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**PRICE FIXING DOES RAISE
PRICES IN THE BAKING INDUSTRY**

by

Willard F. Mueller & Russell C. Parker*

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*University of Wisconsin-Madison and Federal Trade Commission (retired)

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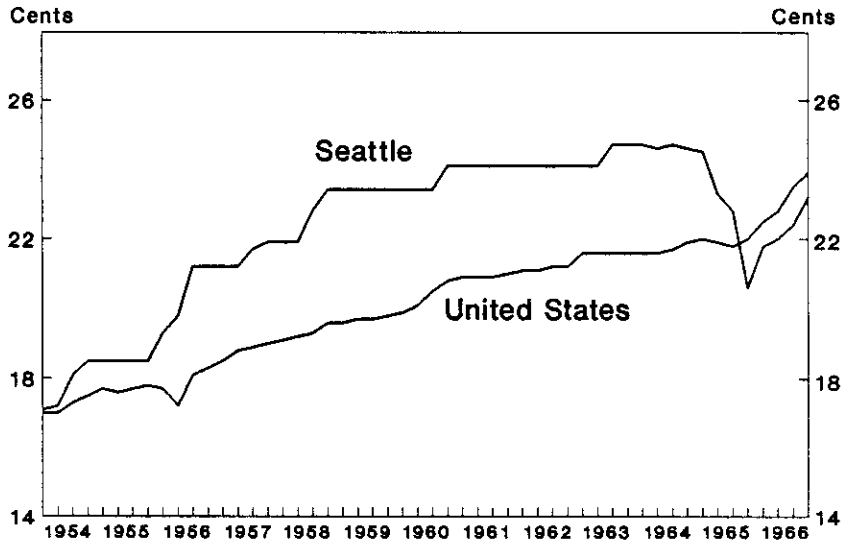
Willard F. Mueller and Russell C. Parker*/

For over two decades many students of industrial organization had believed that the Bakers of Washington conspiracy represented a classic example of successful cartel pricing.^{1/} Now comes Craig M. Newmark with "a different explanation" of the price behavior during the cartel's life, an explanation that finds "Seattle's retail price during the conspiracy ...to be nothing more than the competitive price" (Newmark 1988a: 469). If correct, Newmark has provided support for the belief that "conspiracies against unregulated, for profit buyers do not raise prices significantly, if at all" (Newmark 1988a: 470).

Newark has not successfully rewritten the history of the Washington Bakers cartel. As reported below, the cartel engaged in a successful decade-long horizontal price fixing conspiracy enforced with vertical retail price fixing. The cartel was destroyed by antitrust enforcement, not by the entry of a tiny baker, as Newmark claims.

The Bakers of Washington, a trade association of bakers in the state of Washington, were found guilty of fixing bread prices from the mid-1950s through 1964. During the conspiracy period bread prices in Seattle averaged 15 percent above the U.S. average and were perfectly rigid except for periodic price increases; before the conspiracy period the average Seattle price was about the same as the average U.S. price and its movements were similar, suggesting both averages were responding to common cost changes (Figure 1). After the

Figure 1. Average Retail Prices for White Bread, United States and Seattle



Note: Prices for the U.S. after December 1963 adjusted to reflect a revision in the BLS sample in December 1963.

conspiracy was broken, prices in Seattle plunged in 1965, falling below U.S. average prices.

Newmark rejects the conspiracy explanation for the high Seattle bread prices prevailing during the 1955-1964 period that the Federal Trade Commission and the Seventh Circuit found the bread bakers engaging in a price fixing conspiracy.^{2/} Newmark's alternative explanation for the high prices is curious. He believes that in the years prior to the conspiracy period Seattle prices were abnormally low because they did not reflect higher wage costs and profit rates that he found to be normal for other parts of the West Coast. The increase during the conspiracy period, he hypothesizes, was no more than a catching up to "normal" levels for the area. In addition, he believes that for reasons unrelated to the conspiracy Seattle retailers contributed to the higher retail prices by adding higher retail margins, also normal for the West Coast but not elsewhere. The precipitous decline in Seattle bread prices in 1965, which the FTC linked to the ending of the conspiracy, Newmark attributes entirely to the entry in the market of a small bread company. We examine in turn each of Newmark's beliefs about these matters.

