

4/5

No. 11296

In the District Court of the United States
Western District of Wisconsin

UNITED STATES OF AMERICA

v.

STANDARD OIL COMPANY (INDIANA) ET AL.,
DEFENDANTS

INDICTMENT

JOHN HENRY LEWIN,
HAMMOND E. CHAFFETZ,
W. B. WATSON SNYDER,
GRANT W. KELLEHER,

Special Assistants to the Attorney General.

JOHN DICKINSON,
Assistant Attorney General.

JOHN J. BOYLE,
United States Attorney.

FILED JULY 28, 1936

**In the District Court of the United States
for the Western District of Wisconsin**

UNITED STATES OF AMERICA,
Western District of Wisconsin, ss.

INDICTMENT

The Grand Jurors of the United States of America, at a regular term of the District Court of the United States of America for the Western District of Wisconsin, to-wit: the Madison, December 1935, term thereof, held at Madison, in the county of Dane in said Western District of Wisconsin, after being duly impanelled, sworn, and charged at the term of court aforesaid, inquiring for the said district, upon their oaths find and present, as follows:

A. The defendants

1. The following named corporations, engaged principally in the petroleum business, that is to say, in the manufacture, purchase, transportation, and sale of petroleum products, are hereby made defendants herein. Each of said corporations is duly authorized to do business under and by virtue of the laws of the state of incorporation as indicated, and has its principal place of business as indicated. Each may be described as an integrated company, i. e., a company which is engaged in the combined functions of production, transportation, and refin-

ing of crude petroleum, and the wholesale and retail marketing of the products thereof, principally gasoline. Each is also sometimes known either as a "major" or "semi-major" company, as distinguished from "independent", or smaller company. Each will sometimes be referred to herein, for convenience, by the abbreviated name as indicated. Said corporations, and those of their subsidiaries hereinafter named as defendants, will sometimes be referred to as "defendant major oil companies."

Name of corporation	Abbreviated name	State of incorporation	Principal place of business
Standard Oil Company (Indiana).	Standard of Indiana.	Indiana.....	Chicago, Illinois.
Socony-Vacuum Oil Company, Inc.	Socony-Vacuum	New York....	New York, N. Y.
Cities Service Company.	Cities Service.....	Delaware....	New York, N. Y.
Continental Oil Company.....	Continental.....	Delaware....	Ponca City, Okla.
Gulf Oil Corporation.....	Gulf.....	Pennsylvania.	Pittsburgh, Pa.
The Pure Oil Company.....	Pure.....	Ohio.....	Chicago, Illinois.
Shell Petroleum Corporation.	Shell.....	Virginia.....	St. Louis, Mo.
Sinclair Refining Company.....	Sinclair.....	Maine.....	New York, N. Y.
The Texas Company.....	Texas.....	Delaware....	New York, N. Y.
Tide Water Oil Company.....	Tide Water.....	New Jersey...	New York, N. Y.
Mid-Continent Petroleum Corporation.	Mid-Continent.....	Delaware....	Tulsa, Okla.
Phillips Petroleum Company.	Phillips.....	Delaware....	Bartlesville, Okla.
Skelly Oil Company.....	Skelly.....	Delaware....	Tulsa, Okla.
Barnsdall Refining Corporation.	Barnsdall.....	Delaware....	Tulsa, Okla.
The Globe Oil & Refining Company.	Globe.....	Oklahoma....	Blackwell, Okla.
The Globe Oil & Refining Company.	Globe.....	Illinois.....	Lemont, Illinois.
The Globe Oil & Refining Company.	Globe.....	Kansas.....	McPherson, Kansas.
Deep Rock Oil Corporation...	Deep Rock.....	Delaware....	Tulsa, Okla.

