

## Syllabus

IN THE MATTER OF  
DEAN MERCHANDISING COMPANY, INC. ET AL.

COMPLAINT, FINDINGS, AND ORDERS IN REGARD TO THE ALLEGED VIOLATION  
OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914

*Docket 5950. Complaint, Jan. 24, 1952—Decision, Oct. 6, 1952*

Articles of wearing apparel made from the chemical fiber rayon have the appearance and feel of wool, and many members of the purchasing public are unable to distinguish between such articles and those made from the latter substance, so that such rayon articles are readily accepted by some of the purchasing public as wool products.

Products made from wool have for many years held and still hold great public esteem and confidence because of their outstanding qualities, and in said connection camel's hair is a type of wool and is a highly desirable material for sweaters.

Where a corporation and its two officers, engaged in the manufacture and interstate sale and distribution of brushed rayon sweaters—

- (a) Falsely represented through the labeling on the boxes containing said sweaters that they were hand tailored; when in fact they were machine made;
- (b) Falsely represented through the depiction of a camel on the said boxes that the sweaters were made of camel's hair;
- (c) Offered and sold said sweaters without informing the purchasing public of the fact that they were made of rayon and not wool; and
- (d) Sold and distributed said sweaters—which they thus represented, and impliedly warranted through the labeling, sale and distribution thereof, as suitable and safe for wearing as sweaters ordinarily are—without revealing on the containers or otherwise that said products, by reason of the length of the fibers on the brushed-up surface, were highly inflammable and dangerous and unsafe to wear;

With tendency and capacity thereby to mislead and deceive a substantial portion of the purchasing public into the purchase of substantial quantities of such sweaters, and with result of placing in the hands of retailers a means whereby members of the purchasing public might be thus misled and deceived:

*Held*, That such acts and practices, under the circumstances set forth, were all to the prejudice and injury of the public, and constituted unfair and deceptive acts and practices in commerce.

Before *Mr. William L. Puck*, hearing examiner.

*Mr. Joseph Callaway* for the Commission.

*Mr. Benedetto A. Cerilli*, of Providence, R. I., for respondents.

Complaint

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COMPLAINT<sup>1</sup>

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said Act, the Federal Trade Commission having reason to believe that Dean Merchandising Company, Inc., a corporation, and Vincent Mele and Anthony Mele, individually and as officers of said corporation, hereinafter referred to as respondents, have violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint, stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Dean Merchandising Company, Inc., is a corporation organized and existing under and by virtue of the laws of the State of Rhode Island, with its office and principal place of business located at 50 Aleppo Street, Providence, Rhode Island.

PAR. 2. The individual respondent Vincent Mele is President and Vice President of the corporate respondent, and the individual respondent Anthony Mele is its Secretary and Treasurer, and as such

<sup>1</sup> The complaint is published as amended by the Commission's order of May 6, 1952, which vacated the original initial decision and remanded the case to the hearing examiner, as follows:

Service of the initial decision of the hearing examiner in this proceeding having been completed on March 24, 1952, and the Commission having, on April 15, 1952, extended until further order of the Commission the date on which said initial decision would otherwise become the decision of the Commission; and

Counsel supporting the complaint having filed on March 31, 1952, a motion requesting that the Commission place this case on its own docket for review and thereafter amend the complaint and the initial decision of the hearing examiner in the respects set forth in said motion, and counsel for the respondents having interposed no objections to the granting of said motion and having agreed that the answer to the complaint, heretofore filed, shall be considered as respondents' answer to the complaint as amended, if said motion is granted; and

It appearing that the complaint herein does not adequately allege the reason or reasons why the garments manufactured and sold by the respondents are highly inflammable, and that, therefore, the initial decision of the hearing examiner, which is based upon said complaint and answer of the respondents admitting all of the material allegations of fact, does not constitute an appropriate disposition of this proceeding; and

The Commission being of the opinion that the complaint herein should be amended and that the initial decision of the hearing examiner should be vacated and set aside, rather than amended as requested by counsel supporting the complaint, and that the case should be remanded to the hearing examiner for further proceedings in conformity with the Commission's Rules of Practice:

*It is ordered*, In conformity with the provisions of Rule XXII of the Commission's Rules of Practice, that this case be, and it hereby is, placed on the Commission's own docket for review.

*It is further ordered*, That the complaint herein be, and it hereby is, amended by striking the second sentence of Paragraph Eight of said complaint and inserting in lieu thereof the following allegations:

In truth and in fact the said sweaters, made of brushed rayon, are highly inflammable because of the length of the fibers on the brushed-up surface of this particular material.

*It is further ordered*, That the initial decision of the hearing examiner heretofore filed in this proceeding be, and it hereby is, vacated and set aside.

*It is further ordered*, That this case be, and it hereby is, remanded to the hearing examiner for further proceedings in conformity with the Commission's Rules of Practice.

officers formulate, direct and control the acts, policies and practices of the corporate respondent, including the acts and practices herein-after mentioned. These individual respondents also have their offices at 50 Aleppo Street, Providence, Rhode Island.

PAR. 3. The respondents are now, and for more than two years last past have been, engaged in the manufacture, sale and distribution of articles of wearing apparel including sweaters which are composed of rayon. Respondents cause their products when sold to be transported from their place of business in the State of Rhode Island to purchasers thereof located in various other States of the United States and in the District of Columbia. Respondents maintain, and at all times mentioned herein have maintained, a substantial course of trade in said products in commerce among and between the various States of the United States and in the District of Columbia.

PAR. 4. Rayon is a chemical fiber which may be manufactured so as to simulate wool and other natural fibers in texture and appearance. Articles of wearing apparel manufactured from such rayon fibers have the appearance and feel of wool, and many members of the purchasing public are unable to distinguish between such rayon articles of wearing apparel and articles of wearing apparel manufactured from wool. Consequently, such rayon articles of wearing apparel are readily accepted by some of the purchasing public as wool products.

PAR. 5. The sweaters so manufactured are sold and distributed by the respondents under the brand name "Esquire" and simulate wool in texture and appearance. In the course and conduct of their said business respondents sell and distribute the sweaters in boxes labeled as follows:

Esquire Exclusive Sportswear

(picture of a camel)

Hand Tailored

For Town and Country

PAR. 6. By the aforesaid labeling, respondents have represented that said sweaters are hand tailored. In truth and in fact, they are not hand tailored but are machine made.

PAR. 7. Products manufactured from wool have for many years held, and still hold, great public esteem and confidence because of their outstanding qualities. Camel's hair is a type of wool and is a highly desirable material for sweaters.

By the picture of a camel on the boxes in which said sweaters are sold, respondents have represented by implication that said sweaters

are made of camel's hair. In truth and in fact said sweaters are not made of camel's hair or any other type of wool.

Respondents also sell and distribute said sweaters as aforesaid without informing the purchasing public of the fact that the sweaters are made of rayon and not wool.

PAR. 8. By the labeling of said sweaters and by selling and distributing them as aforesaid, respondents have represented and impliedly warranted that they are suitable and safe to be worn as sweaters are ordinarily worn. In truth and in fact the said sweaters, made of brushed rayon, are highly inflammable because of the length of the fibers on the brushed-up surface of this particular material. Sweaters made from such material are dangerous and unsafe to be worn as articles of clothing because of their inflammability. At no place on the sweaters themselves, on the containers in which they are packaged or otherwise is the fact revealed that said sweaters are highly inflammable and dangerous and unsafe to wear.

PAR. 9. The practice of respondents, as aforesaid, of representing that said sweaters are hand tailored, are made of camel's hair, failing to reveal that the sweaters are made of rayon and failing to reveal that they are made of highly inflammable material, unsafe to be worn as an article of clothing, has had, and now has, the capacity and tendency to mislead and deceive a substantial portion of the purchasing public into the erroneous and mistaken belief that said sweaters are made by tailors by hand, are made of camel's hair or some other type of wool and are suitable and safe to be worn as sweaters are ordinarily worn, and into the purchase of substantial quantities of said sweaters because of such erroneous and mistaken belief. Furthermore, respondents' said practice places in the hands of retailers of respondents' sweaters a means and instrumentality whereby members of the purchasing public may be misled and deceived in the manner aforesaid.

PAR. 10. The aforesaid acts and practices of respondents, as herein alleged, are all to the prejudice and injury of the public and constitute unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

#### DECISION OF THE COMMISSION

Pursuant to Rule XXII of the Commission's Rules of Practice, and as set forth in the Commission's "Decision of the Commission and Order to File Report of Compliance", dated October 6, 1952, the initial decision in the instant matter of hearing examiner William L. Pack, as set out as follows, became on that date the decision of the Commission.



## INITIAL DECISION BY WILLIAM L. PACK, HEARING EXAMINER

Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission on January 24, 1952, issued and subsequently served its complaint in this proceeding upon the respondents named in the caption hereof, charging them with the use of unfair and deceptive acts and practices in commerce in violation of the provisions of that Act. On February 6, 1952, respondents filed their answer in which they admitted all of the material allegations of fact set forth in the complaint and waived all intervening procedure and further hearing as to such facts. Thereafter the proceeding regularly came on for final consideration by the above-named hearing examiner, theretofore duly designated by the Commission, upon the complaint and answer, and the hearing examiner, after duly considering the matter, found that the proceeding was in the interest of the public, and on February 11, 1952, issued his Initial Decision in the matter. Subsequently, upon motion of counsel supporting the complaint, the Commission, on May 6, 1952, placed the proceeding on its docket for review, amended the complaint, vacated and set aside the Initial Decision of the hearing examiner, and remanded the case to the hearing examiner for further proceedings under the amended complaint. Thereafter, on June 13, 1952, respondents filed their answer to the amended complaint in which they admitted all of the material allegations of fact set forth therein and waived all intervening procedure and further hearing as to such facts. Subsequently, the proceeding regularly came on for final consideration by the hearing examiner upon the amended complaint and answer thereto and the hearing examiner, having duly considered the matter, finds that this proceeding is in the interest of the public and makes the following findings as to the facts, conclusion drawn therefrom, and order:

## FINDINGS AS TO THE FACTS

PARAGRAPH 1. Respondent Dean Merchandising Company, Inc., is a corporation organized and existing under and by virtue of the laws of the State of Rhode Island, with its office and principal place of business located at 50 Alleppo Street, Providence, Rhode Island.

PAR. 2. The individual respondent Vincent Mele is President and Vice President of the corporate respondent, and the individual respondent Anthony Mele is its Secretary and Treasurer, and as such officers these individuals formulate, direct and control the acts, policies and practices of the corporate respondent, including the acts and practices hereinafter mentioned. The individual respondents

also have their offices at 50 Aleppo Street, Providence, Rhode Island.

PAR. 3. Respondents are now, and for more than two years last past have been, engaged in the manufacture, sale and distribution of articles of wearing apparel, including sweaters, which are composed of rayon. Respondents cause their products, when sold, to be transported from their place of business in the State of Rhode Island to purchasers thereof located in various other States of the United States and in the District of Columbia. Respondents maintain, and at all times mentioned herein have maintained, a substantial course of trade in their products in commerce among and between the various States of the United States and in the District of Columbia.

PAR. 4. Rayon is a chemical fiber which may be manufactured so as to simulate wool and other natural fibers in texture and appearance. Articles of wearing apparel manufactured from such rayon fibers have the appearance and feel of wool, and many members of the purchasing public are unable to distinguish between such rayon articles of wearing apparel and articles of wearing apparel manufactured from wool. Consequently, such rayon articles of wearing apparel are readily accepted by some of the purchasing public as wool products.

PAR. 5. The sweaters so manufactured are sold and distributed by respondent under the brand name "Esquire" and simulate wool in texture and appearance. In the course and conduct of their business respondents sell and distribute the sweaters in boxes labeled as follows:

Esquire Exclusive Sportswear

(picture of a camel)

Hand Tailored

For Town and Country

PAR. 6. By this labeling, respondents have represented that such sweaters are hand tailored. In truth and in fact, they are not hand tailored but are machine made.

PAR. 7. Products manufactured from wool have for many years held, and still hold, great public esteem and confidence because of their outstanding qualities. Camel's hair is a type of wool and is a highly desirable material for sweaters.

By the picture of a camel on the boxes in which such sweaters are sold, respondents have represented by implication that the sweaters are made of camel's hair. In truth and in fact, the sweaters are not made of camel's hair or any other type of wool.

Respondents also sell and distribute such sweaters without informing the purchasing public of the fact that the sweaters are made of rayon and not wool.

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PAR. 8. By the labeling of such sweaters and by selling and distributing them as aforesaid, respondents have represented and impliedly warranted that they are suitable and safe to be worn as sweaters are ordinarily worn. In truth and in fact the said sweaters, made of brushed rayon, are highly inflammable because of the length of the fibers on the brushed-up surface of this particular material. Sweaters made from such material are dangerous and unsafe to be worn as articles of clothing because of their inflammability. At no place on the sweaters themselves, on the containers in which they are packaged or otherwise is the fact revealed that the sweaters are highly inflammable and dangerous and unsafe to wear.

PAR. 9. The practice of respondents, as aforesaid, of representing that their sweaters are hand tailored, are made of camel's hair, failing to reveal that the sweaters are made of rayon, and failing to reveal that they are made of highly inflammable material, unsafe to be worn as an article of clothing, has had and now has the capacity and tendency to mislead and deceive a substantial portion of the purchasing public into the erroneous and mistaken belief that such sweaters are made by tailors by hand, are made of camel's hair or some other type of wool, and are suitable and safe to be worn as sweaters are ordinarily worn, and into the purchase of substantial quantities of such sweaters because of such erroneous and mistaken belief. Furthermore, respondents' practice places in the hands of retailers of respondents' sweaters a means and instrumentality whereby members of the purchasing public may be misled and deceived in the manner above set forth.