Newmark's Explanation of Prices During 1955-1964

Newmark believes that three factors caused Seattle bread prices to be higher than prices elsewhere in the U.S. in 1964: higher retailer margins, higher wage rates, and higher normal profit rates.

Retailer Margins: Newmark believes that retail "bread prices were higher throughout the West" and that these higher prices were due to higher retailer margins, i.e., 20 percent in the West versus 18 percent elsewhere.^{3/} He

believes that this difference in margin explained half of the increase in Seattle prices after 1954.

Left unanswered by Newmark is when and why the Seattle retailer margins widened. If the greater margins existed before as well as during the conspiracy period, they explain none of the relative increase in Seattle retail bread prices during the conspiracy period. If the increase occurred during the conspiracy, the increase may have been a product of the conspiracy. Newmark ignores this hypothesis despite unequivocal evidence supporting it. Inexplicably, Newark fails to mention facts showing that the high retail margins were an integral part of the conspiracy, as explained in the Federal Trade Commission decision and the articles Newmark cites. The Commission found that wholesaler bakers had set retailer margins at 20 percent and that they were able to do so because the retailer with the greatest capacity to undermine these margins, Safeway Stores, was a leading participant in the cartel. The Commission found that "wholesale bakers stamp, for the consumer to see, a 'suggested price'" (Bakers of Washington: 1125). Then, the suggested retail price less 20 percent was the price bakers charged grocery retailers.

Safeway Stores was the only member of the cartel that "was allowed to deviate" (by 1 cent per standard loaf) from the retail price set for wholesale baker brands. This contrasted with an average differential between baker and retailer brands of 5.2 cents in 23 large U.S. cities (FTC Report: 17). Safeway's participation in the conspiracy was critical because it was the leading grocery chain in the market, and was over twice as large as its largest rival (FTC Report: 72). It also was the only retailer in Seattle (at the time) that was vertically integrated into baking. As such, Safeway was both a large, powerful customer and a competitor of the wholesale baker participants in the

cartel. The evidence further shows that not only did Safeway participate in the conspiracy, but helped enforce it. While the Bakers of Washington's secretary-manager, Arthur H. LaLime, had primary responsibility for enforcing the cartel's prices, Safeway played a key role in keeping in line both wholesale and retail prices (Bakers of Washington: 1124-1140). As the Commission put it: "Safeway is the local bread industry's club over the small bakers." Viewed in the context of these facts, Bakers of Washington is a classic example of using vertical price fixing to protect the wholesale price fixing of a horizontal cartel.

Higher Wage Rates: Newmark believes that about one-fourth of the higher retail bread prices in Seattle occurred because wage costs were higher in the West than elsewhere (Newmark 1988a: 475). This belief is based on BLS data showing that average wages of all production workers in the West were higher than in the East. Newmark ignores the baking industry-specific evidence that does not support his belief. In 1966, average production cost per pound loaf of Seattle bakers was virtually identical to that of bakers in four other large cities (Baltimore, Chicago, Denver, and New York): 10.6 cents versus 10.9 cents (FTC Report: 110-14). Direct labor cost per pound, which was only 17 percent of total production cost, also was virtually identical in Seattle and other large cities located outside the West: 1.85 cents versus 1.84 cents.

The only cost that was higher for Seattle bakers than bakers in large cities outside the West was selling and delivery (S&D) cost: 9.7 cents per pound versus 6.8 cents per pound (FTC Report: 31). Only about one third (1.0 cent) of this 2.9 cents differential was due to higher payroll costs.^{4/} Most probably, the Seattle bakers' higher non-payroll S&D cost reflected the greater non-price competition commonly found in cartels, aggravated by a decreased

ability to spread overhead because of declining advertised brand sales by 1966. When the cartel was broken, wholesale bakers began selling bread to retailers for resale under house brands and two more retailers integrated into baking (FTC Report: 72). The FTC Report found that the wide retailer margins and high wholesale prices "gave retailers a powerful incentive to push their own brands" (FTC Report: 71). Consequently, the top four wholesale baker brands' share of Seattle bread sales declined from 72 percent, when the conspiracy began about 1955, to 38 percent after it was broken. This precipitous decline in market share created excess capacity among wholesale bakers. Hence, Seattle bakers' higher S&D costs were a product of the cartel, not higher overall production wage costs in the West.