2. The following named corporations, subsidiaries of the respective defendant parent companies as indicated, similarly engaged in the petro-

leum business, are hereby made defendants herein, their respective abbreviated names, states of incorporation and principal places of business being as indicated:

Name of subsidiary	Abbreviated name	Parent company	State of incorporation	Principal place of business
Cities Service Export Oil Company.	Cities Service Export.	Cities Service Company.	Delaware...	New York, N. Y.
Empire Oil and Refining Company.	Empire.....	Cities Service Company.	Delaware...	Bartlesville, Okla.
Louisiana Oil Refining Corporation.	Louisiana Oil.	Cities Service Company.	Virginia.....	Shreveport, La.
Gulf Refining Company.	Gulf.....	Gulf Oil Corporation.	Delaware...	Pittsburgh, Pa.
Wadhams Oil Company.	Wadhams.....	Socony - Vacuum Oil Company, Inc.	Wisconsin...	Milwaukee, Wis.

3. The following corporations engaged in the publication and distribution of market information and price quotations are hereby made defendants herein:

(a) The Journal of Commerce Publishing Company (referred to hereinafter as Chicago Journal of Commerce), a corporation duly organized and authorized to do business under and by virtue of the laws of the State of Delaware, and having its principal place of business in Chicago, Illinois. Said company causes to be published in Chicago, Illinois, and widely circulated throughout the various states of the United States daily, except Sundays and holidays, the Chicago Journal of Commerce, said journal being devoted to the dissemination of market information concerning the various trades and industries in the United States. There

is regularly contained in each issue of said journal a section devoted to "Petroleum Markets, Statistics, News, and Analyses." Said section regularly contains a compilation of "Petroleum Quotations" wherein there are published, among other things, what purport to be gasoline prices prevailing on the preceding day in spot sales to jobbers or to the consuming trade in tank car lots.

(b) W. C. Platt Company (referred to hereinafter as Platt's Oilgram), a corporation duly organized and authorized to do business under and by virtue of the laws of the State of Ohio, and having its principal place of business in Cleveland, Ohio. Said company causes to be published simultaneously from four offices located in Tulsa, Chicago, Cleveland, and New York, and widely circulated throughout the various states of the United States, daily, except Saturdays, Sundays, and holidays, editions of Platt's Oilgram, a journal devoted to the dissemination of market information relative to the petroleum industry. There are regularly contained in each issue of each edition of said Platt's Oilgram a compilation of petroleum quotations wherein there is published, among other things, what purport to be gasoline prices prevailing on the publication date in spot sales to jobbers in tank car lots.

(c) The National Petroleum Publishing Company (referred to hereinafter as National Petroleum News), a corporation duly organized and authorized to do business under and by virtue of the

laws of the State of Ohio, and having its principal place of business in Cleveland, Ohio. Said company is closely affiliated, through common-stock ownership, with Platt's Oilgram. Said company causes to be published in Cleveland, Ohio, and widely circulated throughout the various states of the United States, National Petroleum News, a weekly publication devoted to the dissemination of information concerning the petroleum industry, including news, markets, and technical development. There are regularly contained in each issue of said National Petroleum News compilations of what purport to be gasoline prices prevailing daily in the preceding week in spot sales to jobbers in tank car lots, being the same prices published daily during the preceding week in the several editions of Platt's Oilgram.

4. The following individuals are hereby made defendants herein, each having the address and being (or having been) associated with the company and having (or having had) the official title or position therewith, as indicated:

Name of individual	Address	Official title or position	Company with which associated
Edward G. Seibert.	Chicago, Ill.	President	Standard of Indiana.
Allan Jackson.....	Chicago, Ill.	Vice President in Charge of Sales.	Standard of Indiana.
Edward J. Bullock.	Chicago, Ill.	Vice President in Charge of Purchasing.	Standard of Indiana.
Ira A. Smith.....	Tulsa, Okla.....	Buyer.....	Standard of Indiana.
John A. Brown....	New York, N. Y..	Chairman of Executive Committee, and President.	Socony-Vacuum.
Charles L. Jones...	New York, N. Y..	Vice President in Charge of Domestic Trade Department.	Socony-Vacuum.

