



Department of Justice

FOR IMMEDIATE RELEASE
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H.P. Hood & Sons of Boston, the largest milk wholesaler in New England, was indicted today on charges of trying to drive out of business milk dealers who sell milk at cheaper prices in glass jugs.

Attorney General Robert F. Kennedy said the six-count indictment, returned by a federal grand jury in Boston, charged Hood with illegally cutting prices in selected areas, often below cost, in order to destroy competition from "jug handlers."

Mr. Kennedy said the indictment further charged that Hood conspired with the Great Atlantic & Pacific Tea Company, Inc. to restrain competition and to monopolize the Greater Boston milk market. Approximately 350,000,000 quarts of milk, worth about \$70,000,000 are sold there annually.

The indictment said Hood paid secret rebates to A&P for milk sold in its Boston area stores.

Jug handlers process, sell and distribute milk in gallon and half-gallon jugs, a cheaper form of packaging than the milk cartons used by Hood and other dairies.

Both Hood and A&P, whose headquarters are in New York City, were named as defendants in two of the six counts of the indictment. One count charged them with conspiring to restrain trade in violation of Section 1 of the Sherman Act. The second charged them with conspiring to monopolize, in violation of Section 2 of the Act.

Four counts charged Hood alone. One count charged the company with attempting to monopolize milk sales in violation of Section 2 and three counts charged violations of the Robinson-Patman Act.

One of these Robinson-Patman counts charged Hood with seeking to eliminate Cumberland Farms, a major jug handler, as a competitor. Another charged Hood with giving discriminatory discounts to certain milk retailers located near Cumberland stores. The third charged Hood with giving the special secret rebates to A&P.

The indictment said that in fall of 1956, Hood began a program with competitors to prevent the entry or growth of jug handlers in the Greater Boston milk markets.

Mr. Kennedy said that as part of this program, Hood assertedly set A&P's retail milk prices at levels designed to eliminate sales by jug handlers.

Hood also lowered its wholesale prices on milk sold to certain other retailers for the same purpose and coerced and persuaded other wholesalers to do the same, the indictment said.

Hood often sold milk to A&P and other retailers at prices below Hood's costs, the indictment charged.

As a result, jug handlers and other milk wholesalers suffered severe financial losses in their attempts to compete against the below-cost prices "financed by Hood's resources," according to the indictment.

Maximum penalty for each defendant would be a fine of \$50,000 for each Sherman Act count and \$5,000 for each Robinson-Patman count.