Higher Normal Profits: Newmark attributes another one-fourth of the higher retail price in Seattle to a "higher normal profit rate" in the West than elsewhere (Newmark 1988a: 476-77). This belief is based on differences in price-cost margins of bakers (based on all bakery products) in the state of Washington and bakers located elsewhere (Newmark 1988a: 475). His analysis errors twice. First, the price-cost margins Newark calculates for wholesale bakers are poor proxies for pretax profit margins. Whereas Newmark calculates price-cost margins of about 25 percent of sales revenue for wholesale bakers in Washington state and elsewhere in 1963, profit margins were only a very small part of the price-cost margins. In 1964, the average pretax profits of the leading wholesale bakers in five large cities were only 2.3 percent of sales revenue.

Newmark fails to identify the root cause for Seattle's higher price-cost margins: higher selling and distribution (S&D) costs. As noted above, the S&D costs of Seattle bakers were much larger than those of bakers in other large

cities. In sum, the increase in value added by Seattle bakers during the conspiracy years is not explained by Newmark's catching up theory of normal profits, but by higher S&D costs. Such higher costs are commonplace when cartel pricing creates costly nonprice competition and excess capacity, an example of Posner's belief that much of the excess profit of cartels becomes embedded in higher cost (Posner).

Newmark's Explanation of Prices During 1965-1966

Following the demise of the cartel, between December 1964 and December 1965 Seattle average retail bread prices dropped by 21.5 percent whereas U.S. average retail bread prices rose 0.5 percent (Figure 1). Newmark believes the price decline was caused by the entry of Granddad Baking Company (Newmark 1988a: 478-84). Granddad began selling bread in Seattle in 1963, when it purchased bread from a Seattle baker and sold it to retailers using nonunion drivers. Granddad subsequently began importing lower price bread from Canada in 1964. Newmark concludes that the reason Seattle prices fell was that several inexpensive brands were introduced, the "principal" of which was Granddad, and that Granddad's low prices caused all Seattle prices to come tumbling down in 1965.

This is nonsense. Whatever the reason,^{5/} it is undisputed that in 1965 Granddad was not a "principal" brand in the Seattle market, but a little two-man operation that picked up bread in Canada and delivered it directly to small Seattle grocers and nongrocers.^{6/}

Newmark characterizes Granddad as a significant competitive force representing 3 percent to 5 percent of the market (Newmark 1988a: 482). In fact, Granddad made less than 1 percent of total bread sales in Seattle in 1965.^{7/} According to Granddad's owners, its "real good accounts" were Jack's

Payless, Walt's Dependable, Hinshaw's and Walts Milk House, all very small retailers.^{9/} Granddad sold to none of the top 12 grocery chains in 1965. Its owners said Granddad sales "took off" in April 1969 when (four years after Newmark claims it had eroded Seattle prices) it secured its first significant grocery chain account, K-Mart supermarkets.^{2/} Yet, even by 1971, when Granddad sales were considerably larger than in 1965, it made only 0.6% of total white bread sales in Seattle.^{10/}

Clearly, Granddad was not large enough in 1965 to force wholesale bakers to adopt secondary brands and large grocery chains (none of which were supplied by Granddad) to adopt their own "inexpensive" bread brands, which totalled 21 percent of all Seattle bread sales by 1966 (FTC Report: 71). To believe otherwise is to assume that a seller with a market share of less than 1 percent can set the price for the entire market.^{11/}

The explanation for the post-1964 price behavior is quite simple. As explained in the FTC Report, after the conspiracy was declared unlawful Safeway chose to compete by widening the differential between its Mrs. Wright's brand and the premium brands of wholesale bakers from 1 cent per 15-ounce loaf to 7 cents per loaf. By mid-1966 the typical differential between premium wholesale baker brands and retailer brands widened to 12 cents per 22.5 ounce loaf (FTC Report: 73). Wholesale bakers responded to these developments by introducing their own secondary, lower price brands,^{12/} as well as lowering prices on their own brands.^{13/} The incursion of these lower-price store and baker brands caused a sharp decline in average retail bread prices in 1965.^{14/} When the FTC staff was studying bread prices in Seattle and other U.S. cities in 1966, the trade in Seattle generally accepted as fact that the post-1964 price behavior was caused by the demise of the cartel.^{15/}

