

# Trade Regulation Reporter - Trade Cases (1932 - 1992), United States v. Milk Haulers and Dairy Workers Union, Local 916, et al., U.S. District Court, S.D. Illinois, 1950-1951 Trade Cases ¶62,887, (Jun. 29, 1951)

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United States v. Milk Haulers and Dairy Workers Union, Local 916, et al.

1950-1951 Trade Cases ¶62,887. U.S. District Court, S.D. Illinois. No. 653, Filed June 29, 1951.

## Sherman Antitrust Act

**Consent Decree—Union Rules—Price Fixing—Elimination of Competition.**—A milk transporting union and certain of its members are enjoined by a consent decree from fixing the charges to be made by haulers for transporting milk, excluding any one from the business of transporting milk and restricting the right of any producer of milk to award his hauling business to any hauler of his choice or to change haulers if desired. The union is ordered to terminate its “Milk Hauler Rules” which in substance provide that no hauler shall pick up milk that is being hauled by a brother member until the union consents; that when a shipper vacates a farm, the hauler that was hauling this shipper’s milk shall be entitled to the new tenant; that when a shipper changes dairies, the hauler then hauling the milk shall have the right to haul to the dairy the shipper has changed to; that no hauler shall refuse to pick up shipper’s milk except for impassable roads or breakdowns without permission from the union; that any hauling rate set up in an area by the majority of the haulers in such area shall be charged by all haulers in the area; that no hauler shall solicit shippers now dealing with a brother member; that haulers cannot induce shippers to change dairies; and that when a member-owner wishes to sell his route he agrees to notify the union.

For the plaintiff: H. G. Morison, Assistant Attorney General; Willis L. Hotchkiss, Chief, Midwest Office; Sigmund Timberg, Special Assistant to the Attorney General; W. D. Kilgore, Jr., Trial Attorney; and Howard L. Doyle, United States Attorney.

For the defendants: J. Albert Woll.

## Final Judgment

BRIGGLE, District Judge: [ *In full text*] Plaintiff, the United States of America, having filed its original Complaint herein on February 19, 1946, and an Amendment to the Complaint was filed March 26, 1947, and the defendants herein having filed their Answer to the said Amended Complaint on April 9, 1947; and plaintiff and said defendants by their attorneys having severally consented to the entry of this Final Judgment without trial or adjudication of any issue of fact or law herein;

Now, therefore, without the taking of any testimony and upon consent of the parties hereto, it is hereby

Ordered, adjudged and decreed as follows:

I

[ *Sherman Antitrust Act*]

The Court has jurisdiction of the subject matter herein and of all the parties hereto. The Amended Complaint states a cause of action against the defendants under Sections 1 and 2 of the Act of Congress of July 2, 1890, entitled “An Act to Protect Trade and Commerce Against Unlawful Restraints and Monopolies,” commonly known as the Sherman Act, as amended.

II

[ *Definitions*]

As used in this Final Judgment:

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(A) "Hauler" shall mean a person owning one or more trucks, who conducts a milk hauling business by contracting with milk producers along established routes for the transportation of milk. Other than the defendant Union, each of the defendants herein is a hauler within the meaning of this definition;

(B) "Milk producer" shall mean a person engaged in the business of producing and selling milk;

(C) "Defendant Union" shall mean the Milk Haulers and Dairy Workers Union Local 916, International Brotherhood of Teamsters, Warehousemen and Helpers of America, affiliated with the American Federation of Labor;

(D) "Milk transportation charges" shall mean compensation to be paid for hauling services rendered by any person to any producer or hauler for the transportation of milk; provided that this definition shall not be construed to include (1) wages paid or to be paid to a person for driving services rendered or to be rendered by that person, or (2) where a person both owns and drives a truck himself, a rental fee or other compensation for the use of such truck.

### III

#### [ *Applicability of Decree* ]

The provisions of this Final Judgment applicable to any defendant shall apply to such defendant, its officers, directors, agents, employees, subsidiaries, successors, assigns and all other persons acting under, through or for such defendant, including, as to the defendant Union, all members of the defendant Union.

### IV

#### [ *Union Rules Prohibited* ]

(A) Defendant Union is hereby ordered and directed to forthwith cancel and terminate the "Milk Haulers Rules," a copy of which is annexed hereto as Exhibit A, and the defendant Union is hereby enjoined and restrained from hereafter performing, enforcing or claiming any rights under the said Milk Haulers Rules or formulating or maintaining any rules or arrangements amendatory thereof or supplemental thereto;

(B) Defendant Union is hereby enjoined and restrained from entering into, formulating, adhering to, maintaining or furthering any rule, contract, agreement, understanding, plan or program which has as its purpose or effect the continuing or renewing of any of the provisions of the said Milk Haulers Rules;

(C) Defendant Union is hereby enjoined and restrained from fixing, determining, negotiating or agreeing upon milk transportation charges, as defined in Section II(D) of this Final Judgment.