## CONCLUSION

The acts and practices of respondents as hereinabove set out are all to the prejudice of the public, and constitute unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

## ORDER

*It is ordered,* That the respondents, Dean Merchandising Company, Inc., a corporation, and its officers, and Vincent Mele and Anthony Mele, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act, of sweaters or other garments, do forthwith cease and desist from :

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1. Representing as hand tailored any garment which is not such in fact.
2. Offering for sale or selling garments composed in whole or in part of rayon, without clearly and affirmatively disclosing thereon, or on tags or labels affixed thereto, such rayon content.
3. Offering for sale or selling garments made of highly inflammable material, without clearly and affirmatively disclosing thereon, or on tags or labels affixed thereto, that said garments are highly inflammable and are dangerous and unsafe to be worn as articles of clothing.

## ORDER TO FILE REPORT OF COMPLIANCE

*It is ordered,* That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with the order to cease and desist [as required by said declaratory decision and order of October 6, 1952].

## Complaint

## IN THE MATTER OF

J. M. TROTTER AND H. K. CADE TRADING AS T. & C.  
SALES COMPANY

COMPLAINT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION  
OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914

*Docket 5908. Complaint, July 23, 1951—Decision, Oct. 15, 1952*

Where two partners engaged in the interstate sale and distribution of various articles of merchandise; and of push cards and punchboards which, bearing explanatory legends or space therefor, were used in the sale of other merchandise by lot or chance under plans whereby the purchasers who by chance selected certain specified numbers received articles without additional cost at prices which were much less than their normal price, and others received nothing for their money other than the privilege of a push or punch—

- (a) Sold and distributed such devices to dealers who packed assortments consisting of other articles together with said devices, which, exposed by the direct or indirect retailer purchasers thereof to the purchasing public, were sold and distributed in accordance with the aforesaid sales method; and
- (b) Sold assortments of other articles also dealt in by them such as jewelry, watches and novelty items, packed and assembled with said devices, to retail dealer purchasers by whom they were exposed and sold to the public by means of the aforesaid devices and plans; and

Thereby supplied to and placed in the hands of others the means of conducting lotteries, games of chance or gift enterprises in the sale of merchandise, contrary to the established public policy of the United States Government; and there was placed in the hands of purchasers of such devices the means and instrumentalities for engaging in unfair acts and practices:

With the result that gambling among members of the public was taught and encouraged:

*Held*, That such acts and practices, under the circumstances set forth, were all to the prejudice and injury of the public and constituted unfair acts and practices in commerce.

Before *Mr. William L. Pack*, hearing examiner.

*Mr. J. W. Brookfield, Jr.*, for the Commission.

*Mr. F. W. James*, of Evanston, Ill., for respondents.

## COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and by virtue of the authority vested in it by said Act, the Federal Trade Commission having reason to believe that J. M. Trotter and H. K. Cade, individually and as copartners, trading and doing busi-

ness as T. & C. Sales Company, hereinafter referred to as respondents, have violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint and states its charges in that respect as follows:

*Count I*

PARAGRAPH 1. Respondents J. M. Trotter and H. K. Cade are individuals and copartners trading and doing business as T. & C. Sales Company with their office and principal place of business located at 811 Hardin Avenue, Jacksonville, Illinois.

Respondents are now and for more than three years last past have been engaged in the sale and distribution of devices commonly known as push cards and punchboards to dealers engaged in the sale of various articles of merchandise in commerce between and among the various States of the United States, and to dealers engaged in the sale of merchandise within the several States of the United States.

PAR. 2. In the course and conduct of their said business, as described in Paragraph One hereof, respondents sell and distribute, and have sold and distributed, to said dealers in merchandise, push cards and punchboards so prepared and arranged as to involve games of chance, gift enterprises or lottery schemes when used in making sales of merchandise to the consuming public. Respondents sell and distribute and have sold and distributed many kinds of push cards and punchboards, but all of said devices involve the same chance or lottery features when used in connection with the sale or distribution of merchandise and vary only in detail.

Many of said push cards and punchboards have printed on the faces thereof certain legends or instructions that explain the manner in which said devices are to be used or may be used in the sale or distribution of various specified articles of merchandise. The prices of the sales on said push cards and punchboards vary in accordance with the individual device. Each purchaser is entitled to one punch or push from the push card or punchboard, and when a push or punch is made a disc or printed slip is separated from the push card or punchboard and a number is disclosed. The numbers are effectively concealed from the purchasers and prospective purchasers until a selection has been made and the push or punch completed. Certain specified numbers entitled purchasers to designated articles of merchandise. Persons securing lucky or winning numbers receive articles of merchandise without additional cost at prices which are much less than the normal retail price of said articles of merchandise. Persons who do not secure such lucky or winning numbers received nothing

for their money other than the privilege of making a push or punch from said card or board. The articles of merchandise are thus distributed to the consuming or purchasing public wholly by lot or chance.

Others of said push card and punchboard devices have no instructions or legends thereon but have blank spaces provided therefor. On those push cards and punchboards the purchasers thereof place instructions or legends which have the same import and meaning as the instructions or legends placed by the respondents on said push card and punchboard devices first hereinabove described. The only use to be made of said push card and punchboard devices and the only manner in which they are used, by the ultimate purchasers thereof is in combination with other merchandise so as to enable said ultimate purchasers to sell or distribute said other merchandise by means of lot or chance, as hereinabove alleged.

PAR. 3. Many persons, firms and corporations who sell and distribute, and have sold and distributed, candy, cigarettes, clocks, razors, cosmetics, cigarette lighters, watches, and other articles of merchandise in commerce between and among various States of the United States, purchase and have purchased respondents' said push card and punchboard devices, and pack and assemble, and have packed and assembled, assortments comprised of various articles of merchandise together with said push cards and punchboard devices. Retail dealers who have purchased said assortments, either directly or indirectly, and retail dealers who have purchased said devices directly from respondents and made up their own assortments have exposed the same to the purchasing public and have sold or distributed said articles of merchandise by means of said push cards and punchboards in accordance with the sales plan as described in Paragraph Two hereof. Because of the element of chance involved in connection with the sale and distribution of said merchandise by means of said push cards and punchboards, many members of the purchasing public have been induced to trade or deal with retail dealers selling or distributing said merchandise by means thereof. As a result thereof many retail dealers have been induced to deal with or trade with manufacturers, wholesale dealers and jobbers who sell and distribute said merchandise together with said devices.

PAR. 4. The sale of merchandise to the purchasing public through the use of, or by means of, such devices in the manner above alleged, involves a game of chance or the sale of a chance to procure articles of merchandise at prices much less than the normal retail price thereof and teaches and encourages gambling among members of the public, all to the injury of the public. The use of said sales plan or methods

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in the sale of merchandise and the sale of merchandise by and through the use thereof and by the aid of said sales plan or method is a practice which is contrary to an established public policy of the government of the United States, and constitutes unfair acts and practices in said commerce.

The sale or distribution of said push card and punchboard devices by respondents, as hereinabove alleged, supplies to and places in the hands of others the means of conducting lotteries, games of chance or gift enterprise in the sale or distribution of their merchandise. The respondents thus supply to, and place in the hands of, said persons, firms and corporations the means of, and instrumentalities for, engaging in unfair acts and practices within the intent and meaning of the Federal Trade Commission Act.

PAR. 5. The aforesaid acts and practices of respondents, as hereinabove alleged, are all to the prejudice and injury of the public and constitute unfair acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

*Count II*

PARAGRAPH 1. Respondents J. M. Trotter and H. K. Cade are individuals and copartners trading and doing business as T. & C. Sales Company with their office and principal place of business located at 811 Hardin Avenue, Jacksonville, Illinois. Respondents are now and for more than three years last past have been engaged in the sale and distribution of watches, jewelry, cigarette lighters, fountain pens, rings, novelties and other articles of merchandise and have caused said merchandise, when sold, to be transported from their place of business in the city of Jacksonville, Illinois, to purchasers thereof at their respective points of location in various States of the United States other than Illinois. There is now and has been for more than three years last past a course of trade by respondents in such merchandise in commerce between and among the various States of the United States.

PAR. 2. In the course and conduct of their business, as described in Paragraph One hereof, respondents sell and have sold to dealers certain assortments of merchandise so packed and assembled as to involve the use of a game of chance, gift enterprise or lottery schemes when said merchandise is sold and distributed to the purchasing public.

Said assortments include a number of articles of merchandise and a punchboard. The punchboard has printed on the face thereof a legend or instructions that explain the manner in which the said



device is to be used or may be used in the sale or distribution of the various specified articles of merchandise. The prices of the sales of punches on said punchboards vary in accordance with the individual device. Each purchase entitles the purchaser to one punch from the board and when a punch is made a printed slip is separated from the punchboard and a number disclosed. The numbers are effectively concealed from purchasers and prospective purchasers until a selection has been made and the punch completed. Certain specified numbers entitle the purchaser thereof to receive a designated article of merchandise. Persons punching a lucky or winning number receive an article of merchandise at a price much less than the normal retail price of said article. Persons who do not punch a lucky or winning number receive nothing for their money other than the privilege of making a punch from said board. The articles of merchandise are thus distributed to the consuming or purchasing public solely by lot or chance.

Respondents have sold and distributed numerous assortments of merchandise and punchboards, all of which are distributed by the dealer to the purchasing public, as above described, and such assortments vary only in detail as to the individual items of merchandise, the number of punches on the board and the price of each punch, the plans of all of said boards and assortments being similar to the one hereinabove described.

PAR 3. Retail dealers who purchase respondents' punchboards and merchandise assortments, directly or indirectly, expose and sell merchandise to the purchasing public in accordance with the sales plans above described. Respondents thus supply and place in the hands of others the means of conducting lotteries or games of chance in the sale of their products in accordance with the sales plans hereinabove set forth. The use by respondents of said sales plan or method in the sale of his merchandise, and the sale of said merchandise by and through the use thereof and by the aid of said sales plans or methods, is a practice which is contrary to an established public policy of the Government of the United States.

PAR. 4. The sale of merchandise to the purchasing public in the manner above alleged involves a game of chance or the sale of a chance to procure one of the said articles of merchandise at a price much less than the normal retail price thereof. Many persons are attracted by said sales plans or methods used by respondents and the element of chance involved therein and thereby are induced to buy and sell respondents' merchandise.

The use by respondents of a sales plan or method involving distribution of merchandise by means of chance, lottery or gift enterprise

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is contrary to the public interest and constitutes unfair acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

PAR. 5. The aforesaid acts and practices of respondents, as herein alleged, are all to the prejudice and injury of the public and constitute unfair acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

## DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission on July 23, 1951, issued and subsequently served its complaint in this proceeding upon the respondents named in the caption hereinabove charging them with the use of unfair acts and practices in commerce in violation of the provisions of that Act. After the filing by respondents of their joint answer to the complaint, a hearing was held before a hearing examiner of the Commission, theretofore designated by it, at which a stipulation theretofore executed by counsel supporting the complaint and counsel for respondents was introduced into evidence, together with certain exhibits, and such stipulation and exhibits were duly recorded and filed in the office of the Commission. On April 14, 1952, the hearing examiner filed his initial decision.

The Commission, having reason to believe that the initial decision did not constitute an appropriate disposition of the proceeding, placed this case on the Commission's own docket for review and, on July 24, 1952, it issued and thereafter served upon the parties its order affording the respondents an opportunity to show cause why the initial decision should not be altered in the manner and to the extent shown in the tentative decision attached to said order. Respondents not having appeared in response to the leave to show cause, this proceeding regularly came on for final consideration by the Commission upon the record herein on review; and the Commission, having duly considered the matter and being now fully advised in the premises, finds that this proceeding is in the interest of the public and makes the following findings as to the facts, conclusion drawn therefrom, and order, the same to be in lieu of the initial decision of the hearing examiner.

## FINDINGS AS TO THE FACTS

PARAGRAPH 1. Respondents J. M. Trotter and H. K. Cade are individuals and copartners trading under the name T. & C. Sales Company, with their office and principal place of business located at 811 Hardin Avenue, Jacksonville, Illinois. Respondents are engaged in the sale

and distribution of devices commonly known as punchboards and push cards, such devices being sold to dealers in various other articles of merchandise. Respondents are also engaged in the sale of various articles of merchandise in addition to such devices, and in the course of their business sell assortments or deals consisting of a punchboard and other merchandise. All of respondents' products are sold to purchasers located in various States of the United States, the products, when sold, being shipped by respondents from their place of business in the States of Illinois to such purchasers located in other States.

PAR. 2. Many of respondents' punchboards and push cards have printed thereon certain legends or instructions which explain the manner in which the devices are to be used or may be used in the sale or distribution of various specified articles of merchandise. The price paid for a punch or push on such devices varies in accordance with the individual device. Each purchaser is entitled to one punch or push from the punchboard or push card. When a punch or push is made, a disc or printed slip is separated from the board or card and a number is disclosed. The numbers are effectively concealed from purchasers and prospective purchasers until a selection has been made and the punch or push completed. Certain specified numbers entitle purchasers to designated articles of merchandise. Persons obtaining lucky or winning numbers receive articles of merchandise without additional cost at prices which are much less than the normal retail price of such articles. Those persons who do not obtain such lucky or winning numbers receive nothing for their money other than the privilege of making a punch or push from the board or card. The articles of merchandise are thus distributed to the consuming public wholly by lot or chance.