Name of individual	Address	Official title or position	Company with which associated
Charles E. Arnott	New York, N. Y.	Vice President	Socony-Vacuum.
H. T. Ashton	St. Louis, Mo.	Manager of Lubrite Division.	Socony-Vacuum.
A. G. Maguire	Milwaukee, Wis.	Chairman of Board of Directors.	Wadhams.
R. R. Irwin	Kansas City, Mo.	Manager, White Eagle Division.	Socony-Vacuum.
Bryan S. Reid	Chicago, Ill.	General Manager, Chicago Division.	Socony-Vacuum.
Frank R. Coates	New York, N. Y.	Director	Cities Service.
		Vice President	Cities Service Export.
		Vice President	Empire.
		Vice President	Cities Service Export.
		Vice President	Empire.
		Vice President	Louisiana Oil.
Harry D. Frueauff	Tulsa, Okla.	Vice President	Louisiana Oil.
H. E. Brandli	New York, N. Y.	Vice President and General Manager.	Cities Service Export.
O. J. Tuttle	Tulsa, Okla.	Tank Car Sales Manager.	Empire.
D. W. Harris	Shreveport, La.	General Manager.	Louisiana Oil.
John A. Welch	Shreveport, La.	Sales Manager.	Louisiana Oil.
Dan Moran	Ponca City, Okla.	President.	Continental.
Harry J. Kennedy	Ponca City, Okla.	Vice President in Charge of Marketing.	Continental.
L. T. Cramer	Ponca City, Okla.	Tank Car Buyer	Continental.
Edward Karstedt	Denver, Colo.	Formerly Vice President.	Continental.
J. F. Drake	Pittsburgh, Pa.	President.	Gulf Oil Corporation.
		President.	Gulf Refining Company.
William V. Hartman	Pittsburgh, Pa.	Vice President.	Gulf Oil Corporation.
		Vice President.	Gulf Refining Company.
H. C. Meyer	Pittsburgh, Pa.	(Unknown)	Gulf.
O. H. Carlisle	Houston, Tex.	(Unknown)	Gulf.
Henry M. Dawes	Chicago, Ill.	President.	Pure.
C. B. Watson	Chicago, Ill.	Vice President.	Pure.
R. H. McElroy, Jr.	Chicago, Ill.	Tank Car Sales Manager.	Pure.
Dewey K. Chamberlain	Tulsa, Okla.	Manager, Tulsa Division.	Pure.
R. G. A. van der Woude	New York, N. Y.	President.	Shell Union Oil Corporation.
Alexander Fraser	St. Louis, Mo.	President.	Shell.
P. E. Lakin	St. Louis, Mo.	General Manager of Sales.	Shell.
E. W. Sinclair	New York, N. Y.	President.	Sinclair.
J. W. Carnes	New York, N. Y.	Vice President.	Sinclair.
W. S. S. Rogers	New York, N. Y.	President.	Texas.
R. D. Cottingham	New York, N. Y.	Assistant to President.	Texas.
H. W. Dodge	New York, N. Y.	Vice President in Charge of Sales.	Texas.
P. C. Scullin	Houston, Texas.	Vice President and General Manager.	Indian Refining Co., Subsidiary of Texas.
Edward L. Shea	New York, N. Y.	President.	Tide Water.
Noel Robinson	New York, N. Y.	Vice President.	Tide Water.
J. W. Warner	Tulsa, Okla.	(Unknown)	Tide Water.
R. O. Audrain	Tulsa, Okla.	Buyer.	Tide Water.

Name of individual	Address	Official title or position	Company with which associated
Jacob France	Baltimore, Md.	President and General Manager.	Mid-Continent.
Robert W. McDowell	Tulsa, Okla.	Vice President in Charge of Sales.	Mid-Continent.
Thomas Fitzgerald	Tulsa, Okla.	Assistant to Vice President in Charge of Sales.	Mid-Continent.
Frank Phillips	Bartlesville, Okla.	President.	Phillips.
H. E. Koopman	Bartlesville, Okla.	Vice President in Charge of Purchases.	Phillips.
A. M. Hughes	Bartlesville, Okla.	Sales Manager.	Phillips.
H. A. Gardner	Bartlesville, Okla.	Tank Car Sales Manager.	Phillips.
W. G. Skelly	Tulsa, Okla.	President.	Skelly.
James Nagle	Tulsa, Okla.	In Charge of Wholesale Sales.	Skelly.
Edward B. Reeser	Tulsa, Okla.	President.	Barnsdall.
I. A. O'Shaughnessy	Minneapolis, Minn.	President.	Globe.
Bernard L. Majewski	Chicago, Ill.	Vice President in Charge of Sales.	Deep Rock.
Keith Fanshier	Chicago, Ill.	Petroleum Editor.	Chicago Journal of Commerce.
Warren C. Platt	Cleveland, Ohio.	President.	Platt's Oilgram.
		President.	National Petroleum News.
Clyde M. Boggs	Arkansas City, Kan.	President.	Western Petroleum Refiners Association.
Arthur V. Bourque	Tulsa, Okla.	Secretary and Treasurer.	Western Petroleum Refiners Association.