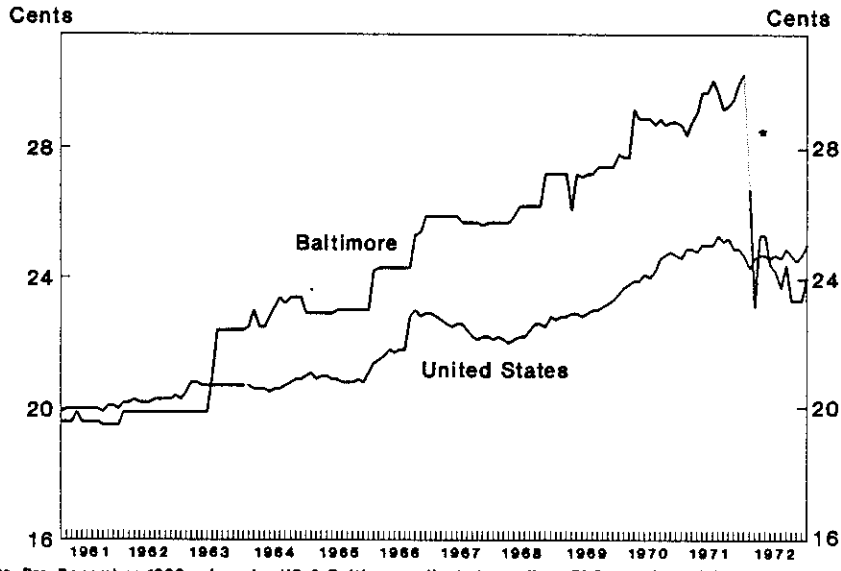
In sum, the evidence does not support Newmark's hypothesis that the increase in Seattle bread prices during the conspiracy period represented no more than a catching up with the higher "normal" retailer margins, production labor costs, and wholesale baker profits he believed existed throughout the West.

The Baltimore Bread Cartel

Following publication in 1967 of the Federal Trade Commission Economic Report on the Baking Industry, the staff of the Bureau of Economics brought to the attention of Justice Department attorneys another suspicious pattern of bread prices.^{16/} The economic report included a chart of retail bread prices for the city of Baltimore during 1955-1967, which displayed a pattern very similar to Seattle prices before 1965. After investigating this matter, the Justice Department received a grand jury indictment, July 29, 1971, charging four wholesale bakers with increasing prices in Baltimore since at least 1965 and along the Eastern Shore of Delaware, Maryland and Virginia since April 1969. After pleading no contest, some of the defendants were fined on February 1, 1972, and others on November 25, 1972 (A&TRR).

Since the cases were settled there is no public record concerning the conduct of participants in the alleged conspiracy. However, the pattern of bread prices in Baltimore in the years before and after the wholesale bakers were indicted is remarkably similar to that in Seattle. In the years before the conspiracy, average retail bread prices in Baltimore were about the same as average U.S. bread prices (Figure 2). Commencing in June 1963, Baltimore bread prices rose much more rapidly than U.S. bread prices, so that by December 1971 Baltimore prices were about 23 percent higher than U.S. bread prices (Figure 2).

Figure 2. Average Retail Prices for White Bread, United States and Baltimore



Note: Pre-December 1963 prices for US & Baltimore adjusted to reflect BLS sample revision in Dec. 1963.
* BLS revised sample to reflect change in brand mix between January 1971 & January 1972.

Tracking the rise and fall of bread prices during 1971 and early 1972 is complicated by a change, effective January 1972, in the BLS bread price sample for Baltimore. Each January BLS selects the mix of bread brands used in its sample based on the most widely purchased brands. Between January 1971 and January 1972, there was a marked increase in the relative importance of lower priced grocery store brands and secondary brands of wholesale bakers. As a result, when BLS constructed a new sample for January 1972, the January price based on the new sample was 9.8 percent lower than when based on the old sample (Figure 2). In view of the above facts, the following inferences are warranted:

1. Between January 1963 and December 1971, Baltimore price rose 22.7 percent above the U.S. average price.

2. After the revision in the Baltimore sample in January 1972, prices fell by 13.5 percent between January (new sample) and February 1972. This price decrease occurred immediately after several defendants pleaded no contest on February 1, 1972, and were fined.