Others of respondents' punchboards and push cards have no instructions or legends thereon but have blank spaces provided therefor. On these punchboards and push cards the purchasers thereof place instructions or legends similar to those placed by respondents on the boards and cards described above.

PAR. 3. Some of the purchasers of respondents' punchboards and push cards are themselves dealers in various other articles of merchandise in interstate commerce, and such purchasers make up assortments consisting of a punchboard or push card and other articles and sell such assortments to retail dealers. Other purchasers are retailers who purchase punchboards and push cards from respondents direct and make up their own assortments. In either event the retail dealer sells or distributes merchandise to the public by means of respondents' devices in accordance with the sales method described above.

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PAR. 4. The assortments or deals sold by respondents (as distinguished from the punchboards and push cards sold without other merchandise) consist of a punchboard and other articles of merchandise, such as jewelry, watches, various novelty items, etc. Retail dealers purchasing such assortments expose them to the public and sell or distribute the merchandise by means of the punchboard, which is operated in the manner described in Paragraph Two.

PAR. 5. The sale of merchandise to the public through the use of respondents' devices in the manner above described involves a game of chance or the sale of a chance to obtain articles of merchandise at prices much less than the normal retail price thereof and teaches and encourages gambling among members of the public. The use of such sales plan or method in the sale of merchandise and the sale of merchandise by and through the use of such plan or method is a practice which is contrary to an established public policy of the Government of the United States. Through the sale and distribution of punchboard and push card devices respondents supply to and place in the hands of others the means of conducting lotteries, games of chance or gift enterprises in the sale of merchandise. And where the purchasers of such devices are themselves engaged in interstate commerce, respondents' practices serve to place in the hands of such purchasers means and instrumentalities for engaging in unfair acts and practices in violation of the Federal Trade Commission Act.

## CONCLUSION

The acts and practices of respondents, as herein found, are all to the prejudice of the public and constitute unfair acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

## ORDER

*It is ordered*, That the respondents, J. M. Trotter and H. K. Cade, individually and as copartners trading as T. & C. Sales Company or trading under any other name, and their agents, representatives and employees, directly or through any corporate or other device, do forthwith cease and desist from:

Selling or distributing in commerce, as "commerce" is defined in the Federal Trade Commission Act, push cards, punchboards, or other lottery devices which are to be used, or which, due to their design, are suitable for use in the sale or distribution of merchandise to the public by means of a game of chance, gift enterprise or lottery scheme.

*It is further ordered*, That said respondents and their agents, representatives and employees, directly or through any corporate or other

device, in connection with the offering for sale, sale or distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act, of jewelry, watches, novelties or any other merchandise, do forthwith cease and desist from:

1. Supplying to or placing in the hands of others push cards, punchboards, or other lottery devices, either with other merchandise or separately, which said push cards, punchboards, or other lottery devices are to be used, or which, due to their design, are suitable for use in the sale or distribution of said merchandise to the public.

2. Selling or distributing merchandise packed or assembled in such a manner as to provide the means of selling or distributing said merchandise to the public through the use of a game of chance, gift enterprise or lottery scheme.

3. Selling or otherwise disposing of any merchandise by means of a game of chance, gift enterprise or lottery scheme.

*It is further ordered,* That the respondents shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with this order.

IN THE MATTER OF  
AMERICAN SURGICAL TRADE ASSOCIATION ET AL.

COMPLAINT, SETTLEMENT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED  
VIOLATION OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914

*Docket 5979. Complaint, Apr. 24, 1952—Decision, Oct. 16, 1952*

Where (I) the members of the unincorporated trade association, "ASTA", who were manufacturers, importers and distributors of and dealers in surgical instruments, supplies and equipment, and handled over one-half of the annual \$300,000,000 trade involved; and as such members enjoyed among member and non-member manufacturers and among purchasers the preference which their association sought to create through advertising and other ways; and (II) the members of "MSTA", a second association composed of some 56 manufacturers, wholesalers and importers of the aforesaid products, of whom about 50 manufacturers were members also of the aforesaid ASTA; engaged in substantial competition with one another and with others except as below described;

Acted together through and by means of their said and other predecessor associations, to restrain and eliminate competition in the manufacture, sale and distribution of products concerned and attempted to monopolize and control trade in commerce; and

Where the members of said "ASTA", pursuant to such purpose—

- (a) Denied membership to dealers for such competitive reasons as a belief among their membership that there were enough dealers in the territory of the dealer applicant, and applicant's failure to adhere to published prices or the fact that an applicant, otherwise qualified, was also engaged in another business; and by failing to act on certain applications for membership within a reasonable time, publishing in the by-laws of their association ostensible standards for membership, while in practice imposing others: and by publicly grading and differentiating the members from non-members arbitrarily, to the advantage of the former;
- (b) Attempted to and did divert trade from non-members to themselves by establishing and maintaining a reciprocal arrangement preferring one another over non-members through use of preferential listings, denying the latter full access to advertising, and other means;
- (c) Attempted to and did promote resale price maintenance and uniformity in terms and conditions of sale by filing complaints as to price cutting with one another through their association; by recommending for their common usage publication by respondent manufacturers of price lists in accordance with the form devised and promulgated by themselves through said ASTA; and by dividing themselves into districts so that all those who were in immediate competition with one another were in a given district and discussing prices, terms and conditions of sale and problems of resale price maintenance at district meetings; and

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## Appearances

Where the members of said "MSTA"—

- (d) Attempted to and did prevent manufacturers from selling to dealers who had not been approved by MSTA; and

Where the members, generally, of said associations—

- (e) Sought to, and did, prevent dealers and manufacturers from engaging in trade and commerce by legal and proper methods of their own choosing which were not acceptable to said members as a group; and

Where associate members of ASTA—

- (f) Participated in its activities in a limited way through the payment of dues; With the result that said acts and practices hindered, lessened, and restrained competition in the sale of surgical instruments, supplies and equipment; and had a dangerous tendency unduly so to hinder such competition; to the prejudice of competitors of members and that of the public:

*Held*, That such acts, practices, and methods of respondents were all to the prejudice and injury of the public, and constituted unfair methods of competition in commerce and unfair acts and practices therein.

Before *Mr. J. Earl Cox*, hearing examiner.

*Mr. Lynn C. Paulson*, *Mr. Joseph J. Gercke* and *Mr. T. Harold Scott* for the Commission.

*Johnston, Thompson, Raymond & Mayer*, of Chicago, Ill., for American Surgical Trade Association, its officers and various members.

*Cahill, Gordon, Zachry & Reindel*, of New York City, for Manufacturers Surgical Trade Association, its officers and various members.

*Mr. Charles F. Hough*, of Chicago, Ill., for American Hospital Supply Co.

*Mr. F. J. Zugehoer*, of Wilmington, Del., and *Covington & Burling*, of Washington, D. C., for E. I. DuPont de Nemours & Co., Inc.

*Eichenbaum, Walther, Scott & Miller*, of Little Rock, Ark., for various members of the American Surgical Trade Association.

*Hotz & Hotz*, of Omaha, Nebr., for Seiler Surgical Co., Inc.

*Quinn & Quinn*, of Providence, R. I., for Smith-Holden, Inc.

*Snyder, Chadwell & Fagerburg*, of Chicago, Ill., for The Abbott Laboratories.

*Satterlee, Warfield & Stephens*, of New York City, for American Cystoscope Makers, Inc.

*Mr. Rodgers Donaldson* and *Mr. J. Belden Sty*, of Southbridge, Mass., for American Optical Co.

*Dammann, Roche & Goldberg*, of New York City, for American Safety Razor Corp.

*Rogers, Hoge & Hills*, of New York City, for Ames Co., Inc., and George A. Breon & Co.

*Ropes, Gray, Best, Coolidge & Rugg*, of Boston, Mass., for The Kendall Co.

*Nixon, Hargrave, Devans & Dey*, of Rochester, N. Y., for Bausch & Lomb Optical Co. and Taylor Instrument Companies.

*Miller, Canfield, Paddock & Stone*, of Detroit, Mich., for Parke, Davis & Co.

*Mr. Alex Elson*, of Chicago, Ill., for Beck-Lee Corp.

*Kane, Dalsimer & Kane*, of New York City, for Becton, Dickinson & Co.

*Saul, Ewing, Remick & Saul*, of Philadelphia, Pa., for J. Bishop & Co. Platinum Works.

*Mr. Isaac W. Digges*, of New York City, for Bristol Laboratories, Inc.

*Mr. W. Horace Hepburn, Jr.*, of Philadelphia, Pa., for F. A. Davis Co.

*Coleman & Jackson*, of Norwich, N. Y., for Eaton Laboratories, Inc.

*Leon, Weill & Mahony*, of New York City, for Empire State Thermometer Co., Inc.

*Fuller, Harrington & Seney*, of Toledo, Ohio, for Glasco Products Co.

*Mr. Karl Huber*, of Newark, N. J., for Hanovia Chemical & Mfg. Co. and National Electric Instrument Co., Inc.

*Thompson, Hine & Flory*, of Cleveland, Ohio, for The Henkel-Clauss Co.

*Mr. Meyer Cohen*, of New York City, for Holland-Rantos Co., Inc.

*Mr. Kenneth Perry*, of New Brunswick, N. J., for Johnson & Johnson.

*Ballard, Spahr, Andrews & Ingersoll*, of Philadelphia, Pa., for Lea & Febiger.

*Evans, Bayard & Frick*, of Philadelphia, Pa., for J. B. Lippincott Co.

*Wood, Molloy, France & Tully*, of New York City, for Maltbie Laboratories, Inc.

*Jones, Woodward & Miles*, of Bristol, Va., for The S. E. Massengill Co.

*Hughes, Hubbard, Blair & Reed*, of New York City, for Merck & Co., Inc.

*Morgan, Lewis & Bockius*, of Philadelphia, Pa., for The National Drug Co.

*Widaman & Widaman*, of Warsaw, Ind., for Orthopedic Equipment Co.



*Drinker, Biddle & Reath*, of Philadelphia, Pa., for The George P. Pilling & Sons Co.

*Anderson, Gilbert, Wolfort, Allen & Bierman*, of St. Louis, Mo., for Professional Specialities, Inc. and Shampaine Co.

*Mr. Charles H. Resnick* and *Mr. Paul T. Hannah*, of Waltham, Mass., and *Jackson & Walker*, of Washington, D. C., for Raytheon Manufacturing Co.

*Buck & Perkins*, of Baltimore, Md., for The Williams & Wilkins Co.

*Magavern, Magavern, Lowe & Gorman*, of Buffalo, N. Y., for Hard Manufacturing Co.

*Mr. Francis L. VanDusen*, of Philadelphia, Pa., for Penn Surgical Mfg. Co., Inc.

## COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act (52 Stat. 111; 15 U. S. C. A. Sec. 45) and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that the American Surgical Trade Association, the Manufacturers Surgical Trade Association, their officers, directors and members, referred to hereinafter as respondents, have violated the provisions of section 5 of said Act; and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint, stating its charges in that respect as follows:

PARAGRAPH 1. Respondent American Surgical Trade Association, hereinafter referred to as ASTA, is an incorporated trade association organized and existing by virtue of the laws of the State of Delaware, with its principal offices and place of business at 176 West Adams Street, Chicago 2, Illinois. It has approximately four hundred members, consisting of manufacturers, distributors and dealers. Most of the manufacturers who are members of ASTA are also members of Manufacturers Surgical Trade Association. The individuals, partnerships, corporations and trusts who are members of ASTA are located at various places throughout the various States of the United States, territories of the United States and foreign countries. Members of ASTA are engaged as manufacturers, importers, distributors and dealers in the manufacture, sale and distribution of surgical instruments, supplies and equipment for physicians and hospitals.

The officers and directors of said respondent ASTA who are named respondents herein, both in their capacities as officers and directors of said respondent ASTA, and as individuals, are as follows:

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Henry G. Shaw, president, % Shaw Supply Co., Inc., 755 Market Street, Tacoma 3, Wash.

Robert E. Anderson, Jr., vice president, % Powers & Anderson, Inc., 2 South 5th Street, Richmond 3, Va.

William D. West, treasurer, % The G. A. Ingram Company, 444 Woodward Avenue, Detroit 1, Mich.

J. Carroll Rutledge, general chairman, % E. H. McClure Co., 1919 Pacific Avenue, Dallas, Tex.

Homer G. Klene, secretary, % American Surgical Trade Association, 176 West Adams Street, Chicago 3, Ill.

The membership of said respondent ASTA constitutes a class so numerous and changing as to make it impracticable to set forth the names of all of them in this complaint. All of the members of ASTA are hereby named respondents herein. The following concerns are representative of all of the members of ASTA:

A. S. Aloe Company, a corporation organized and existing under and by virtue of the laws of the State of Missouri, with offices and principal place of business located at 1831 Olive Street, St. Louis 3, Missouri.

American Hospital Supply Corporation, a corporation organized and existing under and by virtue of the laws of the State of Illinois, with offices and principal place of business located at 2020 Ridge Avenue, Evanston, Illinois.

Anderson Surgical Supply Co., a corporation organized and existing under and by virtue of the laws of the State of Florida, with offices and principal place of business located at 40-42 West Duval Street, P. O. Box No. 1700, Jacksonville 1, Florida.

McKesson & Robbins, Inc., a corporation organized and existing under and by virtue of the laws of the State of Maryland, with offices and principal place of business located at 1708 First Avenue, Birmingham 3, Alabama.