B. General nature of the business and the interstate commerce involved

5. The States of Michigan, Wisconsin (including the Western District thereof), Minnesota, North Dakota, South Dakota, Iowa, Illinois, Indiana, Missouri, and Kansas compose one of the great marketing areas for gasoline in the United States. Said area comprises the gasoline marketing territory of defendant Standard of Indiana, and is sometimes known as the "Standard of Indiana territory" by reason of said defendant's dominant position in the distribution of gasoline

in each of said states. Said area is sometimes also known as the Mid-Western area and will be so referred to herein. Each of defendant major oil companies, either directly or through subsidiary or affiliated companies, markets gasoline in some or all of the states comprising said Mid-Western area.

6. Gasoline distributed in said Mid-Western area is manufactured largely from crude petroleum produced in the States of Texas, Oklahoma, Kansas, Arkansas, and Louisiana. Said producing states are sometimes divided and grouped into (1) the East Texas field and (2) the Mid-Continent fields, extending over the State of Oklahoma, the northern and western portions of the State of Texas, the southern and eastern portions of the State of Kansas, the southern portion of the State of Arkansas, and the northern portion of the State of Louisiana. Large quantities of the crude petroleum produced in these fields are transported in interstate commerce, principally by pipe lines, from the states of production to refineries located in the aforesaid Mid-Western area, principally in the States of Illinois, Indiana, and Missouri. Gasoline refined from such crude is further transported in substantial quantities in interstate commerce from the states in which refined to other states in said Mid-Western area. Refineries are also located in the aforementioned crude producing states and substantial quantities of gasoline so manufactured

in those states are transported in interstate commerce, principally by tank car, into each of the states in the aforesaid Mid-Western area. Defendant major oil companies marketing in the Mid-Western area together control, and manufacture, ship, and sell more than 85% (approximately 4,500,000,000 gallons) of all gasoline distributed yearly in said Mid-Western area.

7. Each of said defendant major oil companies marketing gasoline in said Mid-Western area distributes and markets said gasoline in the manner following, that is to say: Each owns or leases, and operates or controls the operation of, large numbers of retail service stations through which gasoline is sold directly to consumers. Each usually delivers gasoline to such retail service stations by tank truck or tank wagon from its bulk storage plants conveniently located to supply the retail stations in the various local marketing areas, said bulk storage plants being supplied with gasoline by tank cars principally from the refineries of the respective defendant major oil companies. Each also sells and distributes large quantities of gasoline from the same or similar bulk storage plants to numerous independent retailers or dealers owning or operating retail service stations, said gasoline being usually sold to such independent dealers under long term supply contracts. In addition to selling through company owned or controlled retail service stations, and to independent dealers, each

of said defendant major oil companies marketing gasoline in said Mid-Western area, with the exception of defendant Standard of Indiana, sells gasoline in large quantities in tank car lots to jobbers.

8. Jobbers usually own and operate bulk storage plants conveniently located so as to serve, by their tank trucks or tank wagons, retail service stations either owned or operated by them, or independently owned or operated, in the various retail marketing areas served by them. Approximately 50% of all gasoline distributed to retail service stations in said Mid-Western area is distributed by or through jobbers. There are in excess of four thousand jobbers of gasoline doing business in the states comprising the aforesaid Mid-Western area. Great numbers of said jobbers have been engaged in the distribution of gasoline for many years and their investments in capital assets have been and are substantial.