3. If the Seattle post-cartel experience was repeated in Baltimore, bread prices in Baltimore may well have begun falling before February 1972. In Seattle when the bread conspiracy ended prices of the grocery store brands were the first to be cut (FTC Report: 70). If this also happened after the Baltimore conspirators were indicted in July 1971, the prices of some lower price grocery store brands would have been cut, thereby increasing their sales relative to wholesale baker brands. This would explain why BLS had to change the brand mix used in computing the new "benchmark" price effective January 1972. In this scenario, the decline in prices after January 1972 was a continuation of a trend begun in 1971.

Price behavior during the pre- and post-conspiracy periods in Baltimore was strikingly similar to that in Seattle. Prior to the conspiracy period, the average price in both cities was near the U.S. average bread price.^{17/} During the conspiracy period, the spread widened between average prices in the two cities and average prices in the U.S. Immediately before the conspiracies ended, bread prices in both cities were far above the U.S. average price. In the years following the breakdown of the conspiracy average prices in both cities fell to or below U.S. average prices.

It seems unlikely that these similarities are purely coincidental. Rather, they support the hypothesis that price fixing among wholesale bakers does raise prices and that antitrust actions deter such behavior. Block, Nold and Sidak support this view based on a cross-section statistical analysis of 17 bread price fixing cases between 1957 and 1976 (Block et al.). Newmark takes exception to the findings of Block et al., in part, based on his belief that prices fell in Baltimore for reasons unrelated to the antitrust actions. He says that "circumstantial evidence suggests" that the drop in Baltimore prices was caused by the pricing strategy of A&P, not by antitrust deterrence.^{18/} Because Baltimore was "one of the few major cities in the country in which A&P ...held a leading market share," (Newmark 1988b: 53) Newmarks believed that when A&P introduced its WEO (Where Economy Originates) program in Baltimore in early 1972, Baltimore bread prices declined sharply.

Newmark's speculation is not supported by the facts. As shown above, Baltimore weighted average bread prices very probably began falling after July 1971, as grocer brand breads increased in relative importance. And in February 1971, Baltimore bread prices dropped another 13.5 percent. Yet, the WEO program did not begin in Baltimore until March 12, 1972.^{19/}

Other evidence indicates that the A&P WEO program was not responsible for the lower bread prices in Baltimore. Most importantly, whereas Baltimore white bread prices fell by 13.5 percent between January and February 1972, no other grocery store item checked by the BLS in Baltimore declined significantly.^{20/} Also, whereas A&P introduced WEO in other East Coast cities in 1972, none experienced declines in bread prices during 1972, although A&P's market position in these cities was not significantly different than in Baltimore.^{21/}

In sum, we believe the evidence does not support Newmark's "different explanation" for the post-conspiracy price behavior in Seattle and Baltimore. His analysis does not support the belief that conspiracies are unlikely when selling to for-profit firms in general and grocery retailers in particular. Grocery product suppliers in some local market industries are conspiracy prone. Whereas the Justice Department brought 19 price fixing cases against wholesale bakers during 1955-1985 (Block et al.), it brought even more cases involving fluid milk, tobacco, beer and liquor distributors (Mueller and Paterson:380). Although all of these complaints did not result in convictions for price fixing, they indicate that price fixing is a pervasive problem in bread and similar grocery products sold to grocery retailers.