Edward Weck & Co., Inc., a corporation organized and existing under and by virtue of the laws of the State of New York, with offices and principal place of business located at 135 Johnson Street, Brooklyn 1, New York.

Cochrane Physicians Supplies, Inc., a corporation, organized and existing under and by virtue of the laws of the State of New York, with offices and principal place of business located at 133 East 58th Street, New York 22, New York.

Powell & Powell Surgical Co., a corporation, organized and existing under and by virtue of the laws of the State of New York, with offices

and principal place of business located at 75th Street and Third Avenue, Brooklyn 9, New York.

Manhattan Surgical Instrument Company, a corporation, organized and existing under and by virtue of the laws of the State of New York, with offices and principal place of business located at 402 West 23d Street, New York 11, New York.

United Surgical Supplies Co., a corporation organized and existing under and by virtue of the laws of the State of New York, with offices and principal place of business located at 160 East 56th Street, New York 22, New York.

Bard-Parker Company, Inc., a corporation organized and existing under and by virtue of the laws of the State of New York, with its offices and principal place of business located in Danbury, Connecticut.

J. Sklar Mfg. Co., a corporation organized and existing under and by virtue of the laws of the State of New York, with offices and principal place of business located at 38-04 Woodside Avenue, Long Island City 4, New York.

Beck-Lee Corp., a corporation organized and existing under and by virtue of the laws of the State of Illinois, with offices and principal place of business located at 630 West Jackson Boulevard, Chicago 6, Illinois.

Johnson & Johnson, a corporation, organized and existing under and by virtue of the laws of the State of New Jersey, with offices and principal place of business located at New Brunswick, New Jersey.

MacGregor Instrument Co., a corporation, organized and existing under and by virtue of the laws of the State of Massachusetts, with offices and principal place of business located at 1448 Highland Avenue, Needham 92, Massachusetts.

Welch-Allyn, Inc., a corporation, organized and existing under and by virtue of the laws of the State of New York, with offices and principal place of business at 3 North Green Street, Auburn, New York.

Becton, Dickinson & Company, a corporation, organized and existing under and by virtue of the laws of the State of New York, with offices and principal place of business located in Rutherford, New Jersey.

Merck & Co., Inc., a corporation, organized and existing under and by virtue of the laws of the State of New Jersey, with offices and principal place of business located at Rahway, New Jersey.

The B. F. Goodrich Co., a corporation organized and existing under and by virtue of the laws of the State of New York, with offices and principal place of business located at 1247 South High Street, Akron 11, Ohio.

E. I. DuPont de Nemours & Co., Inc., a corporation, organized and existing under and by virtue of the laws of the State of Delaware, with offices and principal place of business located at Wilmington, Delaware.

Respondent Manufacturers Surgical Trade Association, hereinafter referred to as MSTA, is a voluntary unincorporated trade association, with its principal offices and place of business located in Danbury, Connecticut. The membership of MSTA consists of approximately fifty-six manufacturers, wholesalers and importers of surgical instruments, supplies and equipment for physicians and hospitals.

The officers of said respondent MSTA who are named respondents herein, both in their capacities as officers of said respondent MSTA and as individuals, are as follows:

John MacGregor, president, % MacGregor Instrument Co., Needham 92, Mass.

Bernard M. Hanafin, first vice president, % N. A. Baum Co., Inc., 460 West 34th Street, New York, N. Y.

Howell G. Evans, second vice president, % Hamilton Manufacturing Co., Two Rivers, Wis.

Morgan Parker, secretary, Bard-Parker Co., Danbury, Conn.

Frank E. Chesterman, Jr., treasurer, Chesterman-Leeland Co., 406 Memphis Street, Philadelphia 25, Pa.

The membership of respondent MSTA constitutes a class so numerous and changing as to make it impracticable to set forth the names of all of them in this complaint. All members of MSTA are made respondents herein. The following corporations are members of MSTA and are named as representative of the entire membership. The state of incorporation and location of the offices and principal place of business of each of these respondents has hereinabove been set forth:

Bard-Parker Co., Inc., a corporation,

J. Sklar Mfg. Co., a corporation.

Johnson & Johnson, a corporation,

MacGregor Instrument Co., a corporation,

Welch-Allyn, Inc., a corporation, and

Becton, Dickinson & Co., a corporation.

PAR. 2. Respondent dealers, distributors, manufacturers and importers are dealers in and distributors, manufacturers and importers of surgical instruments, supplies and equipment for the use of physicians and hospitals. Surgical instruments, supplies and equipment for the use of physicians and hospitals are varied and extensive. Included in the items manufactured and sold in trade and commerce

in this industry are items commonly used by physicians and hospitals. Scalpels, anaesthetics, hypodermic needles, bandages, X-Ray apparatus, hospital beds and diagnostic equipment are examples of the items involved. The total volume of trade in this industry exceeds one hundred million dollars annually, approximately 90 percent of which is handled by members of ASTA. Curtailment of imports during the days of World War I led to the development of the manufacture of these items in the United States.

Prior to World War I there existed a Wholesale Surgical Trade Association of America. The name of that Association was changed after World War I to the present name of Manufacturers Surgical Trade Association.

PAR. 3. Most of the respondent dealer members of ASTA purchase for resale surgical instruments, supplies and equipment directly from manufacturers or importers thereof located in various States, and said manufacturers ship said products, when so purchased, from their respective places of business in such other States to said dealer members or to consignees designated by said dealer members into States other than the State of manufacture or import. The respondent members of respondent MSTA, who also comprise a substantial part of the membership of ASTA, are engaged in the business of selling and distributing surgical instruments, supplies and equipment to customers located in States other than the State in which said respective members are located. As a result of the aforesaid transactions, there has been and is now a pattern and course of interstate commerce in said products between the said respondent members of said respondents ASTA and MSTA and the purchasers of surgical instruments, supplies and equipment located throughout the several States of the United States.

PAR. 4. Respondent ASTA is a well known and well advertised Association. It employs a full-time paid secretary. One of its activities is the publication of a trade journal called The ASTA Journal. This publication is issued monthly. It is distributed to all members of the Association. The Association sells advertising space in this publication.

By virtue of a number of circumstances, including action on the part of Association members to that end, there exists a preference on the part of purchasers and prospective purchasers, physicians and hospitals for members of ASTA as dealers and manufacturers of the instruments, supplies and equipment they purchase. There also exists on the part of manufacturers of surgical goods, some of whom are members of ASTA and some of whom are not members, a preference for members of ASTA as dealers and distributors of their products.

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Among the ways respondents, through ASTA, seek to create a preference for members of ASTA is that of the publication of pamphlets and other literature for distribution to purchasers and prospective purchasers, physicians and hospitals, containing such statements and declarations, among others, as the following :

The American Surgical Trade Association is made up of the leading distributors and manufacturers of instruments, supplies and equipment for physicians and hospitals. In its own field it fills a need fully as important as does the American Medical Association for physicians or the American Hospital Association for hospitals.

And,

How do you distinguish the good distributor from the others who solicit your patronage? The surest way to protect yourself and your patients when purchasing health supplies and equipment is by relying on those distributors and manufacturers who are affiliated with the American Surgical Trade Association.

PAR. 5. Said respondent members of respondents ASTA and MSTA are in substantial competition with one another and with other members of the industry in the manufacture, sale and distribution of the aforesaid products in interstate commerce, except insofar as that competition has been hindered, lessened, restricted and eliminated by the unfair methods and practices hereinafter set forth.

PAR. 6. For many years last past, and continuing to the present time, the respondents hereinbefore described, other than respondents ASTA and MSTA, have acted together in combination, through and by means of respondents ASTA and MSTA and other unnamed predecessor associations, to limit, restrain, suppress and eliminate competition between and among themselves and others in the manufacture, sale and distribution of instruments, supplies and equipment for physicians and hospitals, and have attempted to monopolize and control trade in commerce in said instruments, supplies and equipment for physicians and hospitals.

Pursuant to and in furtherance of the aforesaid cooperative action and combination, respondents have engaged in, done and performed the following acts, practices, methods and things:

(a) Respondent members of respondent ASTA have restricted and are restricting membership in respondent ASTA in such a manner as to deny membership to dealers in surgical instruments, supplies and equipment for physicians and hospitals, for such reasons, among others (and by such devices) as that (1) the membership in ASTA, or some one or more members of it, believe or believes that there are enough dealers in the territory in which an applicant is located; (2) that an applicant will not adhere to published prices; (3) that an applicant is engaged in another business as well as being a dealer in

surgical instruments, supplies and equipment for physicians and hospitals; and (4) that an applicant is engaged in joint buying for the account or accounts of doctors, hospitals and other groups of purchasers; (5) of failing to accept or reject certain applications for membership within a reasonable time; (6) of publishing in the By-Laws of said respondent ASTA the standards ostensibly to be met by applicants who apply for membership in respondent ASTA, and, in practice, imposing other and unreasonable standards of admission; and publicly have graded and differentiated such members from non-members arbitrarily to the advantage of members and the disadvantage of non-members.

(b) Respondent members of respondent ASTA attempt to and do divert trade from non-members to themselves by establishing and maintaining a reciprocal arrangement whereby they grant a preference to one another over non-members through the use of preferential listings and by denying full access to advertising and by other means.

(c) Respondent members of ASTA attempt to and have promoted resale price maintenance and uniformity in terms and conditions of sale in a number of ways, such as filing complaints with one another through ASTA as to price cutting; recommending for their common usage the publication by respondent manufacturers of price lists in accordance with a form devised and promulgated for the announcement of prices, terms and conditions of sale, prepared and promulgated by themselves through ASTA; dividing themselves into districts so that all of those who are in immediate competition with one another are in a given district, and entering into and carrying on discussions of prices, terms and conditions of sale and problems of resale price maintenance at district meetings.

(d) Respondent members of respondent MSTA have attempted to and have prevented manufacturers from selling to dealers who have not been approved as dealers by respondent MSTA.

(e) Respondents have sought to and have prevented dealers and manufacturers from carrying on legal and proper courses of action, and engaging in trade and commerce, by legal and proper methods of their own choosing which are not acceptable to respondents as a group.

PAR. 7. The acts and practices of respondents as herein alleged have had, and do have, the effect of hindering, lessening and restraining competition in the sale of surgical instruments, supplies and equipment for physicians and hospitals; have had and do have, a dangerous tendency unduly to hinder competition or to create in respondent members of ASTA and MSTA a monopoly in the sale and distribu-

tion of surgical supplies and equipment; are all to the prejudice of competitors of respondent members of said respondent ASTA and MSTA and to the public; and constitute unfair methods of competition and unfair acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

#### CONSENT SETTLEMENT<sup>1</sup>

Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission, on April 24, 1952, issued and subsequently served its complaint on the respondents named in the complaint, charging them with the use of unfair methods of competition and/or unfair and deceptive acts and practices in violation of the provisions of said Act.

The respondents, desiring that this proceeding be disposed of by the consent settlement procedure provided in Rule V of the Commission's Rules of Practice, solely for the purpose of this proceeding, any review thereof, and the enforcement of the order consented to, and conditioned upon the Commission's acceptance of the consent settlement hereinafter set forth, and in lieu of the answers to said complaint heretofore filed and which, upon acceptance by the Commission of this settlement, are to be withdrawn from the record, hereby:

1. Admit all the jurisdictional allegations set forth in the complaint.
2. Consent that the Commission may enter the matters hereinafter set forth as its findings as to the facts, conclusion and order to cease and desist. It is understood that the respondents, in consenting to the Commission's entry of said findings as to the facts, conclusion and order to cease and desist, specifically refrain from admitting or denying that they are engaged in any of the acts or practices stated therein to be in violation of law.
3. Agree that this consent settlement may be set aside in whole or in part under the conditions and in the manner provided in paragraph (f) of Rule V of the Commission's Rules of Practice.

The admitted jurisdictional facts, the statement of the acts and practices which the Commission had reason to believe were unlawful, the conclusion based thereon, and the order to cease and desist,

<sup>1</sup>The Commission's "Notice" announcing and promulgating the consent settlement as published herewith, follows:

The consent settlement tendered by the parties in this proceeding, a copy of which is served herewith, was accepted by the Commission on October 16, 1952 and ordered entered of record as the Commission's findings as to the facts, conclusion, and order in disposition of this proceeding.

The time for filing report of compliance pursuant to the aforesaid order runs from the date of service hereof.



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**Findings**

all of which the respondents consent may be entered herein in final disposition of this proceeding, are as follows:

## FINDINGS AS TO THE FACTS

PARAGRAPH 1. Respondent American Surgical Trade Association, hereinafter referred to as ASTA, is an incorporated trade association organized and existing by virtue of the laws of the State of Delaware, with its principal offices and place of business at 176 West Adams Street, Chicago 2, Illinois. It has approximately four hundred members, consisting of manufacturers, distributors and dealers. Approximately 50 of the manufacturers who are members of ASTA are also members of Manufacturers Surgical Trade Association. The individuals, partnerships, corporations and trusts who are members of ASTA are located at various places throughout the various States of the United States, territories of the United States and foreign countries. Members of ASTA are engaged as manufacturers, importers, distributors and dealers in the manufacture, sale and distribution of surgical instruments, supplies and equipment for physicians and hospitals.

The officers and directors of said respondent ASTA who are named respondents, both in their capacities as officers and directors of said respondent ASTA, and as individuals, as of the date of the complaint were as follows:

Henry G. Shaw, president, % Shaw Supply Co., Inc., 755 Market Street, Tacoma 3, Wash.