9. Jobbers marketing gasoline in the Mid-Western area are, and have been for several years last past, supplied with gasoline for the most part by the defendant major oil companies marketing in said area, except Standard of Indiana. By means of intensive advertising campaigns defendant major oil companies have created a public acceptance of, and demand for, their gasoline which is sold under their respective brand designations. Most jobbers have been persuaded, or induced, to enter into contracts for the purchase of their supplies from said defendant major oil companies,

and at the present time in excess of 80% of all gasoline purchased by the jobbers is purchased from said defendant major oil companies. Gasoline sold by each of said defendant major oil companies to said jobbers is sold and transported largely in interstate commerce, delivery being made from the states in which the refineries are located to the states in which the various jobbers are located, principally in tank cars as aforesaid. A small number of jobbers in the Mid-Western area purchase gasoline from independent refiners, being comparatively small refiners located principally in the East Texas and Mid-Continent fields, either directly or through so-called brokers or tank car marketers.

10. The terms and conditions of sale under which gasoline is so sold by said defendant major oil companies to jobbers in the aforesaid Mid-Western area are, and have been for several years last past, usually embodied in written contracts between seller and buyer. Each of said defendant major oil companies employs throughout the Mid-Western area a separate standard form of jobber contracts which its jobber customers are required to execute. Each of said defendant major oil companies requires jobbers handling its branded products to do business with it exclusively. Recently said jobber contracts have usually been made for terms of one year.

11. For more than a year last past, and continuing to the date of the presentation of this indict-

ment, said defendant major oil companies have uniformly adopted and have embodied in their respective standard forms of jobber contracts employed throughout the Mid-Western area virtually identical provisions governing terms and conditions of sale, in part substantially as follows: The price of gasoline to the jobber shall be the average spot market price, determined by averaging the high and low spot market prices for gasoline of comparable octane rating published by defendant Platt's Oilgram, for the Tulsa, Oklahoma, market, and by defendant Chicago Journal of Commerce on date of shipment. If the average spot market price plus freight to destination shall allow the buyer a margin of less than $5\frac{1}{2}\text{¢}$ per gallon below the service station price posted by defendant Standard of Indiana, then the buyer and the seller shall share equally in the deficit below a $5\frac{1}{2}\text{¢}$ margin.

12. Sales by independent refiners to jobbers are also sometimes made under long term supply contracts. Independent refiners in the East Texas field have usually sold the greater part of their gasoline, and independent refiners in the Mid-Continent fields have sold a portion of their gasoline, on a spot basis. Prices of gasoline sold by said independent refiners in spot transactions for delivery within the aforementioned Mid-Western area have generally been quoted f. o. b. "group three" (being a district which includes Tulsa, Ok-

lahoma, and nearby points from which freight rates on gasoline to the same destinations in the Mid-Western area are identical).

13. Defendant major oil companies do not sell any substantial part of their gasoline to jobbers or brokers in tank car quantities in spot transactions. Virtually all gasoline sold in tank car quantities in spot transactions in the aforesaid Mid-Western area is sold by independent refiners. Gasoline so sold in tank car quantities on a spot basis amounts to less than 5% of all gasoline marketed in said Mid-Western area.

14. By far the greater part of all gasoline sold in spot transactions consists of so-called third grade gasoline, that is to say, gasoline having an octane (or anti-knock) rating of less than 65. By far the greater part (not less than 90%) of all gasoline sold under contract by defendant major oil companies to jobbers in the Mid-Western area, as aforesaid, is so-called "regular" or "house brand" gasoline, having an octane rating of 68 to 70. The quantity of gasoline having an octane rating of 68 to 70 sold in spot transactions is not more than 2% of all gasoline sold in said Mid-Western area and not more than 3% of all gasoline having an octane rating of 68 to 70 sold in said Mid-Western area.

15. By reason of the aforesaid uniform provisions of their said standard forms of jobber contracts, and by reason of the further facts set forth

in paragraph 13 hereof, said defendant major oil companies marketing gasoline in the Mid-Western area have contracted, and do contract, in effect, to sell regularly to jobbers great quantities of gasoline (amounting to nearly 50% of all gasoline sold in said Mid-Western area) at the average of the prices obtained in sales of less than 5% of all gasoline sold in said Mid-Western area, which sales, as aforesaid, are spot sales by independent refiners. Furthermore, by reason of the additional facts alleged in paragraph 14 hereof, said defendant major oil companies have contracted, and do contract, in effect, to sell regularly to jobbers by far the greater part of the gasoline sold by them to jobbers, which, as aforesaid, consists of gasoline having an octane rating of 68 to 70, at the average of prices determined in sales of less than 3% of all gasoline of such octane rating sold in said Mid-Western area, which sales, as aforesaid, are spot sales by independent refiners.

