

BEST COPY AVAILABLE

<u>Trade Name</u>	<u>Power Model</u>	<u>Retail Price</u>	<u>Date of Price List</u>
Norman Ford	2.5	\$36.00	11-1-54
"	4.00	42.50	11-1-54
Lyman	2.5	\$45.50	1-1-55
"	4.00	49.50	1-1-55
Weaver	2.5	\$37.50	3-1-54
"	4.00	45.00	3-1-54

2. [REDACTED] has never received any orders for rifle scopes from the so-called price-cutting retailers identified on page three of the Attorney General's memo to the Director dated June 19, 1955.

He stated that he has never had any trouble with retailers and at the present time he services primarily metropolitan Milwaukee area and occasionally has a retailer in up-state Wisconsin. He stated that he has approximately twenty to twentyfive retail accounts. He has no knowledge that the retailers whom he services sell rifle scopes other than at the fixed retail prices, which are fair traded, and which prices are fixed by the scope manufacturers. He stated that if the retailer wishes to sell the rifle scopes for less than the fair trade price, it does not concern him, and it merely means that the retailer is making a smaller profit. [REDACTED] stated that he has never refused to sell rifle scopes to any retailer, whether or not this retailer abides by the fair trades price or whether he uses cut price methods. He stated that he has never been told directly or indirectly by anyone to sell rifle scopes to certain exclusive retailers.

3. With regard to [REDACTED] purchase of rifle scopes from manufacturers, he stated that the Lyman and the Norman Ford manufacturers are not governed by the fair trade laws, but that the Weaver scopes are governed by the state fair trade agreements. With regard to [REDACTED] sales of scopes, all three brands and all three companies send a suggested manufacturer's price list with their merchandise, and the manufacturer conveys this knowledge of this suggested resale price to the jobber by sending along price lists when merchandise is ordered by the jobber. [REDACTED] stated that the jobbers' discount is based on the manufacturer's list price. He stated

that the suggested manufacturer's price list is not binding on him at all, and that he is free to make his own price to the retailer if he is willing to take a cut in profit.

██████████ stated that no agreement exists between himself and the manufacturers. He stated that his position is that of a jobber, and that he places an order for rifle scopes at his pleasure and that no restrictions are placed on him as to whom he is to sell these rifle scopes.

██████████ stated that to his knowledge the manufacturers do not communicate with retailers, and retailers obtain the resale prices and suggested lists from the jobbers. He stated that to his knowledge manufacturing firms do not attempt to police retailers' prices. He stated that should any information reach him that certain retailers to whom he sells are selling rifle scopes at cut-rate prices, he would do nothing about these methods.

4. ██████████ stated that the manufacturers for whom he is the authorized jobber have never given him any warnings that it or its customers were selling below the manufacturer's suggested list price; he has never corresponded with manufacturers regarding retailers' selling "off list" and he denies emphatically that any understandings exist between him and the manufacturers that he will not resell to retailers who deviate from the manufacturers' suggested price list.

██████████ stated that he knows of no retailers who have ever been denied advertising in sporting magazines and periodicals because of the retailers' practices of advertising rifle scopes "off list".

██████████ made available his files, and no correspondence letters or memoranda either from the manufacturers or to the manufacturers was located which has any bearing on this case.

██████████ stated that although he has the dual capacity of both jobber and retailer in the operation of his ██████████ he has never had the opportunity of engaging in advertising in sport magazines and sporting periodicals. He has no knowledge that such advertising space has ever been denied any other jobbers or retailers.

ME 60-180

REFERENCES: Bulet to New York dated June 13, 1955, cc Milwaukee.

- ADMINISTRATIVE PAGE -

60-4616 - 73

- 5 -

# FEDERAL BUREAU OF INVESTIGATION

Form No. 1  
THIS CASE ORIGINATED AT

NEW YORK ✓

**BEST COPY AVAILABLE**

REPORT MADE AT <b>BALTIMORE</b>	DATE WHEN MADE <b>7/7/55</b>	PERIOD FOR WHICH MADE <b>6/27-7/5/55</b>	REPORT MADE BY [REDACTED]
------------------------------------	---------------------------------	---	------------------------------

TITLE <b>DISTRIBUTION AND RETAIL ADVERTISING OF RIFLE SCOPES AND MOUNTS</b>	CHARACTER OF CASE <b>ANTITRUST</b> <span style="float: right;"><i>b7c</i></span>
--	---

