, firm or corporation operating a tobacco auction warehouse on the Henderson market is automatically a participating member and is entitled to one vote per warehouse on matters coming before respondent Board. Membership among purchasers of leaf tobacco other than warehousemen may be either participating or non-participating. Purchasers who elect to become participating members are entitled to one vote each.

(3) The selling time allotted to the Henderson tobacco market by the Bright Belt Warehouse Association is distributed among the warehouse members of respondent Board in accordance with the rules and regulations of respondent Board now in effect. Pursuant to these rules and regulations, selling time is allocated to each warehouse on the basis of the unit system unless there is unanimous agreement as to the amount of sell-

ing time to be allotted to each tobacco auction warehouse firm.

(4) The authority of said respondent Board is respected, accepted and adhered to by the buyers, agents, and representatives of the principal tobacco manufacturing companies and by independent buyers whose presence is necessary for a successful tobacco auction sale. Consequently, it is virtually impossible for any person, firm or corporation to engage in the tobacco auction warehouse business on the Henderson market without first having been admitted into membership in respondent Board and becoming obligated to adhere to the by-laws, rules and regulations promulgated and prescribed by said respondent Board. No person, firm or corporation may purchase tobacco or operate a tobacco auction warehouse on the Henderson tobacco market who is not a member in good standing of respondent Board, and no warehouseman can conduct an auction without first receiving a portion of the selling time made available to the warehouse members by respondent Board.

PAR. 6. (1) Although respondent Board was organized and chartered in 1949 with the announced and stated purpose of associating together those persons, firms and corporations interested in the buying, selling and handling of flue-cured tobacco on the Henderson tobacco market, and its tobacco trade territory, and for the purpose of adopting and maintaining such reasonable rules, regulations and requirements as are necessary to promote the honest and efficient conduct of said tobacco business, including the allocation of selling time to each tobacco auction warehouse operating on the Henderson market, it is now and has been since its organization an instrumentality or vehicle for effectuating and carrying out the designs and purposes of those respondents who own, control or operate tobacco auction warehouses on the Henderson market, and, who, through the exercise of their influence and voting privileges possess the means and ability to formulate, adopt and put into effect any rule, regulation, system or plan governing the operations of the Henderson tobacco market which they may decide to pursue, including the unlawful acts and practices hereinafter set forth.

(2) Respondent Board, acting under and through the direction, control and authority of its officers and respondent members of respondent Board has in the past and now continues to conduct and exercise control over the operations of the Henderson tobacco market under certain by-laws, rules and regulations, prescribed, approved and promulgated by respondent Board, which by-laws, rules and regulations, among other things, allot, appor-

tion, regulate and adjust the selling time among the tobacco auction warehouses operating on the Henderson market. Furthermore, respondent Board passes upon applications for membership and imposes fines and penalties for violations of its by-laws, rules and regulations; and at all times herein mentioned, the Henderson tobacco market has been dominated and controlled and is now under the domination and control of respondent Board, its officers, and respondent members of respondent Board.

PAR. 7. The respondents named herein are in competition with each other in the purchase, sale and handling of flue-cured tobacco through the facilities owned, leased or operated by them for the purpose of conducting auction sales of flue-cured tobacco brought to the market and placed on the various auction warehouse floors for sale at auction, and in the buying and selling of such tobacco for export to foreign countries or for domestic use in the manufacture of cigarettes and other tobacco products for sale and distribution in various States in the United States and in the District of Columbia and for export to foreign countries, except insofar as said competition has been hindered, lessened or restrained, or potential competition among them and with others, forestalled, prevented, hindered, or suppressed by the unfair acts, practices, methods and policies of said respondents as hereinafter set forth.

PAR. 8. Respondent warehouse members acting between and among themselves and also through and by means of respondent Board, for a number of years last past and particularly since about 1949, and continuing to the present time, have, by means of agreements and understandings between and among themselves, and by other means and methods, conspired and combined in a planned common course of action to adopt, carry out and maintain, and did adopt, carry out and maintain, in commerce between the several States of the United States and in the District of Columbia and with foreign countries, an undue and unreasonable hinderance, restriction and suppression of the establishment and operation of market facilities and market opportunities and competition in the purchase and sale of flue-cured tobacco on the Henderson market.