### V

#### [ *Activities Prohibited* ]

Defendants are jointly and severally enjoined and restrained from entering into, adhering to, maintaining or furthering any contract, agreement, understanding, plan or program with any defendant or any hauler with respect to milk transportation charges having the purpose or effect of:

(A) Continuing or effectuating the "Milk Haulers Rules," or formulating, adopting or imposing upon themselves or others any rules similar thereto;

(B) Establishing, maintaining, fixing or determining charges to be made by haulers, or the terms and conditions upon which milk will be transported by haulers;

(C) Eliminating or impeding competition in the business of transporting milk;

(D) Excluding or attempting to exclude any defendant, or hauler other than defendants herein, from the business of transporting milk or in any way restricting, limiting or interfering with any haulers engaged in that business;

(E) Restricting or limiting in any manner whatsoever the right of any milk producer to award his hauling patronage to any hauler of his choice or to change haulers if so desired.

[ *Exception*]

The provisions of this Section V shall not be construed to apply to activities of defendant Union, acting solely in its separate capacity, relating solely to a labor dispute concerning compensation or terms and conditions of employment.

## VI

[ *Inspection and Compliance*]

For the purpose of securing compliance with this Final Judgment duly authorized representatives of the Department of Justice shall, on written request of the Attorney General or an Assistant Attorney General, and on reasonable notice to any defendant be permitted reasonable access, during the office hours of such defendant, to all books, ledgers, accounts, correspondence, memoranda and other records and documents in the possession, or under the control of such defendant, relating to any of the matters contained in this Judgment, and subject to the reasonable convenience of such defendant, and without restraint or interference from it, to interview officers and employees of said defendant, who may have counsel present, regarding any such matters. For the purpose of securing compliance with this Judgment, any defendant shall, upon the written request of the Attorney General or Assistant Attorney General, submit such written reports with respect to any of the matters contained in this Judgment as may from time to time be necessary for the purpose of enforcement of this Judgment. No information obtained by the means permitted in this Section shall be divulged by any representative of the Department of Justice to any person other than a duly authorized representative of such Department, except in the course of legal proceedings in which the United States is a party for the purpose of securing compliance with this Judgment, or as otherwise required by law.

## VII

[ *Jurisdiction Retained*]

Jurisdiction of this action is retained for the purpose of enabling any of the parties to this Final Judgment to apply to the Court at any time for such further orders and directions as may be necessary or appropriate for the construction or carrying out of this Judgment, or the modification thereof, or the enforcement of compliance therewith and for punishment of violations thereof.

## EXHIBIT A

### MILK HAULERS RULES

1. No hauler shall pick up a shipper's milk or order his driver to pick up a shipper's milk that is being hauled by a brother member until he has the permission of the Business Representative. Any member proven guilty of violating this Rule shall be fined not less than one hundred dollars. (\$100.00).

2. When a shipper vacates a farm, the hauler that was hauling this shipper's milk shall be entitled to the new tenant on this farm.

When a dispute arises over this Rule the Business Representative after hearing the arguments from both sides shall render a decision in writing that shall be final and binding.

3. When a hauler is proven guilty of violating Rule 1 or Rule 2 he shall pay to the hauler that loses the shipper the sum of five dollars (\$5.00) per gallon. Gallonage shall be based on the highest number of gallons shipped during the previous twelve months or any fraction thereof.

4. When a shipper changes dairies, the hauler then hauling the milk shall have the right to haul to the dairy the shipper has changed to. If the hauler is unable to haul this shipper's milk to the dairy the shipper has changed to, the Business Representative shall designate a hauler to haul the milk.

5. No hauler shall refuse to pick up a shipper's milk except for impassable roads or breakdowns without permission from the Business Representative. Failure to comply with his Rule, hauler will be subject to charges by the Business Representative.
6. Any hauling rate set up in an area by the majority of the haulers in such area, same shall be charged by all the haulers in such area.
7. Any hauler that gives any of his hauling charges back to any of his shippers shall if proven guilty be fined not less than one hundred dollars (\$100.00).
8. Subhauler can not change main line hauler or go direct to dairy without permission of the Business Representative.
9. No hauler or driver shall solicit milk shippers directly or indirectly that is now being hauled by a brother member.
10. Haulers will not be permitted to induce shippers to change from one dairy to another dairy.
11. When a member-owner wishes to sell his route he agrees to notify the Business Representative who the prospective purchaser is ten days before selling.
12. All charges and trials must be in accordance with the International Constitution. Secretary shall explain the proper procedure in preferring charges to any member requesting the information.
13. All member-owners shall notify the Secretary-Treasurer of the Union within ten (10) days of the names and date employed of any new employees.
14. When a dairy won't let the hauler now hauling a shipper's milk come to their dairy, the hauler that loses this milk shall be paid ten dollars (\$10.00) per gallon for same. Gallonage shall be based on the highest number of gallons shipped during the previous twelve months or any fraction thereof.