**SYNOPSIS OF FACTS:** *b7c*

[REDACTED] Wilson and Pugh Company, Cumberland, Md., a wholesale hardware firm, advised he regularly handles only rifle scopes of the W. R. Weaver Company, El Paso, Texas, with only a small number of special orders written for scopes of the Lyman Gun Sight Corporation, Middlefield, Conn. Has no knowledge or record of any business transactions with any of the so-called price cutting retailers and has never refused sale of scopes to any retailer of that category. Firm has no agreement with the manufacturers to control resale prices and makes no attempt to police retailers' prices. Wilson and Pugh Company has never been warned by manufacturers that it or its customers were selling below suggested prices and there is no agreement or understanding that the firm will not resell to retailers who deviate from manufacturers' prices.

- RUC -

**DETAILS: AT CUMBERLAND, MARYLAND**

On June 27, 1955, [REDACTED] Wilson and Pugh Company, 26 South George Street, advised that [REDACTED] was the only person connected with the [REDACTED] who could furnish any available records or information

**60-4616 - 75**

APPROVED AND FORWARDED:  <b>DKB</b>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES
COPIES OF THIS REPORT 2 Bureau (60-4616) 3 New York (60-1107) (1 Regional Antitrust Attorney) 1 Baltimore (60-166)		RECORDED - 78  JUL 8 1955 <span style="float: right;"><i>b7c</i></span>

MAILED 10 1955

BA 60-156

concerning this matter. [REDACTED] she said, was presently recuperating from a serious skull fracture and would not be available until July 5, 1955, at the earliest.

[REDACTED] Wilson and Pugh Company, 26 South George Street, a wholesale hardware firm, advised on July 5, 1955, that his company has handled only Weaver Scopes, manufactured by the W. R. Weaver Company, El Paso, Texas, for general business since January 1, 1949. During this same period, he has written a very small number of special customer orders for Lyman Scopes, manufactured by the Lyman Gun Sight Corporation, Middlefield, Connecticut. He said that 98% of his sales are Weaver Scopes with the Lyman product making up the remaining 2%. The Weaver Scopes are considered competitive, pricewise.

[REDACTED] stated that to the best of his knowledge, his firm has never received orders for scopes from any of the following so-called price cutting retailers:

- [REDACTED] Texas
- [REDACTED] Iowa
- [REDACTED] Illinois
- [REDACTED] Colorado
- [REDACTED] Scope Company, [REDACTED] Illinois
- [REDACTED] San Francisco, California
- [REDACTED] Pennsylvania
- Central Investment Company, Prineville, Oregon
- [REDACTED] San Francisco, Calif.
- [REDACTED] Colorado
- [REDACTED] New York
- [REDACTED] Pennsylvania
- [REDACTED] Maine

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[REDACTED] Massachusetts

[REDACTED] Manchester, New Hampshire

[REDACTED] Cumberland, Maryland.

None of the above firms, he advised, have been carried on the books of Wilson and Pugh Company and if any of them did deal with his firm such dealings would have been cash transactions over the counter and so no record of such dealings would be available. Wilson and Pugh has never refused to sell scopes to any retailer because that dealer was selling or advertising at prices below those suggested by the manufacturer, or for any other reason except possibly that of a retailer's inability to properly meet his financial obligations.

As for the [REDACTED], Cumberland, operated by a [REDACTED] said he does not know [REDACTED] and to the best of his knowledge he has never seen him. Neither the [REDACTED] nor [REDACTED] are carried on the books of Wilson and Pugh Company. [REDACTED] has never established his credit with the firm and so, if any sales have been made to [REDACTED] or the [REDACTED] they have been cash transactions. To the best of [REDACTED] knowledge, he has never refused [REDACTED] business.

[REDACTED] recalled that indirectly he had some trouble with [REDACTED] approximately a year ago. At that time, he received a long distance telephone call from the W. R. Weaver Company and was advised that a [REDACTED] of Cumberland had notified them that Wilson and Pugh Company were selling Weaver products to the general public at wholesale prices. [REDACTED] advised W. R. Weaver Company that sales were made only to those licensed to sell and a request was made for the names of those individuals to whom the firm reportedly sold and who were not properly licensed to buy at wholesale. No names were made available, he said, and no additional word was heard from Weaver concerning the matter.