PAR. 9. Pursuant to, and in furtherance and effectuation of, the aforesaid agreements, combinations, understandings and planned common course of action, said respondents, and each of them, through and by means of respondent Board, have done and

performed, or have caused to be done and performed, the following acts and practices, including, among others:

(1) Adopted by-laws, rules or regulations for the purpose or with the intent or effect of restricting, preventing or foreclosing firms, persons and corporations from engaging in the tobacco auction warehouse business on the Henderson tobacco market;

(2) Adopted by-laws, rules or regulations for the purpose or with the intent or effect of discouraging or preventing firms, persons and corporations from erecting, building or operating new tobacco auction warehouses on the Henderson tobacco market;

(3) Adopted by-laws for the purpose or with the intent or effect of discouraging or preventing firms, persons and corporations now engaged in the business of operating tobacco auction warehouses on the Henderson market from expanding their present tobacco auction warehouse facilities thereon;

(4) Included or caused to be included, as a basis for the allocation of selling time certain warehouse facilities which are unsuitable and/or unavailable for use in connection with the sale of tobacco at auction on the Henderson market for the purpose or with the intent or effect of:

a. Restricting, preventing or foreclosing firms, persons and corporations from engaging in the tobacco auction warehouse business on the Henderson tobacco market;

b. Discouraging or preventing firms, persons and corporations from erecting, building or operating any new tobacco auction warehouse on the Henderson tobacco market;

c. Discouraging or preventing firms, persons and corporations now engaged in the business of operating tobacco auction warehouses on the Henderson market from expanding their present tobacco auction warehouse facilities thereon.

PAR. 10. The aforesaid agreements, understandings and planned common course of action, together with the acts and practices of respondents, and each of them, as hereinbefore alleged, have each and all operated to prevent a substantial volume of tobacco from being sold or purchased by persons, firms and corporations who sought to compete, or who were already engaged, in the market operations of the Henderson tobacco market, and thereby unduly and unreasonably hindered, restricted, suppressed and prevented competition in the sale and purchase of tobacco at auction on the Henderson tobacco market. Among the specific effects in this respect are the following:

a. Persons, firms and corporations seeking to erect, expand

and use tobacco auction warehouse facilities for the sale of flue-cured tobacco at auction on the Henderson market, and persons, firms and corporations desiring to enter the Henderson tobacco market as competitors in the tobacco auction warehouse business on the Henderson tobacco market, have been and are presently being restricted, foreclosed or discouraged from so doing by reason of the unlawful acts and practices as described in Paragraph Nine, above.

b. Persons, firms and corporations presently engaged in the business of operating tobacco auction warehouses on the Henderson market have been deprived from receiving fair and reasonable credit for the suitable and available warehouse space which they maintain for the purpose of conducting tobacco auctions as a result of the unlawful acts and practices as described in Paragraph Nine, above, which cause, and have caused, selling time to be allocated to warehouse facilities which are unsuitable and/or unavailable for use in connection with the sale of tobacco at auction on the Henderson market.

c. Tobacco growers whose farms are located in the area normally serviced by the Henderson tobacco market have been and are being deprived of the privilege of selling their tobacco at the warehouse of their choice through the unlawful and unreasonable acts and practices as described in Paragraph Nine, above, and as a result thereof, said growers have, in many instances, transported and sold their tobacco in other markets at a cost far in excess of that which said growers would have incurred in the sale of their tobacco if they had been able to sell it at the warehouse of their choice on the Henderson tobacco market.

d. Respondents have acquired control of such a nature and to such an extent over the purchase and sale of tobacco on the Henderson tobacco market that they threaten to create, and have created in certain aspects, through the instrumentality of respondent Board, a monopoly in the business of buying and selling flue-cured tobacco on the Henderson market.

PAR. 11. The acts and practices of respondents as herein alleged are all to the prejudice of respondents' existing and potential competitors and to the prejudice of the public; have a tendency to hinder and suppress, and have actually hindered and suppressed competition between respondents and others in the purchase and sale of tobacco at auction; have a tendency to obstruct and restrain, and have actually obstructed and restrained, trade in the purchase, sale and distribution of tobacco and tobacco products in commerce, as "commerce" is defined in the

Federal Trade Commission Act; have created or have a tendency to create in said respondents a monopoly in the auction sale of tobacco on the Henderson tobacco market; and are contrary to public policy and constitute unfair methods of competition and unfair acts and practices in commerce within the intent and meaning of Section 5 of the Federal Trade Commission Act.