Robert E. Anderson, Jr., vice president, % Powers & Anderson, Inc., 2 South 5th Street, Richmond 3, Va.

William D. West, treasurer, % The G. A. Ingram Co., 4444 Woodward Avenue, Detroit 1, Mich.

J. Carroll Rutledge, general chairman, % E. H. McClure Co., 1919 Pacific Avenue, Dallas, Tex.

Homer G. Klene, secretary, % American Surgical Trade Association, 175 West Adams Street, Chicago 3, Ill.

The membership of said respondent ASTA constitutes a class so numerous and changing as to make it impracticable to set forth the names of all of them. All of the members of ASTA were named respondents herein. The following concerns were named as representative of all of the members of ASTA.

A. S. Aloe Company, a corporation organized and existing under and by virtue of the laws of the State of Missouri, with offices and principal place of business located at 1831 Olive Street, St. Louis 3, Missouri.

American Hospital Supply Corporation, a corporation organized and existing under and by virtue of the laws of the State of Illinois, with offices and principal place of business located at 2020 Ridge Avenue, Evanston, Illinois.

Anderson Surgical Supply Co., a corporation organized and existing under and by virtue of the laws of the State of Florida, with offices and principal place of business located at 40-42 West Duval Street, P. O. Box No. 1700, Jacksonville 1, Florida.

McKesson & Robbins, Inc., a corporation organized and existing under and by virtue of the laws of the State of Maryland, through its Surgical and Laboratory Supply Department of its Birmingham Division, with offices and principal place of business located at 1708 First Avenue, Birmingham 3, Alabama.

Edward Weck & Co., Inc., a corporation organized and existing under and by virtue of the laws of the State of New York, with offices and principal place of business located at 135 Johnson Street, Brooklyn 1, New York.

Cochrane Physicians Supplies, Inc., a corporation, organized and existing under and by virtue of the laws of the State of New York, with offices and principal place of business located at 133 East 58th Street, New York 22, New York.

Powell & Powell Surgical Co., a corporation, organized and existing under and by virtue of the laws of the State of New York, with offices and principal place of business located at 75th Street, and Third Avenue, Brooklyn 9, New York.

Manhattan Surgical Instrument Company, a corporation, organized and existing under and by virtue of the laws of the State of New York, with offices and principal place of business located at 402 West 23d Street, New York 11, New York.

United Surgical Supplies Co., a corporation organized and existing under and by virtue of the laws of the State of New York, with offices and principal place of business located at 160 East 56th Street, New York 22, New York.

Bard-Parker Company, Inc., a corporation organized and existing under and by virtue of the laws of the State of New York, with its office and principal place of business located in Danbury, Connecticut.

J. Sklar Mfg. Co., a corporation organized and existing under and by virtue of the laws of the State of New York, with offices and principal place of business located at 38-04 Woodside Avenue, Long Island City 4, New York.

Beck-Lee Corp., a corporation organized and existing under and by virtue of the laws of the State of Illinois, with offices and principal

place of business located at 630 West Jackson Boulevard, Chicago 6, Illinois.

Johnson & Johnson, a corporation organized and existing under and by virtue of the laws of the State of New Jersey, with offices and principal place of business located at New Brunswick, New Jersey.

MacGregor Instrument Co., a corporation, organized and existing under and by virtue of the laws of the State of Massachusetts, with offices and principal place of business located at 1448 Highland Avenue, Needham 92, Massachusetts.

Welch-Allyn, Inc., a corporation, organized and existing under and by virtue of the laws of the State of New York, with offices and principal place of business at 3 North Green Street, Auburn, New York.

Beckton, Dickinson & Company, a corporation organized and existing under and by virtue of the laws of the State of New Jersey, with offices and principal place of business located in Rutherford, New Jersey.

The B. F. Goodrich Co., a corporation organized and existing under and by virtue of the laws of the State of New York, with offices and principal place of business located at 1247 South High Street, Akron 11, Ohio.

E. I. du Pont de Nemours & Co., Inc., a corporation organized and existing under and by virtue of the laws of the State of Delaware, with offices and principal place of business located at Wilmington, Delaware.

Respondent Manufacturers Surgical Trade Association, hereinafter referred to as MSTA, is a voluntary unincorporated trade association, with an office at 342 Madison Avenue, New York, New York. The membership of MSTA consists of approximately fifty-six manufacturers, wholesalers and importers of surgical instruments, supplies and equipment for physicians and hospitals.

The officers of said respondent MSTA who are named respondents, both in their capacities as officers of said respondent MSTA and as individuals, as of the date of the complaint, were as follows:

B. M. Hanafin, president, W. A. Baum Co., Inc., 460 West 34th Street, New York, N. Y.

V. A. Noel, first vice president, Ritter Company, Inc., Rochester 3, N. Y.

W. M. Griffith, second vice president, Taylor Instrument Companies, Rochester 1, N. Y.

Morgan Parker, secretary, Bard-Parker Co., Inc., Danbury, Conn.

## Findings

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R. F. Simons, treasurer, Ethicon Suture Laboratories, New Brunswick, N. J.

The membership of respondent MSTA constitutes a class so numerous and changing as to make it impracticable to set forth the names of all of them herein. All members of MSTA were made respondents. The following corporations are members of the MSTA and are named as representative of the entire membership. The state of incorporation and location of the offices and principal place of business of each of these respondents has hereinabove been set forth:

Bard-Parker Company, Inc., a corporation,  
J. Sklar Mfg. Co., a corporation,  
Johnston & Johnston, a corporation,  
MacGregor Instrument Co., a corporation,  
Welch-Allyn, Inc., a corporation, and  
Beckton, Dickinson & Company, a corporation.

PAR. 2. Respondent dealers, distributors, manufacturers, and importers are dealers in and distributors, manufacturers and importers of surgical instruments, supplies and equipment for the use of physicians and hospitals. Surgical instruments, supplies and equipment for the use of physicians and hospitals are varied and extensive. Included in the items manufactured and sold in trade and commerce in this industry are items commonly used by physicians and hospitals. Scalpels, anaesthetics, hypodermic needles, bandages, X-ray apparatus, hospital beds and diagnostic equipment are examples of the items involved. The total volume of trade in this industry exceeds \$300,000,000 annually, of which one-half is handled by members of ASTA. Curtailment of imports during the days of World War I led to the development of the manufacture of these items in the United States.

Prior to World War I there existed a Wholesale Surgical Trade Association of America. The name of that Association was changed after World War I to the present name of Manufacturers Surgical Trade Association.

PAR. 3. Most of the respondent dealer members of ASTA purchase for resale surgical instruments, supplies and equipment directly from manufacturers or importers thereof located in various States, and said manufacturers ship said products, when so purchased, from their respective places of business in such other States to said dealer members or to consignees designated by said dealer members into States other than the State of manufacture or import. The respondent members of respondent MSTA, who also comprise a part of the membership of ASTA, are engaged in the business of selling and distributing surgical instruments, supplies and equipment to customers located in

States other than the State in which said respective members are located. As a result of the aforesaid transactions, there has been and is now a pattern and course of interstate commerce in said products between the said respondent members of said respondents ASTA and MSTA and the purchasers of surgical instruments, supplies and equipment located throughout the several States of the United States.

PAR. 4. Respondent ASTA is a well known and well advertised Association. It employs a full-time paid secretary. One of its activities is the publication of a trade journal called *The ASTA Journal*. This publication is issued monthly. It is distributed to all members of the Association. The Association sells advertising space in this publication.

By virtue of a number of circumstances, including action on the part of Association members to that end, there exists a preference on the part of purchasers and prospective purchasers, physicians and hospitals for members of ASTA as dealers and manufacturers of the instruments, supplies and equipment they purchase. There also exists on the part of manufacturers of surgical goods, some of whom are members of ASTA and some of whom are not members, a preference for members of ASTA as dealers and distributors of their products.

Among the ways respondents, through ASTA, seek to create a preference for members of ASTA is that of the publication of pamphlets and other literature for distribution to purchasers and prospective purchasers, physicians and hospitals, containing such statements and declarations, among others, as the following:

The American Surgical Trade Association is made up of the leading distributors and manufacturers of instruments, supplies and equipment for physicians and hospitals. In its own field it fills a need fully as important as does the American Medical Association for physicians or the American Hospital Association for hospitals.

And,

How do you distinguish the good distributor from the others who solicit your patronage? The surest way to protect yourself and your patients when purchasing health supplies and equipment is by relying on those distributors and manufacturers who are affiliated with the American Surgical Trade Association.

PAR. 5. Said respondent members of respondents ASTA and MSTA are in substantial competition with one another and with other members of the industry in the manufacture, sale and distribution of the aforesaid products in interstate commerce, except insofar as that competition has been hindered, lessened, restricted and eliminated by the unfair methods and practices hereinafter set forth.

PAR. 6. For many years last past, and continuing to the date of filing the complaint, the respondents hereinbefore described, other

than respondents ASTA and MSTA, have acted together in combination, through and by means of respondents ASTA and MSTA and other unnamed predecessor associations, to limit, restrain, suppress and eliminate competition between and among themselves and others in the manufacture, sale and distribution of instruments, supplies and equipment for physicians and hospitals, and have attempted to monopolize and control trade in commerce in said instruments, supplies and equipment for physicians and hospitals, as follows:

(a) Respondent members of respondent ASTA have restricted, and at the time of the filing of the complaint were restricting, membership in respondent ASTA by denying membership to dealers in surgical instruments, supplies and equipment for physicians and hospitals, for such competitive reasons, among others (and by such devices), as that (1) the membership in ASTA, or some one or more members of it, believe or believes that there are enough dealers in the territory in which an applicant is located; (2) that an applicant will not adhere to published prices; (3) that an applicant otherwise qualified is engaged in another business as well as being a dealer in surgical instruments, supplies and equipment for physicians and hospitals; (4) of failing to accept or reject certain applications for membership in ASTA within a reasonable time; (5) of publishing in the By-Laws of said respondent ASTA the standards ostensibly to be met by applicants who apply for membership in respondent ASTA and, in practice, imposing other standards of admission; and publicly have graded and differentiated such members from non-members arbitrarily to the advantage of members and the disadvantage of non-members.

(b) Respondent members of respondent ASTA attempt to and do divert trade from non-members to themselves by establishing and maintaining a reciprocal arrangement whereby they grant a preference to one another over non-members through the use of preferential listings and by denying full access to advertising and by other means.

(c) Respondent members of ASTA attempt to and have promoted resale price maintenance and uniformity in terms and conditions of sale by filing complaints with one another through ASTA as to price cutting; recommending for their common usage the publication by respondent manufacturers of price lists in accordance with a form devised and promulgated for the announcement of prices, terms and conditions of sale, prepared and promulgated by themselves through ASTA; dividing themselves into districts so that all of those who are in immediate competition with one another are in a given district, and entering into and carrying on discussions of prices, terms and conditions of sale and problems of resale price maintenance at district meetings.

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(d) Respondent members of respondent MSTA have attempted to and have prevented manufacturers from selling to dealers who have not been approved as dealers by respondent MSTA.

(e) Respondents have sought to and have prevented dealers and manufacturers from carrying on legal and proper courses of action, and engaging in trade and commerce, by legal and proper methods of their own choosing which are not acceptable to respondents as a group.

(f) Certain associate members of ASTA have participated in the activities of ASTA in a limited way, e. g., payment of dues.

PAR. 7. The acts and practices of respondents as herein found have had, and do have, the effect of hindering, lessening and restraining competition in the sale of surgical instruments, supplies and equipment for physicians and hospitals; have had and do have a dangerous tendency unduly to hinder competition in the sale and distribution of surgical supplies and equipment; all to the prejudice of competitors of respondent members of said respondent ASTA and MSTA and to the public.

## CONCLUSION

The aforesaid acts, practices and methods of respondents are all to the prejudice and injury of the public and constitute unfair methods of competition in commerce and unfair acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

## ORDER TO CEASE AND DESIST

*It is ordered,* That the respondents, American Surgical Trade Association, its officers, individually and as officers of said respondent, American Surgical Trade Association, its agents, representatives and employees, and its members, present and future, and Manufacturers Surgical Trade Association, its officers, individually and as officers of said respondent Manufacturers Surgical Trade Association, its agents, representatives and employees, and its members, present and future, directly or indirectly, in connection with the offering for sale, sale or distribution of surgical instruments, supplies and equipment in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from entering into, cooperating in, carrying out or continuing any planned common course of action, understanding, agreement or conspiracy between any two or more of said respondents, or between any one or more of said respondents and others not parties hereto, to do or perform any of the following acts, practices and things:

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## I

(a) Restricting membership in respondent ASTA by denying membership to dealers in instruments, supplies and equipment for physicians and hospitals for competitive reasons as, for example, (1) that the membership in respondent ASTA or some one or more members of it believes or believe that there are enough dealers in the territory in which an applicant is located; (2) that an applicant will not adhere to published prices; (3) that an applicant otherwise qualified is engaged in another business, as well as being a dealer in instruments, supplies and equipment for physicians and hospitals; or for reasons which depart from ASTA's then published or accepted standards governing admission of new members.

(b) Failing to accept or reject applications for membership in ASTA within a reasonable time.

(c) Publishing in the By-Laws of respondent ASTA the standards ostensibly to be met by applicants who apply for membership and, in practice, imposing other standards of admission.