[REDACTED] further stated that although he recognizes Weaver products as fair trade items, he could not recall and he has no record of ever having entered into a fair trade agreement with the manufacturer. Both Weaver and Lyman scopes are sold by Wilson and Pugh Company under the manufacturers' suggested list or dealer prices. Suggested resale prices are conveyed to Wilson and Pugh Company by the manufacturers' dealer quotation sheets which are in no way binding.

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EA 60-166

upon the wholesale firm. Resale prices are merely a matter of mutual understandings between manufacturer and Wilson and Pugh. [REDACTED] advised that he makes no attempt to police retailers' prices. In the past, when such action has been requested by a retailer, [REDACTED] has advised them that Wilson and Pugh Company is not a police agency and cannot police retailers' prices. No action has ever been taken against any retailer by Wilson and Pugh Company when notice is received that the retailer is selling below list prices.

Wilson and Pugh Company has never been warned by either W. R. Weaver Company or the Lyman Gun Sight Corporation that it or its customers were selling below the manufacturers' suggested price. There has never been any correspondence with either of the manufacturers concerning retailers selling "off list", and there is no understanding with either of the manufacturers that Wilson and Pugh Company will not resell to retailers who deviate from the manufacturers' suggested prices.

[REDACTED] advised that he has no documents or factual information in his files relevant to the subject matters discussed.

- RUC -

60-4616 = 75

SA 60-166

REFERENCE: Bureau letter to  
Bureau airtel to  
Baltimore radiog

dated 6/13/55.  
dated 6/22/55.  
Bureau dated 6/27/55.

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60-4616 - 75

ADMINISTRATIVE



# FEDERAL BUREAU OF INVESTIGATION

**BEST COPY AVAILABLE**

Form No. 1  
THIS CASE ORIGINATED AT **NEW YORK CITY**

REPORT MADE AT <b>LOUISVILLE</b>	DATE WHEN MADE <b>6/29/55</b>	PERIOD FOR WHICH MADE <b>6/24/55</b>	REPORT MADE BY <b>[REDACTED]</b> <span style="float: right;">b7c (A) mmb</span>
TITLE <b>DISTRIBUTION AND RETAIL ADVERTISING OF RIFLE SCOPES AND MOUNTS</b>			CHARACTER OF CASE <b>ANTITRUST</b>

**SYNOPSIS OF FACTS:**

Belknap Hardware and Manufacturing Company, large wholesaler of hardware, tools, and sporting goods with 39,000 customers, purchased 2885 rifle scopes during 4 years ending 5/1/55. Most of these rifle scopes purchased from W. R. Weaver Company, El Paso, Texas, and are resold by Belknap on a "fair traded" basis. Search of available correspondence files (2 years), failed to reveal anything of interest.

- RUC -

**DETAILS:**

Investigation herein was conducted at the request of a letter from the Director dated June 13, 1955, which transmitted to this office a letter to the Director from STANLEY N. BARNES, Assistant Attorney General, Antitrust Division, dated June 9, 1955. The investigation at Belknap Hardware and Manufacturing Company, 111 East Main Street, is in compliance with the June 9, 1955, Departmental request.

At Louisville, Kentucky

**[REDACTED]** for Belknap Hardware and Manufacturing Company, supplied the following information on June 24, 1955. This company is one of the country's largest wholesaler of

60-4616-80

APPROVED AND FORWARDED:  <i>[Signature]</i>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES
COPIES OF THIS REPORT 2 Bureau (60-4616) 1 New York (60-1197) 1 Louisville (60-122) <b>63 JUL 19 1955</b>		60-4616-80 <b>RECORDED</b> <b>JUL 1 1955</b> <b>[REDACTED]</b>
		7-121

**BEST COPY AVAILABLE**

hardware, tools, sporting goods, paints, plumbing materials, farm implements, electrical appliances, cutlery, dishes, furniture, and related items. They serve 30,000 customers throughout the central and southern states. Rifle scopes and mountings account for an infinitesimal portion of its sporting goods sales and consequently, they do not push the item or make any effort to "keep its finger on the pulse of this particular industry."

Belknap's available purchase records extend back only 4 years ending May 1, 1955. From these records [redacted] reported Belknap's rifle scope purchases for these 4 years have been:

1. Lyman Gun Sight Corporation, Middlefield, Conn. They do not stock scopes from this company but order a few upon receiving orders from customers. They may have purchased 10 or so during the last 5 or 6 years, primarily the cheaper ones for .22 caliber rifles.