16. Tank car prices for gasoline obtained in each of the spot markets in the East Texas and Mid-Continent fields, and in Chicago, Illinois, tend to, and do, directly and substantially influence the spot market tank car prices for gasoline in each of the other of such markets, and such prices in each of such markets tend to, and do, closely parallel the prices in each of the other of such markets. Tank car prices obtained for third grade gasoline in each of the spot markets tend to, and do, directly and substantially influence the spot market prices of

regular gasoline; that is to say, when the prevailing price of third grade gasoline is reduced, the spot market price of regular gasoline is likely to, and usually does, decrease; and when the prevailing price of third grade gasoline is increased, the spot market price of regular gasoline is likely to be, and usually is, affected accordingly.

17. Spot market tank car prices of gasoline tend to, and do, directly and substantially influence the retail prices of gasoline, i. e., the prices which consumers are required to pay, in that an increase in the spot market tank car prices of gasoline will, and usually does, result directly in an increase in the retail prices of gasoline.

C. The conspiracy

18. Beginning in the month of February 1935 and continuing to the date of the presentation of this indictment, defendants and certain persons hereinafter referred to, and other persons to the grand jurors unknown, well knowing all the foregoing facts, have combined and conspired together for the purpose of artificially raising and fixing the tank car prices of gasoline in the aforementioned spot markets, and, as intended by them, defendants have artificially raised and fixed said spot market tank car prices of gasoline and have maintained said prices at artificially high and non-competitive levels, and at levels agreed upon among them, or some of them, and have thereby intentionally increased and fixed the tank car

prices of gasoline contracted to be sold and sold in interstate commerce as aforesaid in the Mid-Western area (including the Western District of Wisconsin), and have arbitrarily, by reason of the provisions of the prevailing form of jobber contracts above described in paragraph 11, exacted large sums of money from thousands of jobbers with whom they have had such contracts in said Mid-Western area (including the Western District of Wisconsin), and in turn have intentionally raised the general level of retail prices prevailing in said Mid-Western area (including the Western District of Wisconsin). In so doing, defendants have then and there engaged in an unlawful combination and conspiracy in restraint of trade and commerce in gasoline among the several states of the United States in violation of Section 1 of the Act of Congress of July 2, 1890, known as the Sherman Antitrust Act.

19. Said unlawful combination and conspiracy has been effectuated in the following manner and by the following means, that is to say: Beginning in the month of February 1935 and continuously to the date of the presentation of this indictment, as aforesaid, defendant major oil companies, acting through or under the direction of their respective officers and agents hereinabove made defendants herein, and through others of their officers and agents, some of them hereinafter referred to, and through defendants Bourque and Boggs, and other persons to the grand jurors unknown, have know-

ingly and unlawfully engaged and participated in two concerted gasoline buying programs hereinafter referred to as (a) the East Texas buying program and (b) the Mid-Continent buying program, for the purchase by each of them from independent refiners in spot transactions of large quantities of gasoline in the East Texas and Mid-Continent fields at uniform, high, and at times progressively increased prices, some of said defendant major oil companies purchasing gasoline in the East Texas field and others of them in the Mid-Continent fields, and some of said defendant major oil companies making such purchases in both buying programs as hereinafter more fully set forth, but each and all of them acting pursuant to the common purposes set forth in paragraph 18 of this indictment. Said buying programs are more fully described as follows:

(a) The East Texas buying program

20. Throughout the period aforesaid, defendants Sinclair, Gulf, Texas, Pure, Continental, Tide Water, Cities Service, Cities Service Export, and Louisiana Oil, have made large and increased purchases of gasoline in spot transactions from most of the independent refiners located in the East Texas field. Said independent refiners have been members of an association known as the East Texas Refiners Marketing Association which was formed in February 1935, with the knowledge and

approval of some of the defendants, for the purpose of selling and facilitating the sale of gasoline to defendant major oil companies. Among members of said association have been McMurray Refining Company, East Texas Refining Company, Dominant Refining Company, Cascade Refining Company, Grogan Oil Company, Trinity Refining Company, Tower Refining Company, La Pren Refining Company, Southport Petroleum Company, Century Refining Company, Tyreco Refining Company, Wabash Refining Company, Inc., Texover Refining Company, Ocean Refining Company, Solvex Refineries, Inc., Arrow Producing & Refining Company, Chief Refining Company, Gilliland Refining Company, Texas Oil Products Company, Matthews Refining Company, Utah Refining Company, Premier Oil Refining Company, and others to the grand jurors unknown.

21. Purchases of gasoline through said association, from the respective members thereof, have been made at the instigation and under the supervision and direction of defendants Arnott and Carnes, with one Neil Buckley, employee of Cities Service Export, acting in a liaison capacity between said association and the defendant major oil companies and also instigating and directing said purchases. Said Buckley acted in said capacity under the instructions of defendant Cities Service and defendants Brandli, Coates, and Frueauff. With the approval of said Buckley, one Robert N. Cline has been secretary and manager of said asso-

ciation and has acted in said capacity, allotting orders for gasoline received from defendant major oil companies among the members of said association. Each of the defendant major oil companies named in the preceding paragraph has taken a part of the large quantities of gasoline purchased through said association, as from time to time arranged among them. Said quantities of gasoline purchased from said independent refiners through said East Texas Refiners Marketing Association have amounted to more than 50% of all the gasoline produced by said independent refiners. Said purchases have been in excess of the amounts which the aforementioned defendant major oil companies would have purchased apart from their participation in said buying program, and they have been made at uniform, high, arbitrary, and non-competitive prices, and from time to time at progressively increased prices, as agreed upon by said defendant major oil companies, all with the unlawful purposes and effects aforementioned. In furtherance of said unlawful purposes said independent refiners have, at the instance of defendant Arnott, and the aforesaid Buckley, curtailed their production of gasoline. All of the companies and individuals mentioned in this and in the preceding paragraph, whether or not made defendants herein, have known of said unlawful purposes and have actively engaged and cooperated in the unlawful combination and conspiracy set forth in this indictment.

(b) The Mid-Continent buying program

22. Throughout the period aforesaid, defendants Standard of Indiana, Socony-Vacuum, Wadhams, Sinclair, Shell, Empire, Pure, Phillips, Mid-Continent, Continental, Skelly, Barnsdall, Globe, and Deep Rock have made large and increased purchases of gasoline from many of the independent refiners located in the Mid-Continent fields. Said independent refiners have been, for the most part, members of an association known as the Western Petroleum Refiners Association. Among the independent refiners in said Mid-Continent fields that have sold gasoline to the aforementioned major oil companies in the Mid-Continent buying program have been Champlin Refining Company, Eason Oil Company, Bell Oil & Gas Company, Panhandle Refining Company, Olney Oil & Refining Company, Omar Refining Company, Cushing Refining & Gasoline Company, Waggoner Refining Company, Inc., Taxman Refining Company, Rock Island Refining Company, The Dickey Oil & Refining Company, Inc., Danciger Oil & Refining Company, Shamrock Oil & Gas Company, Wilcox Oil & Gas Company, and others to the grand jurors unknown.

23. Purchases of gasoline from said independent refiners have been made at the instigation and under the supervision and direction of defendants Arnott, Ashton, McDowell, Tuttle, and Bourque, and one Walter Paul Jacobi, an employee of de-

defendant Wadhams. Each of the defendant major oil companies named in the preceding paragraph has taken a part of the large quantities of gasoline purchased, as aforesaid, as from time to time allotted to it by defendants McDowell and Tuttle and Bourque, and the aforesaid Jacobi. At monthly meetings of representatives of said defendant major oil companies the independent refiners named in paragraph 22 have from time to time been assigned to the defendant major oil companies participating in said buying program, one or more of said independent refiners being assigned to each of said defendant major oil companies as so-called "dancing partners", and each of said defendant major oil companies has purchased from its said dancing partners quantities of gasoline as recommended by said defendants McDowell, Tuttle, and Bourque, and said Jacobi. Said quantities of gasoline purchased from said independent refiners in said buying program have amounted to nearly 50% of all the gasoline sold by said independent refiners. Said purchases have been in excess of the amounts which the aforementioned defendant major oil companies would have purchased apart from their participation in said buying program, and they have been made at uniform, high, arbitrary, and non-competitive prices, and from time to time at progressively increased prices, as agreed upon by said defendant major oil companies, all with the unlawful purposes and effects aforesaid.