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ENDNOTES

- * University of Wisconsin and Federal Trade Commission (retired).
- 1 The original discussions of the case were in FTC Report, Mueller, and Parker. At the time the FTC Report was prepared the authors were, respectively, Director and Assistant to the Director, Bureau of Economics, Federal Trade Commission.
- 2 Newmark concluded that this was "an ineffective conspiracy." Indeed, he apparently questions whether any conspiracy existed (Newmark 1988a: 472). The Ninth Circuit Court of Appeals concluded there was ample evidence to infer that price fixing activities occurred. Safeway Stores, Inc. v. FTC.
- 3 Newmark, 1988a: 473-74. He gives no explanation for the larger retailer margins. We believe there is a plausible explanation as to why retailer margins in the four other West Coast cities were the same as in Seattle and higher than in other cities in the U.S. Safeway, the leading grocery chain in Seattle and an active participant-enforcer of the Seattle bread cartel, also was the leading grocery chain in the other four West Coast cities cited by Newmark: Bakersfield, Los Angeles, San Diego and San Francisco. Grocery Distribution Guide, 1965. It seems more than mere coincidence that Safeway followed the same high markup policy for bread in the other four western cities as has been proven to be the product of a cartel in Seattle.
- 4 Average total S&D cost was 9.7 cents per pound loaf for Seattle wholesale bakers and 6.8 cents per pound loaf for bakers in three other large cities (Chicago, Denver and New York) in January-August 1966. FTC Report:110-14. Average weekly salaries and commissions per \$1,000 sales route were 17.4% in Seattle and 15.0% in the other cities. FTC Report: 31.
- 5 The trial examiner in the ITT Case attributed Granddad's problems largely to the bakers' union. Initial Decision, Findings of Fact, pp. 327, 329.
- 6 Testimony of Granddad owners Vail and Sandland at 6619 and 6780 in the trial record of the ITT Case. Respondents Proposed Findings of Fact 239; Initial Decision, Finding of Facts, p. 326.
- 7 FTC Report: 71. Newmark ignores this evidence. Newmark may have been misled by the testimony of a Granddad owner, years after the fact, that in 1964 and early 1965 Granddad sold "about 40,000" loaves of bread a week in the Seattle area. ITT Case, Initial Decision, Finding of Fact, p. 327. A contemporary report said that "two British Columbia bakeries are shipping 10,000 to 15,000 loaves of bread a week into Washington and the Portland area in early 1965." See, "Import Curbs to be Bakery-Union Topic," Seattle Times, January 13, 1965, p. 6 (emphasis added). This source went on to say that this bread "is sold at reduced prices, much of it in service stations and establishments other than groceries." Further evidence of Granddad's insignificant presence in the market is that no newspaper advertisements in 1965 mention Granddad bread. Seattle Times (1965). The FTC Report: 71, also noted that Granddad sold bread at service stations and roadside fruit stands. Small grocery and nongrocery stores like most of those supplied by

Granddad in 1965 are not in the same economic market as the grocery supermarkets supplied by wholesale bakers (Marion: 191-214).

- 8 ITT Case, Complaint Counsel's Proposed Findings of Fact 10-12. Whereas Newmark claims that Granddad's presence in these stores eroded ITT-Continental sales, the Trial Examiner concluded that Continental sales in these stores were "minimal". ITT Case, Initial Decision, Findings of Fact, pp. 329-30. None of Granddad's retailer customers in 1965 was listed among grocery retailers in Seattle with market shares of 1.0 percent or more. (1965).
- 9 ITT Case, Testimony of G.T. Vail, Transcript pp. 6650, 6719; Respondent's Proposed Finding of Fact 250; Complaint Counsel's Proposed Findings of Fact 10-34; Initial Decision Findings of Fact, pp. 328-29. K-Mart, which accounted for 2 percent of grocery sales in Seattle, bought only some of its bread from Granddad.
- 10 ITT Case, Continental Exhibit 135, 1971 Appel/Haley Bread Metric Study.
- 11 Newmark also claims that bread prices of leading Seattle wholesale bakers increased rather than decreased during 1965-66 (Newmark: 478). Wholesale bakers raised prices of their premium brands in August 1966 (FTC Report: 73). This price increase did not stick, however, and within a year Seattle bread prices "dropped back to lower levels." FTC Report: 70. Thereafter Seattle prices remained below U.S. average prices.
- 12 ITT Case, Initial Decision, Finding of Fact, p. 327. Newmark misrepresents the facts regarding the reason for introducing secondary brands. He says, "Continental announced that its secondary brand was intended "to meet the competition of Canadian [Granddad] bread." Newmark 1988a: 482. What the quoted part of the record in the ITT Case actually showed was that one of Granddad's owners said Continental had introduced a secondary brand "to meet the competition of Canadian Bread, Pink Elephant and other baking companies." ITT case, Initial Decision, Findings of Fact, p. 327. Moreover, Continental had "minimal" business in the small stores supplied by Granddad. ITT Case, Initial Decision, Findings of Fact, pp. 329-30.
- 13 Newmark, in explaining the lower prices of retailers, said they sold lower cost and quality bread than wholesale bakers. His source was the testimony of the president of Continental Baking, who said retailer bread brands contained less milk, shortening and sugar (Newmark 1988a: 479). Even if true, this could not explain much of the average price differential of 12 cents per loaf since Seattle wholesale bakers' average cost for all bread ingredients, other than flour, were only 1.5 cents per loaf in 1965. FTC Report: 118. Moreover, the cited testimony conflicts with the trial examiner's finding that "all white bread is virtually a homogeneous product with regard to quality, nutrition, palatability and physical features." ITT Case, Initial Decision, Findings of Fact, 303-304 (emphasis added). The examiner attributed the higher prices of wholesale baker brands to the consumer franchise created by advertising.