2. [redacted] Conn. This firm makes scopes for rifles they manufacture and Belknap's handle these rifles as well as the scopes. For the 4 years ended May 1, 1955, they purchased a total of 755 Mossberg scopes of two different kinds.

3. W. R. Weaver Company, El Paso, Texas, sold Belknap 2120 scopes of 19 different kinds during the 4 years ended May 1, 1955. This company's scopes are the only scopes which Belknap stocks for general use on various makes of rifles.

Belknap does not sell scopes to the price outting retailers since these firms attempt to buy them direct from manufacturers at cheaper prices than afforded by this jobber. Further, this firm has rejected no orders for scopes from any of its 30,000 customers except for credit reasons.

Belknap handles the Weaver scopes on a "fair trade" basis, notifying the customer by its printed catalogue as to the retail price but making no effort to ascertain if the purchaser charges its customers the proper price. Weaver notifies Belknap by a price list the three different costs, i.e., cost to jobber, cost to retailer, and cost to ultimate purchaser. This price list is published by Weaver when price changes occur and is believed to have last been revised in August 1954.

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b2
b7C
 doubts if they sell many scopes to retailers for stock but get orders only when the retailer has made a sale or has a good prospect. b2 has never to his knowledge, been furnished a "fair traded" agreement by Weaver.

Belknap depends upon its printed prices in its catalogue carried by all of their salesmen and supplied to many of their customers as a means of notifying their retail customers concerning the retail prices of rifle scopes. Belknap makes no attempt to police the retailers in any fashion. They have never been advised that their retailers are selling scopes at cutrate prices. Should they be so advised, they would be very hesitant about notifying the manufacturer and probably would not do so because they know that the first thing the manufacturer would do would be write a letter to the retailer advising him of his improper pricing practices and divulging the fact that Belknap was the source of their information. This would cause Belknap to jeopardize other business with such retailers which would be far too great a price to pay over such an insignificant item as rifle scopes.

b2
b7C
 recalls no correspondence from W. R. Weaver Company advising that any of its customers were selling below the manufacturer's suggested list price. Belknap does adhere to the manufacturer's published prices insofar as their purchase price is concerned and their jobber price to the retailer. It is the belief of b2 that probably the retailers adhere to the price published by W. R. Weaver Company in selling to their customers. Belknap has no idea who, among their 30,000 customers, have purchased scopes and could secure such information only by a search of their sales invoices which number several thousand each day.

Belknap retains its correspondence with manufacturers for a period of two years only. The correspondence between W. R. Weaver Company and Belknap for the two years ending May 1, 1955, was reviewed and nothing of significance to this investigation was found. In this correspondence were two letters from W. R. Weaver Company indicating that during 1953, Belknap purchased a total of about \$24,000 in rifle scopes and during the year 1954, purchased approximately \$21,000 of rifle scopes.

- RUC -

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LS 60-122

ADMINISTRATIVE PAGE

REFERENCE: Bureau letter dated June 13, 1955.

ADMINISTRATIVE PAGE

60-4016 -

80

**DISTRIBUTION AND RETAIL ADVERTISING OF  
RIFLE SCOPES AND MOUNTS; ANTITRUST**

Mr. Tolson \_\_\_\_\_  
 Mr. Boardman \_\_\_\_\_  
 Mr. Nichols \_\_\_\_\_  
 Mr. Belmont \_\_\_\_\_  
 Mr. Harbo \_\_\_\_\_  
 Mr. Mohr \_\_\_\_\_  
 Mr. Parsons \_\_\_\_\_  
 Mr. Rosen \_\_\_\_\_  
 Mr. Tamm \_\_\_\_\_  
 Mr. Sizoo \_\_\_\_\_  
 Mr. Winterrowd \_\_\_\_\_  
 Tele. Room \_\_\_\_\_  
 Mr. Holloman \_\_\_\_\_  
 Miss Gandy \_\_\_\_\_

