



Department of Justice

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The Department of Justice today filed a civil antitrust suit which alleges that The Philadelphia Produce Credit and Collection Bureau of Philadelphia, Pennsylvania, conspired to fix credit terms employed by its members in the sale of produce. The Department simultaneously filed a proposed consent decree which would terminate the suit.

Attorney General William French Smith said the complaint, which alleges a violation of Section 1 of the Sherman Act, and the proposed decree were filed in U.S. District Court in Philadelphia.

The Bureau is an association of approximately 48 wholesale produce firms which sell to grocery stores, cooperatives, and distributors from a terminal market in South Philadelphia. The Bureau provides billing and debt collection services for its members. In 1981, the Bureau received payment of more than \$35 million due its members.

William F. Baxter, Assistant Attorney General in charge of the Antitrust Division, said the complaint alleged that the Bureau and co-conspirators have for many years, and continuing to the present, violated Section 1 of the Sherman Act by agreeing to fix the length of time for which Bureau members extended credit and to withhold credit from certain customers.

(MORE)

The proposed consent decree, which will become final upon approval by the court, would enjoin the defendant from directly or indirectly restricting the freedom of its members to set their own credit terms for the sale of produce.

Baxter also said that, while the Department was proceeding civilly in this matter, agreements between competitors fixing credit terms have been held per se violative of the Sherman Act. (Per se, a Latin term meaning "by itself," refers to particularly serious antitrust offenses, such as price-fixing, in which the courts will not allow defendants to argue that the conduct was reasonable under the circumstances.) In the future, the Department may well seek criminal sanctions for similar behavior, he said.

In accordance with the Antitrust Procedures and Penalties Act of 1974, a Competitive Impact Statement regarding the proposed consent decree has been filed with the Court. Copies of this statement and of the proposed decree are available on request in the Legal Procedure Unit of the Antitrust Division, Room 7416, Department of Justice, Washington, D.C. 20530. They are also available for inspection in the Office of the Clerk of the United States District Court in Philadelphia.

Comments to the Department and to the Court regarding the decree are invited from the public within the next 60 days. Comments should be directed to Alan L. Marx, Chief, General Litigation Section, Antitrust Division, Department of Justice, 10th & Constitution Avenue, N.W., Washington, D.C. 20530.

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