(d) Attempting to divert or diverting trade from non-members to themselves by establishing and maintaining a reciprocal arrangement between manufacturers and dealers whereby, in buying and selling, they grant a preference because of membership to one another over non-members; educating or persuading buyers or sellers not to deal with non-members of ASTA because they are non-members, or by denying full access to advertising space in The ASTA Journal to non-members on an equal basis with members.

(e) Attempting to promote or promoting resale price maintenance or uniformity in terms and conditions of sale between and among themselves by filing complaints with one another through ASTA as to price cutting; or discussing or making recommendations through ASTA as to price lists, terms, conditions of sale, or resale policies of manufacturers other than with respect to physical size, shape and punching of the paper.

(f) Attempting to prevent or preventing manufacturers from selling to dealers who have not been approved as dealers by respondent ASTA.

(g) Restricting or preventing dealers and manufacturers from carrying on legal courses of action and engaging in trade and commerce by legal methods of their own choosing which are not acceptable to respondents as a group.

## II

*It is further ordered*, That the respondents shall, within sixty (60) days after service upon them of this order, file with the Commission



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a report, in writing, setting forth in detail the manner and form in which they have complied with this order.

## III

*It is further ordered*, That American Hospital Supply Corporation, E. I. Dupont de Nemours & Co., Inc., Eaton Laboratories, Inc., Holland-Rantos Company, F. A. Davis Company, United States Truss Company, Manhattan Surgical Instrument Company, Smith-Holden, Inc., John Sexton & Company, Henkel-Clauss Company, Wm. S. Merrell Company, Lea & Febiger, J. B. Lippincott Company, The Williams & Wilkins Company, Medical Economics, Inc., and Modern Medicine are hereby dismissed from this proceeding.

AMERICAN SURGICAL TRADE ASSOCIATION,  
ITS OFFICERS AND MEMBERS.

By its attorney:

EDWARD R. JOHNSTON,

(Signed) Edward H. Hatton.

MANUFACTURERS SURGICAL TRADE ASSOCIATION,  
ITS OFFICERS AND MEMBERS.

By its attorney:

CAHILL, GORDON, ZACHRY & REINDEL,

(Signed) By JERROLD G. VAN CISE.

BECTON-DICKENSON & Co.,

By KANE, DALSIMER & KANE,

DANIEL H. KANE.

AUGUST 19, 1952.

The foregoing consent settlement is hereby accepted by the Federal Trade Commission and ordered entered of record on this 16th day of October 1952.

IN THE MATTER OF  
SHEFFIELD SILVER COMPANY

COMPLAINT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION  
OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914

*Docket 4000. Complaint, Jan. 26, 1940—Decision, Oct. 22, 1952*

Due to the special skill of its artisans and the standards of quality set by the City of Sheffield, England, silver-plated ware there manufactured has an established reputation for excellence in the United States, and has made said city known as a place of manufacture of silverware and especially silver-plated hollow ware of a high quality.

There is a definite preference on the part of a substantial portion of the purchasing public for silver-plated ware of English manufacture, and certain marks, imprinted on silver made in Sheffield, since 1773, which are designated as hallmarks and include among others the crown, a head, and, periodically, the letter "S", have become associated in the minds of substantial numbers of said public with silverware of English origin, and in the case of some members thereof, with silverware made in the aforesaid city, and there is knowledge among members of the purchasing public in this country that Sheffield is an important source of silverware and silver-plated ware of English manufacture, and also knowledge of such ware, which is frequently designated as "Sheffield Silver."

As respects the sale at retail of products unidentified with the manufacturer thereof, there is a retail custom of informing inquiring prospective purchasers as to the name of the manufacturer of the product but not, barring exceptional further inquiry, as to the location thereof.

Where a corporation engaged in New York City in the manufacture of silver-plated hollow ware and in the interstate sale and distribution thereof to retailers throughout the United States—

- (a) Prominently displayed in its catalogues, on its letters and invoices, and on labels affixed to the cartons in which its said products were packed and shipped, its corporate name in which were included the words "Sheffield Silver";
- (b) Imprinted upon the back of its silver-plated hollow ware and in its catalogues marks which comprised impressions of the crown and a head, with the letter "S" in immediate conjunction with one another, and simulated the genuine hallmarks imprinted on sterling silverware made in Sheffield;

Whereby said name was brought to the attention of a substantial portion of the purchasing public, and there was created in the minds of said public a false impression that the ware was made in Sheffield or elsewhere in England;

Tendency and capacity of which practices, individually and collectively, were to mislead and deceive purchasers of its silver-plated ware in the aforesaid

respects, and thereby induce its purchase by substantial numbers of the public; and effect of which was to place in the hands of dealer-purchasers of its said products the means and instrumentalities whereby they might mislead and deceive purchasers as to the place of origin thereof:

*Held:* That such acts and practices, under the circumstances set forth, were all to the prejudice and injury of the public, and constituted unfair and deceptive acts and practices in commerce.

In considering the facts shown by the record in the instant proceeding, as above indicated, the Commission took into account the cumulative effect of respondent's use of the word "Sheffield" and of simulations of markings used on silverware manufactured in England, which served no legitimate purpose that could not be equally well served without resorting to such simulations; and gave consideration also to the impact of such practices upon members of the purchasing public in the light of the beliefs and impressions which they were shown to entertain with respect to silver and silver-plated ware, and also to the confusion and uncertainty engendered.

As respects the remedy, while respondent's use of said word had the tendency and capacity to deceive, as above found, the Commission took into consideration the fact that respondent did not mark its ware "Sheffield" as a part of its trade name or otherwise, and determined that under the circumstances it was not necessary to excise the word from respondent's corporate name, being of the opinion that the deception which was shown to result from its use could be eliminated by the order to cease and desist which was being entered.

The Commission noted, in connection with the qualified use of the word "Sheffield Silver" permitted by its modified order in the Matter of Samuel E. Bernstein, Inc., now National Silver Co., Docket 1068, July 3, 1947, 44 F. T. C. 1, at page 13, that the instant proceeding raised no issue as to whether the present respondent had copied the designs or patterns of old Sheffield plate, and also, as stated, that respondent did not mark its products with the word "Sheffield", so that the proceeding did not raise for determination the question of whether or not it would be proper for the respondent to mark its ware with said word in any manner—a point which the findings and order to cease and desist, accordingly, did not cover.

In the aforesaid connection, however, in order to avoid the possibility of any misinterpretation of the scope and effect of the order to cease and desist the Commission deemed it appropriate to state that it was not intended to sanction the use of the word "Sheffield" as a part of respondent's corporate name or otherwise, on respondent's silver-plated ware, in any manner which would be inconsistent with the aforesaid modified order.

Before *Mr. Andrew B. Duvall*, *Mr. Webster Ballinger* and *Mr. Clyde M. Hadley*, hearing examiners.

*Mr. Karl Stecher*, *Mr. Edward L. Smith* and *Mr. George M. Martin* for the Commission.

*Mr. Jay Leo Rothschild*, of New York City, for respondent.

Complaint

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COMPLAINT<sup>1</sup>

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that The Sheffield Silver Company, a corporation, hereinafter referred to as respondent, has violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint, stating its charges in that respect as follows:

PARAGRAPH 1. Respondent, The Sheffield Silver Company, is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, having its principal office and place of business at 346 Claremont Avenue, in the city of Jersey City,

<sup>1</sup> The complaint is published as amended by a stipulation between counsel approved by the Commission on November 30, 1944, as follows:

Pursuant to agreement between Jay Leo Rothschild, Esq., counsel for respondent, and Karl Stecher, Esq., attorney for the Federal Trade Commission, at the oral argument before the Commission held on September 28, 1944, it is stipulated, with the consent and approval of the Commission, that the Commission's complaint in this proceeding may be amended as follows:

1. At the end of paragraph two, add the following:

"Respondent has imprinted on the back of its products certain symbols or insignia consisting of a head, a crown, and a letter 'S', and also the letters 'E. P. C.' or 'E. P. N. S.', together with certain arabic numerals."

2. At the end of paragraph three, add the following:

"For over a century the city of Sheffield, England, has likewise been an important manufacturing center for sterling silver hollow ware, and the hallmark of the city of Sheffield, England, is a crown, which, together with other insignia, has been and is stamped on the back of sterling silver hollow ware manufactured in said city."

3. In the first sentence of paragraph four, after the word "its ware," insert the following:

"and also by the use of symbols or insignia consisting of a head, a crown, and a letter 'S' imprinted on its ware, all"

so that said first sentence in paragraph four shall read:

"Respondent by the use of its said corporate name 'The Sheffield Silver Company' on its letterheads, invoices, labels and other printed matter in the sale of its ware, and also by the use of symbols or insignia consisting of a head, a crown, and a letter 'S' imprinted on its ware, all as aforesaid, represents and implies that it is engaged in the sale of silver plated ware manufactured and fabricated in Sheffield, England, and that its silver plated ware offered for sale as aforesaid has its origin in that city and that it is fabricated by the skilled artisans there located."

4. In paragraph six, after the words "its corporate name and otherwise," insert the following:

"and by the use of symbols or insignia consisting of a head, a crown, and a letter 'S' imprinted on its ware,"

so that said paragraph six shall read:

"The use by the respondent of the word 'Sheffield' in its corporate name and otherwise, and also the use of the symbols or insignia consisting of a head, a crown and a letter 'S' imprinted on its ware, as hereinabove set out, in connection with the offering for sale and sale of its said silver plated hollow ware, has had, and now has, the tendency and capacity to mislead and deceive purchasers and prospective purchasers thereof into the erroneous and mistaken belief that its said ware which it offers for sale and sells as aforesaid is manufactured and fabricated in Sheffield, England, and imported into the United States, and to induce them to purchase the same because of such erroneous and mistaken belief."

State of New Jersey. It is now, and for more than three years last past has been, engaged in manufacturing silver plated hollow ware, and in the sale and distribution thereof to retail dealers located throughout the United States through whom said ware is sold to the purchasing public. Respondent causes its said ware, when sold, to be transported from its principal place of business in the State of New Jersey to purchasers thereof located in various other States of the United States and in the District of Columbia. Respondent maintains, and at all times mentioned herein has maintained, a course of trade in said ware in commerce between and among the various States of the United States and in the District of Columbia.

PAR. 2. In the course and conduct of the advertising and sale of its said products as aforesaid, respondent, for more than three years last past, has been using as its corporate name the term "The Sheffield Silver Company," and has caused said corporate name, containing the word "Sheffield," to be featured on its letterheads and invoices used in connection with the sale of its said ware and on its labels affixed to the cartons in which said products were and are packed and shipped in commerce as aforesaid, and it has furnished to its salesmen, for presentation in their sales talks to prospective customers, photographs of its silver plated hollow ware featuring its said corporate name.

Respondent has imprinted on the back of its products certain symbols or insignia consisting of a head, a crown, and a letter "S", and also the letters "E. P. C." or "E. P. N. S.", together with certain arabic numerals.

Respondent denies each and every allegation contained in paragraph two of the complaint as amended except that it admits that it has used its corporate name in connection with all of its business transactions and on its letterheads, invoices, cartons, and generally, in interstate commerce, as well as otherwise, and except further that it admits that respondent has imprinted on the back of its products certain symbols and insignia consisting of a head, crown and a letter "S" and also the letters "E. P. C." or "E. P. N. S." together with certain arabic numerals.

It is further stipulated that respondent's answer filed to the complaint as originally issued shall be considered without amendment as denying the allegations stated in paragraphs three, four and six of said complaint as amended.

It is also stipulated that the complaint in this case as above amended shall be treated in all respects the same as though it had been issued originally in its amended form.

PAR. 3. The name "Sheffield," when used in the designation of silver plated hollow ware, has been used for a long period of time to refer to hollow ware manufactured and fabricated in Sheffield, England. In that city nearly two hundred years ago, a type of silver plated hollow ware known and designated as "Sheffield" plate was originated and such ware was manufactured there in large quantities for a long period of time. "Sheffield" plate became famous throughout the world as a silver plate of superior quality. From the time of the first manufacture of the said "Sheffield" plate down to the present time the city of Sheffield, England, has been the seat of manufacture of silver plated ware as well as of cutlery of various kinds. Its artisans in these lines of production have become specially skilled in their respective arts and have achieved a reputation for skill wherever silver plated ware and cutlery are bought and sold. The reputation of "Sheffield" silver plated ware for excellence and the reputation of the artisans of Sheffield, England, for skill, especially in the manufacture of silver plated ware, have made that city known among the general purchasing public throughout the United States as a place of origin of silver plated ware. That city is today the location of concerns engaged in the manufacture and sale of silver plated ware and such ware is now and has been on sale by dealers in such ware in various States of the United States. Said city has also been famous for generations as a general manufacturing center, so that the name "Sheffield," when used in connection with a manufacturing establishment, or the products of such an establishment, immediately suggests the city of Sheffield, England, to a substantial part of the purchasing public in the United States and throughout the world.

For over a century the city of Sheffield, England, has likewise been an important manufacturing center for sterling silver hollow ware, and the hallmark of the city of Sheffield, England, is a crown, which, together with other insignia, has been and is stamped on the back of sterling silver hollow ware manufactured in said city.

PAR. 4. Respondent by the use of its said corporate name "The Sheffield Silver Company" on its letterheads, invoices, labels and other printed matter in the sale of its ware, and also by the use of symbols or insignia consisting of a head, a crown, and a letter "S" imprinted on its ware, all as aforesaid represents and implies that it is engaged in the sale of silver plated ware manufactured and fabricated in Sheffield, England, and that its silver plated ware offered for sale as aforesaid has its origin in that city and that it is fabricated by the skilled artisans there located. Respondent, further, by the use of said name and by furnishing the same to retail dealers who sell its ware to the public, places in the hands of unscrupulous dealers a

means or instrumentality by which they may employ actual deception as to the place of origin of said ware.