Investigative reports were conducted based on original Antitrust Division request of 1/31/55. Several supplemental requests received and investigation on most recent request completed 9/1/55. Results of our investigation presented to Trans. Div., DC, by Attorneys of Antitrust Division. This case involves alleged efforts by certain manufacturers of rifle scopes and mounts to control the market in which these products are distributed and sold to the public. It appears that publishers of certain magazines have at the request of manufacturers refused to accept advertising of firms which attempted to sell these products at cut prices. The publications involved include the "American Rifleman" (Official publication of the National Rifle Association); "Field and Stream," published by Henry Holt and Company, New York; "Outdoor Life," published by Popular Science Publishing Company, New York; "Hunting and Fishing," published by Hunting and Fishing Publishing Corporation, Chicago; "Sports Afield," published by Hearst Corporation, New York; and "For-Pis-a-Same," published by A. R. Harding Publishing Co., Columbus, Ohio. Manufacturers involved include W. R. Weaver, El Paso; Sausch and Lomb, Rochester, N.Y.; Stith Scopes, San Antonio; Untertl Optical Company, Pittsburgh; and Lyman Gun Sight Corporation, Middletown, Connecticut.

Wash. Post and Times Herald \_\_\_\_\_  
 Wash. News \_\_\_\_\_  
 Wash. Star 19 \_\_\_\_\_  
 N. Y. Herald Tribune \_\_\_\_\_  
 N. Y. Mirror \_\_\_\_\_  
 Daily Worker \_\_\_\_\_  
 The Worker \_\_\_\_\_  
 New Leader \_\_\_\_\_

**Rifle Association Head Denies Price-Fixing**

Admiral Morton C. Gunna, ret. president of the National Rifle Association, today denied Government charges that his group had conspired to fix gun-sight prices. The association was one of seven individuals and concerned yesterday in an indictment alleging a conspiracy to fix the price and control advertising in sporting magazines of selling rifle telescopic sights. The association publishes a magazine called "American Rifleman."

Other defendant is Lyman Gun Sight Corp., Middletown, Conn.; W. R. Weaver of El Paso, Texas; and John Sausch of Pittsburgh, Pa., all manufacturers of optical rifle scopes; M. Jackson Smith of San Antonio, Texas, a distributor.

**THE EVENING STAR, B-19**  
 Washington, D. C.  
 WEDNESDAY, NOVEMBER 16, 1955  
 Distributor: Popular Science Publishing Co., New York, publishers of "Outdoor Life," and Henry Holt & Co., publisher of "Field and Stream."

The indictment alleges they agreed among themselves to boycott dealers selling gun sights at less than the manufacturers' list prices and to exclude their advertising from outdoor magazines.

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68 NOV 30 1955

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*File*  
*6*

0-20

Mr. Tolson

Mr. Boardman

Mr. Nichols

Mr. Belmont

Mr. Harbo

Mr. Mohr

Mr. Parsons

Mr. Rosen

Mr. Tamm

Mr. Sizoo

Mr. Winterrowd

Tele. Room

Mr. Holloman

Miss Gandy

8

(INDICTMENTS)

A FEDERAL GRAND JURY HERE INDICTED THREE PUBLISHING COMPANIES, THREE MANUFACTURERS OF RIFLE SCOPES AND ONE DISTRIBUTOR TODAY ON CHARGES OF OPERATING ILLEGAL BOYCOTTS TO ELIMINATE CERTAIN RETAIL DEALERS FROM THE INDUSTRY.

THE INDICTMENT, ANNOUNCED BY ATTORNEY GENERAL BROWNELL, SAID THE EFFECT OF THE ALLEGED CONSPIRACY HAD BEEN TO STABILIZE RETAIL PRICES OF OPTICAL RIFLE SCOPES.

IT SAID THE MANUFACTURERS CONTROLLED 90 PER CENT OF THE NATIONAL OPTICAL RIFLE SCOPE MARKET. THE SCOPES -- TELESCOPIC SIGHT -- ARE MOUNTED ON RIFLES AND EMPLOY OPTICAL GLASSES FOR MAGNIFICATION.

PUBLISHING COMPANIES NAMED IN THE ACTION WERE THE NATIONAL RIFLE ASSOCIATION OF AMERICA, WASHINGTON, D.C., PUBLISHER OF AMERICAN RIFLEMEN; POPULAR SCIENCE PUBLISHING CO., NEW YORK CITY, PUBLISHER OF "OUTDOOR LIFE;" AND HENRY HOLT AND CO., NEW YORK CITY, PUBLISHER OF "FIELD AND STREAM."