tioned. In furtherance of said unlawful purposes said independent refiners have, at the instance of defendants Arnott, McDowell, Tuttle, Boggs, and Bourque, curtailed their production of gasoline. All of the companies and individuals mentioned in this and in the preceding paragraph, whether or not made defendants herein, have known of said unlawful purposes and have actively engaged and cooperated in the unlawful combination and conspiracy set forth in this indictment.

Participation of market journals

24. Defendants Chicago Journal of Commerce and Keith Fanshier, its petroleum editor, and defendants Platt's Oilgram, National Petroleum News, and Warren C. Platt, their president, beginning on or about March 1, 1935, and continuously to the date of the presentation of this indictment, have intentionally and wrongfully engaged and participated in the combination and conspiracy set forth in this indictment, and have directly and materially aided the other defendants in effectuating the same, and the unlawful purposes and effects thereof set forth in this indictment. While representing the price quotations published by them, as aforesaid, to be gasoline prices prevailing in spot sales to jobbers in tank car lots, and while knowing and intending them to be relied on as such by jobbers and to be made the basis of prices to jobbers for gasoline in the prevailing

forms of jobber contracts in the Mid-Western area described in paragraph 11 of this indictment, they have throughout said period in the Mid-Western area, including the Western District of Wisconsin, knowingly published and circulated as such price quotations the wrongfully and artificially raised and fixed prices for gasoline paid by the defendant major oil companies as aforesaid in the said East Texas buying program and Mid-Continent buying program.

D. Jurisdiction and venue

25. The combination and conspiracy herein set forth has operated and has been carried out in part within the Western District of Wisconsin. In pursuance of said combination and conspiracy, defendant major oil companies, or some of them, have contracted to sell and have sold and have delivered large quantities of gasoline in tank-car lots to jobbers within said district at the artificially raised and fixed and non-competitive prices aforesaid. Said defendant major oil companies have solicited and taken contracts and orders for said gasoline within said district, sometimes by sales representatives located there, which district has been an important market for their product. Said defendant major oil companies have arbitrarily exacted from jobbers within said district large sums of money and they have required consumers in said district to pay artificially increased prices for gasoline, as

aforesaid, all by virtue of said combination and conspiracy and pursuant to the purposes and ultimate objectives thereof.

And so the grand jurors aforesaid, upon their oaths aforesaid, do find and present that said defendants, throughout the period aforesaid, at the places, and in the manner and form aforesaid, unlawfully have engaged in a combination and conspiracy in restraint of the aforesaid trade and commerce among the several states; contrary to the form of the statute in such case made and provided and against the peace and dignity of the United States.

John Henry Lewin,
JOHN HENRY LEWIN,

Hammond E. Chaffetz,
HAMMOND E. CHAFFETZ,

W. B. Watson Snyder,
W. B. WATSON SNYDER,

Grant W. Kelleher,
GRANT W. KELLEHER,

Special Assistants to the Attorney General.

John Dickinson,
JOHN DICKINSON,

Assistant Attorney General.

John J. Boyle,
JOHN J. BOYLE,

United States Attorney.

UNITED STATES OF AMERICA,

Western District of Wisconsin, ss:

I, H. C. Hale, Clerk of the United States District Court in and for the Western District of Wisconsin, do hereby certify that the annexed and foregoing is a true and full copy of the original indictment returned July 28, 1936, in the case of *United States v. Standard Oil Co. (Indiana) et al.*, No. 11296, now remaining among the records of the said Court in my office.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the seal of the aforesaid Court at _____, this _____ day of _____, A. D. 19____.

[SEAL]

_____,
Clerk.
By _____,
Deputy Clerk.