PAR. 5. In truth and in fact respondent is not engaged in the sale of silver plated ware manufactured and fabricated in Sheffield, England, but all its ware offered for sale is manufactured by said respondent at its said place of business in New Jersey.

PAR. 6. The use by the respondent of the word "Sheffield" in its corporate name and otherwise, and also the use of symbols or insignia consisting of a head, a crown, and a letter "S" imprinted on its ware, as hereinabove set out, in connection with the offering for sale and sale of its said silver plated hollow ware, has had, and now has, the tendency and capacity to mislead and deceive purchasers and prospective purchasers thereof into the erroneous and mistaken belief that its said ware which it offers for sale and sells as aforesaid is manufactured and fabricated in Sheffield, England, and imported into the United States, and to induce them to purchase the same because of such erroneous and mistaken belief.

PAR. 7. The aforesaid acts and practices of the respondent, as herein alleged, are all to the prejudice and injury of the public and constitute unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

#### REPORT, FINDINGS AS TO THE FACTS, AND ORDER

Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission, on January 26, 1940, issued and subsequently served its complaint in this proceeding upon the respondent, The Sheffield Silver Company, charging it with the use of unfair and deceptive acts and practices in commerce in violation of the provisions of said Act. Said complaint was amended by a stipulation between counsel, approved by the Commission on November 30, 1944. After the issuance of said complaint and the filing of respondent's answer thereto, testimony and other evidence in support of and in opposition to the allegations of the complaint were introduced before hearing examiners of the Commission theretofore duly designated by it, and such testimony and other evidence were duly recorded and filed in the office of the Commission. Thereafter the matter came on to be heard by the Commission upon the complaint as amended, the answer thereto, testimony and other evidence, report upon the evidence of Hearing Examiners Andrew B. Duvall and Webster Ballinger and exceptions thereto, and briefs and oral argument of counsel; and the Commission, on May 28, 1946, ordered that the case be reopened for the taking of further testimony in support of and in opposition to the

complaint as amended. Additional testimony and other evidence in support of and in opposition to the complaint as amended were thereafter introduced before Hearing Examiner Clyde M. Hadley, who had theretofore been duly designated by the Commission, it having been stipulated between counsel that the Commission might designate a substitute hearing examiner to take and receive such additional testimony, and such additional testimony and other evidence were duly recorded and filed in the office of the Commission.

Thereafter this matter came on for final hearing before the Commission upon the complaint as amended, answer thereto, testimony and other evidence, report upon the evidence of Hearing Examiners Duvall and Ballinger and exceptions thereto, recommended decision of Hearing Examiner Hadley and exceptions thereto, and briefs and oral argument of counsel; and the Commission, having duly considered the matter and having issued its order disposing of the exceptions to the report upon the evidence of Hearing Examiners Duvall and Ballinger and to the recommended decision of Hearing Examiner Hadley, and being now fully advised in the premises, finds that this proceeding is in the interest of the public and makes this its findings as to facts and conclusion drawn therefrom.

#### FINDINGS AS TO THE FACTS

PARAGRAPH 1. Respondent, The Sheffield Silver Company, is a corporation organized and existing under and by virtue of the laws of the State of New York, with its office and principal place of business located at 17 Crosby Street, New York, New York. Respondent is now, and for a number of years last past has been, engaged in making silver-plated hollow ware and in the sale and distribution thereof to retail dealers located throughout the United States, who in turn sell respondent's said products to the public.

PAR. 2. In the course and conduct of its aforesaid business, respondent causes its said products, when sold, to be transported from its place of business in the State of New York to purchasers thereof located in various other states of the United States and in the District of Columbia, and maintains, and at all times mentioned herein has maintained, a course of trade in said products in commerce between and among various states of the United States and in the District of Columbia.

PAR. 3. In the course and conduct of its aforesaid business, respondent trades under its corporate name "The Sheffield Silver Company" and causes this name to be prominently displayed in its catalogs, on its letters and invoices, and on labels affixed to the cartons in which said products are packed and shipped.



Respondent imprints upon the back of its silver-plated hollow ware, and in its catalogs, impressions of the crown, a head, and the letter "S", in immediate conjunction with one another.

PAR. 4. The city of Sheffield, England, has for several centuries been a place of manufacture of both sterling and plated silverware. From about 1742 until the middle of the nineteenth century, this city excelled in the manufacture of silverware designated as "Silver Plate," made of copper coated with silver by fusion. This process lapsed on the introduction of the method of silver plating by electrodeposition, about the middle of the nineteenth century, and from that time until the present the electrodeposition process has been largely, if not entirely, used in the manufacture of plated silverware in the city of Sheffield, England. Due to the special skill of its artisans and the standards of quality set by the city of Sheffield, silver-plated ware manufactured in Sheffield has an established reputation for excellence in the United States and has made the city of Sheffield known throughout the United States as a place of manufacture of silverware, and especially silver-plated hollow ware, of a high quality. There is a definite preference on the part of a substantial portion of the purchasing public for silver-plated ware of English manufacture.

PAR. 5. Since 1773 there have been imprinted on sterling silverware made in the city of Sheffield, England, certain marks known and designated as hallmarks. Among such marks have been the crown, a head, and periodically the letter "S". The crown is the mark of origin, that is, the city of Sheffield; the head, the duty mark; and the letter "S", the year of manufacture. These marks have become associated in the minds of substantial numbers of the purchasing public with silverware of English origin, and to certain members of the purchasing public, with silverware made in Sheffield, England. The crown, a head, and the letter "S" imprinted by the respondent on its products and in its catalogs simulate the genuine hallmarks imprinted on sterling silverware made in Sheffield, England.

PAR. 6. Respondent sells its silver-plated ware only to the trade, and does not advertise or sell direct to the consuming public. The word "Sheffield" does not appear upon said products. In offering respondent's products to prospective purchasers, retail dealers, following trade custom, do so without statement as to the manufacturer thereof. Most prospective purchasers, however, inquire as to the name of the manufacturer, and they are informed that it is "The Sheffield Silver Company"—but no more, unless, as rarely happens, further inquiry is made as to the location of the manufacturer's plant. Through such custom of prospective purchasers of making inquiry of dealers as to the name of the manufacturer, and through the prac-

tice of dealers of informing them that it is "The Sheffield Silver Company," respondent's corporate name is brought to the attention of a substantial portion of the purchasing public.

PAR. 7. There is knowledge among members of the purchasing public in this country that Sheffield, England, is an important source of silverware and silver-plated ware of English manufacture, and also knowledge of such ware, which is frequently designated as "Sheffield Silver." The word "Sheffield" used in connection with silver-plated ware, whether separately or as a part of respondent's corporate name, creates in the minds of a substantial portion of the purchasing public an impression that such ware was manufactured in Sheffield, England, or elsewhere in England. The testimony of public witnesses shows that such impressions persist even after they have been told that The Sheffield Silver Company has its factory in New York, New York, and some such witnesses rationalized the contradiction by assuming that The Sheffield Silver Company must be a branch of, or connected in some way with, an English company, or else the contradiction resulted in confusion and uncertainty.

The symbols or insignia which the respondent imprints on the back of its silver-plated ware and in its catalogs, consisting of the crown, a head, and the letter "S", create in the minds of a substantial portion of the purchasing public an impression that such products were manufactured in Sheffield, England, or elsewhere in England.

PAR. 8. The silver-plated hollow ware sold by the respondent is not made in Sheffield, England, but all of respondent's products are made at its place of business at 17 Crosby Street, New York, New York.

PAR. 9. In considering the facts shown by the record, the Commission has taken into account the cumulative effect of respondent's use of the word "Sheffield" and of its use of simulations of markings used on silverware manufactured in England, which serve no legitimate purpose that could not be equally well served without resorting to such simulations. Consideration has also been given to the individual and collective impact of these practices upon members of the purchasing public in the light of the beliefs and impressions which the record shows they entertain with respect to silver and silver-plated ware and also the confusion and uncertainty engendered. The Commission concludes from the record, and therefore finds, that the use of the word "Sheffield" as a part of the respondent's corporate name, and otherwise, as hereinabove set out, and the use of the symbols or insignia hereinabove described, individually and collectively have the tendency and capacity to mislead and deceive purchasers and prospective purchasers of respondent's silver-plated ware into the errone-

ous and mistaken belief that its said ware is made in Sheffield, England, or elsewhere in England, and to induce substantial numbers of the purchasing public to purchase said products because of such erroneous and mistaken belief. These acts and practices of the respondent also place in the hands of dealers purchasing respondent's products a means and instrumentality whereby they may mislead and deceive purchasers and prospective purchasers as to the place of origin of said products.

#### CONCLUSION

The acts and practices of the respondent as hereinabove found are all to the prejudice and injury of the public and constitute unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

Although respondent's use of the word "Sheffield" has the tendency and capacity to deceive, as hereinabove found, the Commission, upon consideration of the remedy necessary to eliminate the deception which results from the use of said word, took into consideration the fact, among others, that the respondent does not mark its silver-plated ware with the word "Sheffield" as a part of its trade name or otherwise, and has determined that in the circumstances of this case it is not necessary to excise the word "Sheffield" from the respondent's corporate name. The Commission is of the opinion that the deception which is shown to result from respondent's use of the word can be eliminated by the order to cease and desist entered herewith.

In reaching this decision the Commission gave careful consideration to the qualified use of the word "Sheffield" permitted by its modified order in Docket No. 1068, Samuel E. Bernstein, Inc., now National Silver Company. This proceeding raises no issue as to whether the respondent here has copied the designs or patterns of Old Sheffield Plate, and, as stated, the respondent has not followed the practice of marking its silver-plated ware with the word "Sheffield" as a part of its trade name or otherwise. This proceeding does not, therefore, raise for determination the question of whether or not it would be proper for the respondent to mark its silver-plated ware with the word "Sheffield" in any manner, and accordingly the findings as to the facts and the order to cease and desist in this matter do not cover that point. However, during hearings before the Commission on a tentative order which the Commission proposed to enter in this matter, which tentative order was the same in effect as the order which is being entered herewith, the question of whether it would be proper for the respondent to now adopt for the first time the practice of marking its products with its corporate name was raised.

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Therefore, in order to avoid the possibility of any misinterpretation of the scope and effect of the order to cease and desist entered herewith, the Commission deems it appropriate to state that such order is not intended to sanction the use of the word "Sheffield," as a part of respondent's corporate name or otherwise, on respondent's silver-plated ware in any manner which would be inconsistent with the modified order in Docket No. 1068, Samuel E. Bernstein, Inc., now National Silver Company.

Commissioner Carretta not participating for the reason that oral argument on the merits was heard prior to his appointment to the Commission.

## ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission, answer of the respondent, testimony and other evidence in support of and in opposition to the allegations of said complaint taken before trial examiners of the Commission theretofore duly designated by it, report upon the evidence by Hearing Examiners Andrew B. Duvall and Webster Ballinger and exceptions thereto, recommended decision of Hearing Examiner Clyde M. Hadley and exceptions thereto, and briefs and oral argument of counsel; and the Commission having made its findings as to the facts and its conclusion that the respondent has violated the provisions of the Federal Trade Commission Act:

*It is ordered*, That the respondent, The Sheffield Silver Company, a corporation, its officers, representatives, agents, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale, and distribution of its silver-plated wares made in the United States, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Using the word "Sheffield" as a part of a corporate or trade name, or in any other manner, unless it is clearly revealed in immediate connection with said word that respondent's said products are made in the United States and unless each of the said products is permanently marked or stamped in such a manner as to clearly reveal that it is made in the United States.
2. Stamping, imprinting, marking, or otherwise placing on its said products, or in printed matter used in connection therewith, any marks which imitate or simulate the hallmarks or other markings customarily and generally used by English manufacturers on their silverware.

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Order

*It is further ordered,* That the respondent shall, within sixty (60) days after service upon it of this order, file with the Commission a report in writing setting forth in detail the manner and form in which it has complied with this order.

Commissioner Carretta not participating for the reason that oral argument on the merits was heard prior to his appointment to the Commission.

IN THE MATTER OF  
INTERNATIONAL ASSOCIATION OF ELECTROTYPERS &  
STEREOTYPERS, INC. ET AL.