OTHERS NAMED WERE LYMAN GUN SIGHT CORP., MIDDLEFIELD, CONN.; W. R. WEAVER, EL PASO, TEX., AND JOHN UNERTEL, PITTSBURGH -- ALL MANUFACTURERS -- AND M. JACKSON STITH, SAN ANTONIO, TEX., A DISTRIBUTOR.

11/15--JE201P

60-461

NOV 1 1955

WASHINGTON CITY NEWS SERVICE

# Office Memorandum • UNITED STATES GOVERNMENT

TO :

DATE: Nov. 17, 1935

FROM :

**BEST COPY AVAILABLE**

SUBJECT:

ANTITRUST VIOLATIONS - ADVERTISING OF  
RIFLE SCOPES AND MOUNTS

Tolson	_____
Boardman	_____
Nichols	_____
Belmont	_____
Harbo	_____
Mohr	_____
Parsons	_____
Quinn	_____
Tamm	_____
Tracy	_____
Winterrowd	_____
Tele. Room	_____
Holloman	_____
Gandy	_____

Enclosed for the Bureau is a copy of a letter of 11/11/35, from the Attorney General, Department of Justice, in regard to the Antitrust Division request of 1/31/35. It is requested that you advise the Bureau of the results of the investigation conducted in this case. It is noted that a true bill will be returned on 11/17/35.

We have conducted an extensive investigation in this case based on the original Antitrust Division request of 1/31/35. Several corporate requests have been received and investigation on the most recent request was completed 9/1/35. The results of our investigation have indicated that certain firms in the District of Columbia attempted to control prices of rifle scopes and mounts. The Antitrust Division.

This case involves alleged efforts by certain manufacturers of rifle scopes and mounts to control prices at which these products are distributed and sold to the public. It appears that publishers of certain magazines have at the request of manufacturers refused to advertise of firms which attempted to sell these products at cut prices.

The publications involved include the "American Rifleman" (official publication of the National Rifle Association); "Field and Stream," published by Henry Holt and Company, New York; "Outdoor Life," published by Popular Science Publishers Company, New York; "Hunting and Fishing," published by Hunting and Fishing Publishing Corporation, Chicago; "Sports Afield," published by Hearst Corporation, New York; and "Far-Fish-Game," published by W. A. Henning Publishing Company, Columbus, Ohio.

ENCL. Manufacturers involved include W. A. Weaver, Chicago; Bushnell and Lock, Rochester, New York; Stata Scopes, San Antonio; United Optical Company, Pittsburgh; and Lyman Gun Sight Corporation, Middletown, Connecticut.

The Antitrust Division attorney did not indicate which of the above companies he thought would be included in the indictment by the Grand Jury.

18 - 6700 RECORDED - 87 60 - 4111 - 108  
11/15/35 IT WAS ANNOUNCED - news item

None. This is for your information.

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JKP:ige

EX-126 60-4616-108





FOR IMMEDIATE RELEASE

NOV 15 1955

DEPARTMENT OF JUSTICE

BEST COPY AVAILABLE

Mr. Tolson	
Mr. Belmont	
Mr. Harbo	
Mr. Mohr	
Mr. Parsons	
Mr. Rosen	<input checked="" type="checkbox"/>
Mr. Tamm	
Mr. Sizoo	
Mr. Winterrowd	
Mr. Grand	
Mr. Holloman	
Miss Gandy	

Attorney General Herbert Brownell, Jr., announced that a federal grand jury in Washington, D. C., today indicted four corporations and three individuals on charges of violating Section 1 of the Sherman Act in connection with the sale and advertising of optical rifle scopes. Named as defendants are the following:

- ~~Lyman Gun Sight Corp., Middlefield, Conn., a manufacturer;~~
- ~~W. R. Weaver, El Paso, Texas, a manufacturer;~~
- ~~John Unertl, Pittsburgh, Pa., a manufacturer;~~
- ~~M. Jackson Stith, San Antonio, Texas, formerly a manufacturer's exclusive distributor;~~
- ~~The National Rifle Association of America, Washington, D. C., an incorporated association and publisher of the magazine "American Rifleman";~~
- ~~Popular Science Publishing Company, Inc., New York City, publisher of the magazine "Outdoor Life"; and~~
- ~~Henry Holt and Company, Inc., New York City, publisher of the magazine "Field & Stream."~~

"Scopes" are described as telescopic sights, employing optical glasses for magnification, mounted on rifles to enable more accurate aim than would be possible with metallic sights. Used extensively in hunting and target shooting, they are becoming increasingly popular with sportsmen. During 1954, retail sales exceeded \$5,000,000, with defendant manufacturers accounting for approximately 90 percent of all scopes manufactured in the United States.