Objective evidence bears out these findings. A 1982 Consumer Reports ranked the relative qualities of 10 brands of white bread, the kind priced

by BLS. Among these, Continental's Wonder bread ranked last in nutritional qualities and, along with four others, tied for last in sensory qualities. A Safeway brand ranked first in nutritional quality and, along with two other brands, was tied for second in sensory qualities. "Bread," Consumer Reports (September 1982: 438-443). This was the first time Consumer Reports evaluated white bread after 1965. It is unlikely, however, that the quality of Wonder bread was higher in 1965 than in 1982.

- 14 It seems significant that average retail bread prices in Seattle fell in 1965, not in 1963 or 1964 when Granddad was the only low-price brand. Newmark said, "I suspect" Granddad had impacted prices before 1965 but that "BLS's sampling method" did not pick it up (Newmark 1988a: 53). However, Newmark did not examine what actually happened to BLS's sampling method during this period. BLS calculates for each city a new "benchmark" price for January of each year to reflect changes that occur in the best selling brand in each outlet priced by BLS. Examination of BLS retail bread prices for Seattle shows that changes in the benchmarks did not affect price comparisons observably between January 1964 through January 1967.
- 15 This statement reflects the author's recall of these events. They have been unsuccessful in obtaining from FTC Archives the file of the FTC Report. The FTC Report did not discuss in greater detail the cause and effect relationship between the end of the conspiracy and lower prices because, at the time, the causal relationship was accepted as fact by industry observers interviewed by FTC staff.
- 16 Typically the Justice Department pursues price fixing cases because it can bring criminal charges that can result in fines and prison sentences for guilty individuals whereas the FTC can only bring civil actions. The reason the FTC pursued The Bakers of Washington case was that it involved novel questions of law that could better be handled by the FTC than Justice. The defendants had believed they were immune from federal challenge because all participants in the conspiracy were located in the state of Washington and they sold very little bread in interstate commerce. However, a small amount of bread was sold in Alaska, which was sufficient to meet the interstate commerce requirement of the Federal Trade Commission Act. See, Safeway Stores.
- 17 BLS prices are not designed to make direct price comparisons among cities but to measure changes in price levels over time (BLS). This presents no problem here since our concern is with changes in the relative level of prices over time in Seattle and Baltimore. We can make direct comparisons between prices in these cities and U.S. average prices because in each case the price level in these cities and the U.S. were about the same before the conspiracies began.
- 18 He cites the FTC Report's observation that in 1965 Baltimore retailers sold a larger percentage of higher priced wholesale baker brands than did grocers in most other cities (Newmark 1988b:1324). Interestingly, this was one of the reasons the FTC staff asked the Antitrust Division to investigate pricing practices in Baltimore, since the same pattern had existed during.

- 19 Baltimore Sun, March 12, 1972, Section D. This was about one month after the February price drop recorded by BLS, which prices grocers in the first two to three weeks of each month.
- 20 Of 34 non-seasonal grocery products price checked by BLS in Baltimore between January and February 1972, 21 increased in price, seven remained unchanged, and six (excluding white bread) decreased in price. The largest decrease was for coffee, which decreased by 0.5 percent in February, but was up 3.3 percent by December 1972. Bureau of Labor Statistics, Estimated Retail Food Prices by Cities, January-December 1972.
- 21 A&P held the following ranks in these cities: Baltimore, #2; New York, #1; Philadelphia, #2; Washington, D.C., #3; and Boston, #4. Between January and December 1972, white bread prices increased as following in these cities: New York, 2.7%; Philadelphia, 6.0%; Washington, 5.3%; and Boston, 7.5%.