Mr. Americo M. Minotti and *Mr. John Ohanian* supporting the complaint.

Mr. Francis E. Winslow and *Mr. Thomas L. Young*, of *Battle, Winslow, Merrell, Scott & Wiley*, Rocky Mount, N.C., and *Mr. Robert S. Hight*, Henderson, N.C., attorneys for respondent Henderson Tobacco Market Board of Trade, Inc., and all other respondents except the Liberty and Ellington warehouse groups.

Mr. A. Augustus Zollicoffer, *Mr. John H. Zollicoffer*, and *Mr. John H. Zollicoffer, Jr.*, of *Zollicoffer and Zollicoffer*, Henderson, N.C., attorneys for respondents *Mr. George T. Robertson* and *Mr. Samuel E. Southerland*, individually and trading as Liberty Warehouse.

Mr. George T. Blackburn, of *Perry, Kittrell, Blackburn & Blackburn*, Henderson, N.C., *Mr. Arthur A. Bunn*, Henderson, N.C., and *Mr. Robert B. Morgan*, Lillington, N.C., attorneys for respondents *Mr. F. H. Ellington*, *Mr. Gilbert F. Ellington* and *Mr. John Ellington*, trading as Ellington Warehouse.

INITIAL DECISION BY JOSEPH W. KAUFMAN, HEARING EXAMINER

MARCH 2, 1967

Pleadings, Procedures, and General Summary

Essentially, as the examiner sees it, the complaint alleges unfair acts and practices and unfair methods of competition under Section 5 of the Federal Trade Commission Act on the part of respondent Henderson Tobacco Board and its warehouse members—acting, incidentally, in unlawful combination or conspiracy to violate the antitrust laws—in connection with the allocation of selling time, particularly to new entrants. The Board and its members are authorized by virtue of North Carolina statute to exercise control of the Henderson tobacco selling market, including control of the allocation of selling time. Under the North Carolina statute, the validity of which is not questioned herein, no warehouse may sell tobacco produced by the growers except through the Board or similar organization in a local area. Under the statute nothing may be done in restraint of trade, and Board by-laws or regulations must be reasonable. The reasonable-

ness of the exercise, by the Board and its members, of the authority granted by North Carolina statute is the controlling issue in this case.

The alleged unlawful acts, insofar as concerns their ultimate effects, are in two categories:

First, there is the adoption or repeal of *by-laws*, so as to restrict or foreclose new entrants from opening up warehouses in the Henderson market for the sale of tobacco.—It is also alleged that established or old-time warehouses desiring to expand are adversely affected, presumably those which do not have capital resources as great as others. *Second*, there are the alleged unsuitable and unavailable warehouses.

The main proof herein relating to the by-laws of respondent Board was three-fold:

(1) The by-laws provided for the so-called *unit system*.—Under the unit system, an applicant warehouse desiring to enter the market as a new entrant, no matter what its size, will be allocated selling time on a basis not to exceed a predetermined average unit of 56,000 square feet, although it will receive less if its square footage is less than the average unit. If the new entrant is admitted and receives a unit, or less, of time credit, the allotment is deducted from the grand total available and the remainder of the selling time is divided up among the prior established firms proportionately, each thus taking some cut in time.—It is true that this unit system also applies to warehouses added by the established firms, or to any expansion of space by them, but this appears to be of rather subordinate importance in connection with the unit system as it has worked out in the Henderson market.

(2) The by-laws were radically amended in 1955 by the *repeal of the two-thirds time and space allocation rule*. This prior provision of the by-laws prohibited, except by unanimous consent of the warehouse members, selling time to be allocated to a warehouse unless it actually sold on its premises two-thirds of the tobacco sold. Thus, for a warehouse not actually selling tobacco to be allowed an allocation of time was something of an impossibility. The repeal of this strict control on the allocation of selling time obviously served as an inducement to established warehouses to bring other warehouses into the market solely for the purpose of obtaining additional selling time, even though such warehouses did not themselves sell tobacco. This was particularly so because a number of the established warehouses had stand-by warehouses (many of them engaged in storing tobacco) or were financially able to build new warehouses.