60-4616 - 108

The grand jury charges the defendants with combining and conspiring among themselves and with others to exclude so-called "off-list" dealers from the industry and to boycott them in a manner which has resulted in rejection of their advertisements by outdoors magazines. "Off-list" dealers are those who sell to consumers at less than the manufacturers' list prices.

ENCLOSURE

60-4616

67

The objectives of the conspiracy are alleged to have been accomplished by means of an understanding, among the defendants, effectuated by refusals to supply off-list dealers, coercion of distributors to adhere to resale prices and to refuse to sell to nonconforming dealers, and the advertising boycott. The over-all purpose of these activities is stated to be stabilization of retail prices.

Assistant Attorney General Stanley N. Barnes, head of the Antitrust Division, said:

"This case, which alleges exclusion of certain retail dealers from the rifle scopes business, presents issues involving both vertical price fixing imposed by the scope manufacturers and boycotts by the manufacturers and publishers against advertising of dealers who charge less than the manufacturers' list prices. Criminal action is instituted, in this instance, in line with the announced policy of the Department of Justice to seek indictments against violators wherever per se violations of the antitrust laws are considered to exist."

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SAC, New York (60-1107)

November 18, 1955

Director, FBI (60-4616)

DISTRIBUTION AND RETAIL ADVERTISING  
OF RIFLE SCOPES AND MOUNTS  
ANTITRUST

**BEST COPY AVAILABLE**

The Attorney General on 11/15/55 announced that a Grand Jury at Washington, D. C., on that date indicted the following for violation of Section 1 of the Sherman Act:

- Lyman Gun Sight Corp., Middlefield, Conn., a manufacturer;
- W. R. Weaver, El Paso, Texas, a manufacturer;
- John Unertl, Pittsburgh, Pa., a manufacturer;
- M. Jackson Stith, San Antonio, Texas, formerly a manufacturer's exclusive distributor;
- The National Rifle Association of America, Washington, D. C., an incorporated association and publisher of the magazine "American Rifleman";
- Popular Science Publishing Company, Inc., New York City, publisher of the magazine "Outdoor Life"; and
- Henry Holt and Company, Inc., New York City, publisher of the magazine "Field & Stream."

Washington Field, which has not conducted investigation in this matter, is being made office of origin to follow and report prosecution of this matter in USDC, Washington, D. C.

New York, which has been origin, should submit an RUC report with the title changed to include names of above defendants. Furnish a copy of each pertinent serial to the new office of origin.

cc: 2-Washington Field

- Tolson \_\_\_\_\_
- Boardman \_\_\_\_\_
- Nichols \_\_\_\_\_
- Belmont \_\_\_\_\_
- Harbo \_\_\_\_\_
- Mohr \_\_\_\_\_
- Parsons \_\_\_\_\_
- Rosen \_\_\_\_\_
- Tamm \_\_\_\_\_
- Nease \_\_\_\_\_
- Winterrowd \_\_\_\_\_
- Tele. Room \_\_\_\_\_
- Holloman \_\_\_\_\_
- Gandy \_\_\_\_\_

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NOV 18 1955  
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16 NOV 21 1955

66 NOV 25 1955

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109  
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# FEDERAL BUREAU OF INVESTIGATION

Form No. 1

THIS CASE ORIGINATED AT

NEW YORK

REPORT MADE AT <b>ANCHORAGE, ALASKA</b>	DATE WHEN MADE <b>12/21/55</b>	PERIOD FOR WHICH MADE <b>12/19/55</b>	REPORT MADE BY <b>[REDACTED] b7c</b>
TITLE <b>DISTRIBUTION AND RETAIL ADVERTISING OF RIFLE SCOPES AND MOUNTS</b>			CHARACTER OF CASE <b>ANTITRUST</b>

SYNOPSIS OF FACTS:

Letter received from **[REDACTED]** in which he stated that he had placed advertisement in the "American Rifleman" in November and December, 1955; however, he had received a letter from this magazine refusing his proposed advertisement for January, 1956.

- RUC -

BEST COPY AVAILABLE

DETAILS:

On December 19, 1955, the following letter was received by the Anchorage Office of the FBI from **[REDACTED]**

*12/21*

*sent to BS  
12/21/55  
covering them through  
date of receipt  
KJP*

*sent to BS  
12/21/55  
Pro. memo completed  
on 12/21/55  
KJP*

**REC-114**

1 CC ANTITRUST DIVISION

JAN 4 1956

*w/encl  
from O-6 gkp/jay*

60-4616 - 114

*60-4616-114*

APPROVED AND FORWARDED: <i>RBM</i>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES
COPIES OF THIS REPORT - Bureau (60-4616) (Encl. 1) (RM) - New York (60-1107) - Anchorage (60-26)		RECORDED-84 DEC 23 1955 <b>[REDACTED]</b>

64 JAN 11 1956

AN 60-26

[REDACTED]  
[REDACTED] Colo.

Dec. 14, 1955

"Agent [REDACTED]

**BEST COPY AVAILABLE**

"Dear Sir,

"I sent in classified ads. to the American Rifleman for the months of November and December, 1955 both of which were run as requested. However I mailed in an ad. to be placed in January 1956 issue, which was not accepted.

"Am enclosing letter I received from the Rifleman this date.

"I moved back to Colorado in August due to ill health; if necessary for you to get in touch with me, my address is:

[REDACTED]  
[REDACTED] Colorado.

"Have noticed in December Rifleman magazine that they have been indicted along with several others. Will be glad to help in any way possible in this matter.

"Sincerely,

"/s/ [REDACTED]

The enclosed letter referred to by [REDACTED] is dated December 7, 1955, and bears the signature F. A. MCULTON, "American Rifleman." The contents of the letter are as follows:

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AN 60-26

"We prefer not to accept your advertising for publication in the AMERICAN RIFLEMAN, so our Accounting Department is sending you under separate cover our own check for \$4.80 in reimbursement for the advance payment remittance enclosed with your letter of November 26th."

ENCLOSURE TO THE BUREAU: (1)  
(FOR TRANSMISSION TO THE ANTITRUST DIVISION)

57C A letter dated December 7, 1955, directed to [REDACTED] Colorado, signed by F. A. MOULTON, "American Rifleman."

- RUC -

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AN 60-26

REFERENCES

Letter to New York dated March 10,

b7C

SA [REDACTED] at Anchorage dated  
3, 1955.

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ADMINISTRATIVE PAGE

SAC, Washington Field

January 16, 1956

Director, FBI (60-4616)

LYMAN GUN SIGHT CORPORATION; ET AL.  
ANTITRUST

BEST COPY AVAILABLE

Attached for each office is a copy of an Antitrust Division memorandum dated 1/12/56 which requests certain investigation in preparation for the trial of this matter. Letters addressed to the companies to be contacted are also forwarded herewith.

All offices except Portland have previously conducted investigation in this matter under the caption "Distribution and Retail Advertising of Rifle Scopes and Mounts; Antitrust." It appears that Portland will not require any additional background information to handle the present request. As indicated in the attached memorandum, a Grand Jury in the District of Columbia on 11/15/55 indicted four manufacturers and three publishers. Washington Field has been made office of origin to follow and report prosecution. All persons contacted are to be advised that the investigation is being conducted at the request of AAG Barnes, Antitrust Division. The fact that they were so advised need not be set out in reports.

Attention of all offices is directed to the fact that this matter is scheduled for trial on 2/15/56. The investigation requested by the Antitrust Division must be given preferred and continuous attention to permit completion of all investigation and submission of reports to reach the Bureau not later than 2/8/56.

Enclosure

- cc: 2-Dallas (60-237), with enclosures (2)
- 2-Indianapolis (60-219), with enclosures (2)
- 2-Los Angeles (60-471), with enclosures (3)
- 2-New Haven (60-143), with enclosures (2)
- 2-New York (60-1107), with enclosures (3)
- 2-Pittsburgh (60-343), with enclosures (2)
- 2-Portland, with enclosures (2)
- 2-San Francisco (60-473), with enclosures (2)

COMM-FBI  
JAN 16 1956  
MAILED 18

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- Tolson
- Boardman
- Nichols
- Belmont
- Mohr
- Parsons
- Rosen
- Tamm
- Nease
- Winterrowd
- Tele. Room
- Holloman

JKP:ige  
(20)

82 JAN 26 1956