COMPLAINT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION  
OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914

*Docket 5356. Complaint, July 20, 1945—Decision, Oct. 23, 1952*

Where a corporate association, its officers and members which included a large proportion of the producers of electrotypes, stereotypes, and matrices, and the majority of electrotypers located in the large cities of the United States with the exception of the Pacific Coast; fifteen local or regional associations of such producers and members; certain officers thereof; and certain non-member producers—

Entered into and carried out a conspiracy and planned common course of action among themselves to restrain and suppress competition in the sale of electrotypes, stereotypes, and matrices; and

Where said corporate association, its officers and numerous members, pursuant thereto—

- (a) Devised and promulgated, over a period of years, various standard scales of prices, including their "ratio" scale involving the application of a multiplier for use in conjunction with the figures appearing therein, in lieu of the dollars and cents values shown in previous scales, and disseminated and distributed said various scales of prices among local and regional associations, and various non-member concerns, and sought thereby to stabilize the prices for their products; and

Where the aforesaid fifteen local associations, namely, groups in New England, Chicago, New York City and State, Ohio, Wisconsin, Pacific Northwest, Potomac District, St. Louis, Philadelphia, Detroit, Indiana, and Northern and Southern California, associated in a number of ways with the national organization, and various members thereof—

- (b) Cooperated with each other and worked together within their respective local associations and between and among themselves and with the national association, to restrain and suppress competition in the sale of the products concerned through the adoption and use of the various scales of the national association, or scales of their own based thereon, and through other action as to prices, terms of sale, and trade customs and practices; and

Where some seventeen non-member concerns, engaged in the manufacture, sale and distribution of one or more of the products involved—

- (c) Participated in various of the activities above described and acted in concert and cooperation with one or more of the others by adopting and using the various standard scales devised and promulgated by the national association in the sale of their products, and by using the same prices, terms and discounts as those employed by the member concerns;

Whereby the prices at which the products involved were offered and sold were generally uniform in any given marketing area;

Tendency, capacity, and effect of which conspiracy and planned common course of action, and of the acts performed pursuant thereto were to substantially restrain and suppress competition in price in the sale of electrotypes, stereotypes, and matrices in interstate commerce; to place in their hands the power to control the market and enhance the prices of such products; to create in them monopoly in the sale thereof; and to unreasonably restrain commerce therein:

*Held*, That such acts and practices constituted unfair methods of competition in commerce.

As respects some member and non-member concerns which, unlike the vast majority, did not appear to have been engaged in interstate commerce: they were, nevertheless, parties to the combination and conspiracy involved, either through their affiliation with said associations or because of their participation in the acts and practices performed in furtherance of the course of action common to them all; and were in competition in the sale of their products with other members and with one another in their respective marketing areas except insofar as such competition had been lessened, restrained, or restricted as a result of the acts and things above set out.

Before *Mr. John L. Hornor* and *Mr. Everett F. Haycraft*, hearing examiners.

*Mr. Reuben J. Martin* and *Mr. Lewis F. Depro* for the Commission.

*Mr. Abram F. Myers*, of Washington, D. C., and *Lincoln & Raye*, of Boston, Mass., for International Association of Electrotypers and Stereotypers, Inc., numerous other associations, and various officers, directors and members thereof.

*Gann, Secord, Stead & McIntosh*, of Chicago, Ill., for Central Type-setting & Electrotyping Co.

*Mr. Clifton E. Brooks*, of Oakland, Calif., for American Electrotype Division of Electrotype Corp., Filmer Bros. Electrotype Co., Northern California Electrotypers & Stereotypers Ass'n., American Electrotype Division of Electrographic Corp., Bert Hoffschneider & Brother, Inc., Printing Plates Co., Western Newspaper Union of San Francisco, Calif. and A. W. Hoffschneider Co.

*Dwight, Royall, Harris, Koegal & Caskey*, of New York City, for Western Newspaper Unions of Boston, Mass., Chicago, Ill., Portland, Oreg., Philadelphia, Pa., Indianapolis, Ind., New York City and San Francisco, Calif., and C. A. Parsons, Mulligan & Walsh, Inc., L. R. Dowling and R. McDonald.

*Campbell, Clithero & Fischer*, of Chicago, Ill., for Cuneo Press, Inc.

*Gallop, Climenko, Gould & Lynton*, of New York City, for J. J. Little & Ives Co.

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*Mr. Alexander R. McDonald*, of New York City, for National Electrotrope Co. and Ad Plate & Mat Co., Inc.

*Mr. Frank V. McMahon* and *Mr. John T. McGovern*, of New York City, for Electrotypers and Stereotypers Ass'n. of New York, Inc. and its officers, directors and members.

*Mr. J. Raymond Tiffany*, of Hoboken, N. J., and *Mr. Benjamin Werne*, of New York City, for Quinn & Boden Co., Inc., W. B. Conkey Co., J. S. Cushing Co. and Albany Electrotrope Co., Inc.

*Mr. Harry R. Simon*, of Huntington Park, Calif., for Albert E. Benson and Rapid Electrotrope Co.

*Mayer, Meyer, Austrian & Platt*, of Chicago, Ill., for Meyer Both Co.

*Large, Reno & Zahm*, of Rockford, Ill., for Rockford Illustrating Co.

*Posner, Berge, Fox & Arent*, of Washington, D. C., for Colonial Press, Inc.

*Mr. Seymour H. Person*, of Lansing, Mich., and *Donohue & Kaufmann*, of Washington, D. C., for Lansing Electrotrope Co.

*Mr. Charles W. Sterling*, of St. Paul, Minn., for Rotary Press Co.

*Mr. William J. Nolan*, of Boston, Mass., for Plimpton Press.

*Mr. Arthur G. Heyne*, of St. Louis, Mo., for Lee Seibert.

*Mr. Albert W. Venino*, of New York City, for Cornwall Press, Inc.

*Fish, Richardson & Neave*, of New York City, for Gilman Fanfold Corp.

*Galvin, Tracy, Geoghegan, Levy & Milliken*, of Cincinnati, Ohio, for McDonald Printing Co., Inc.

*Mr. Walter J. Wagner*, of Pittsburgh, Pa., for Anna Bauer Sullivan, executrix for Joseph W. Sullivan.

*Mr. Charles S. Wheeler, Jr.*, of San Francisco, Calif., for Muirson Label Co., Inc.

*Brobeck, Phleger & Harrison*, of San Francisco, Calif., for Precision Electrotrope Co.

*Falk, Twelvetrees, Johnston & Siemer*, of Buffalo, N. Y., for Mechano Duoplate, Inc.

*Lines, Spooner & Quarles*, of Milwaukee, Wis., and *Mr. Maynard Reiersen*, of Menasha, Wis., for Marathon Corp.

## COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said Act, the Federal Trade Commission having reason to believe that the associations, individuals, partners, and corporations named in the caption hereof, and



hereinafter more particularly described and referred to as respondents, have violated the provisions of section 5 of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent International Association of Electrotypers and Stereotypers, Inc., is a nonprofit corporation organized and existing under the laws of the State of Ohio with its principal office and place of business located at 949 Leader Building, in the city of Cleveland, Ohio. The membership of said respondent International Association of Electrotypers and Stereotypers, Inc., is composed of various individuals, partnerships and corporations who are located in the several States of the United States and who are engaged in the manufacture, sale and distribution of electrotypes, stereotypes, matrices and multigraphs in interstate commerce.

Said respondent International Association of Electrotypers and Stereotypers, Inc., was organized for the avowed purposes of fostering friendship between the producers of electrotypes and stereotypes; of devising ways and means for advancing the interests of the industry, of spreading its influence through the establishment of local and sectional associations, and of developing cooperation in all matters of mutual interest; of thoroughly organizing the electrotypers and stereotypers in America and of maintaining a just and equitable method of conducting business; of urging electrotypers and stereotypers to cooperate with one another to eliminate the evils of ignorant and ruinous competition; of spreading a wider knowledge of cost elements and of what constitutes a proper remuneration; and of establishing standards, principles and policies for the guidance of its membership in their dealings with one another and with the public.

The names and addresses of the officers of said respondent International Association of Electrotypers and Stereotypers, Inc., who, individually and as such officers of said respondent, are named as respondent herein, are: H. G. Hoff, President, c/o Chicago Electrotypes & Stereotype Company, 350 East 22nd Street, Chicago, Illinois; Walter C. Dohm, First Vice President, c/o Norman-Dohm-O'Flaherty Co., Inc., 228 East 45th Street, New York, New York; Dennis F. Hoynes, Second Vice President, c/o The Central Electrotypes Company, 1760 East 22nd Street, Cleveland, Ohio; Geo. C. Scott, Statistician, c/o New England Electrotypes Company, Inc., 470 Atlantic Avenue, Boston, Massachusetts; and Albert P. Schloegel, Secretary-Treasurer, 949 Leader Building, Cleveland, Ohio.

The names and addresses of the members of the Executive Board of said respondent International Association of Electrotypers and

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Stereotypers, Inc., residing in the United States, who, individually and as such members of the Executive Board of said respondent, are named as respondents herein, are: C. C. Barnes, c/o Fort Wayne Engraving Company, 120 West Superior Street, Fort Wayne, Indiana; Chas. E. Deye, c/o The Quality Engraving and Electrotyping Company, 436 Commercial Square, Cincinnati, Ohio; Walter C. Dohm, c/o Norman-Dohm-O'Flaherty Co., Inc., 228 East 45th Street, New York, New York; Dennis F. Hoynes, c/o The Central Electrotype Company, 1760 East 22nd Street, Cleveland, Ohio; Leighton R. Johnson, c/o A. G. Johnson Electrotype Company, 308 South Sixth Street, Minneapolis, Minnesota; Arthur N. Knol, c/o Central Typesetting & Electrotype Company, 4600 Diversey Avenue, Chicago, Illinois; Wm. C. Lennox, c/o Rochester Electrotype & Engraving Co., Inc., 170 North Water Street, Rochester, New York; C. A. Mawicke, c/o Pontiac Engraving & Electrotype Company, 812 West Van Buren Street, Chicago, Illinois; D. E. McAllister, c/o Progress Plate Making Co., 917 Filbert Street, Philadelphia, Pennsylvania; Sam Ross McElreath, 1121 Canton Street, Dallas, Texas; Chas. E. Murray, c/o Potomac Electrotype Co., Inc., 1508 Eckington Place, N. E., Washington, D. C.; C. W. Remington, c/o The Milwaukee Electrotype Co., 1127 North 7th Street, Milwaukee, Wisconsin; F. W. Kreber, c/o Van Bolt-Kreber Electrotype Co., 40 South Third Street, Columbus, Ohio; Robert T. Rowell, c/o Robert Rowell Electrotype Co., 122 South First Street, Louisville, Kentucky; Joseph Schwartz, c/o Westcott & Thomson, Inc., 109-115 North 11th Street, Philadelphia, Pennsylvania; Geo. C. Scott, c/o New England Electrotype Co., Inc., 470 Atlantic Avenue, Boston, Massachusetts, and H. G. Hoff, c/o Chicago Electrotype & Stereotype Co., 350 East 22nd Street, Chicago, Illinois.

The membership of said respondent International Association of Electrotypers and Stereotypers, Inc., constitutes a class so numerous and changing as to make it impracticable to specifically name them all as parties respondent herein. The following, among others, are members of said respondent International Association of Electrotypers and Stereotypers, Inc., are fairly representative of the whole membership, and are named as respondents herein in their individual capacities, in their capacities as members of said respondent International Association of Electrotypers and Stereotypers, Inc., and as representatives of all members of said respondent International Association of Electrotypers and Stereotypers, Inc., as a class, including those not herein specifically named who are also made respondents herein: Fort Wayne Engraving Company, 120 West Superior Street, Fort Wayne, Indiana; The Quality Engraving and Electrotyping

Company, 436 Commercial Square, Cincinnati, Ohio; Norman-Dohm-O'Flaherty Co., Inc., 228 East 45th Street, New York, New York; The Central Electrotype Company, 1760 East 22nd Street, Cleveland, Ohio; A. G. Johnson Electrotype Company, 308 South Sixth Street, Minneapolis, Minnesota; Central Typesetting & Electrotyping Company, 4600 Diversey Avenue, Chicago, Illinois; Rochester Electrotype & Engraving Co., Inc., 170 North Water Street, Rochester, New York; Pontiac Engraving & Electrotype Company, 812 West Van Buren Street, Chicago, Illinois; Potomac Electrotype Co., Inc., 1508 Eckington Place, N. E., Washington, D. C.; The Milwaukee Electrotype Co., 1127 North 7th Street, Milwaukee, Wisconsin; Van Bolt-Kreber Electrotype Co., 40 South Third Street, Columbus, Ohio; Westcott & Thomson, Inc., 109-115 North 11th Street, Philadelphia, Pennsylvania; New England Electrotype Co., Inc., 470 Atlantic Avenue, Boston, Massachusetts; Chicago Electrotype & Stereotype Co., 350 East 22nd Street, Chicago, Illinois; Colorado Stereotype Company, 1802 Broadway, Denver, Colorado; The Filmer Bros., Electrotype Company, 330 Jackson Street, San Francisco, California; American Electrotype Division of Electrographic Corporation, 329 Fremont Street, San Francisco, California; Portland Electrotype & Stereotype Co., Inc., 718 West Burnside Street, Portland, Oregon; Oregon Engraving & Electrotype Co., 31 N. W. Ninth Avenue, Portland, Oregon; Pacific Electrotype Co., Inc., 202 Maritime Building, Seattle, Washington; Spokane Electrotype Co., East 30 Sprague Avenue, Spokane, Washington; and Sam Ross McElreath trading as Sam Ross McElreath Co., 312 Crawford St., Houston, Texas.

PAR. 2. Respondent New England Electrotypers Association is a nonstock corporation organized and existing under the laws of the State of Massachusetts, with its principal office located at 29 Worthington Street in the city of Springfield, Massachusetts. The membership of said respondent New England Electrotypers Association is composed of individuals, partnerships and corporations who are located in various parts of the New England States and who are engaged in the manufacture, sale and distribution in interstate commerce of electrotypes, stereotypes, matrices and multigraphs.

Said respondent New England Electrotypers Association was organized for the avowed purpose, among others, "to foster, encourage and develop cooperative action between members of this corporation and also in connection therewith in the interest of the members of the corporation to do every and all legal things to assist in the elimination of unfair methods of competition and trade abuses in the industry in which the members of this corporation are engaged and in furtherance of this objective to collect and disseminate information relating in

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any way to the purpose of this corporation, which will be of advantage to the members of the corporation."

The names and addresses of the officers of said respondent, New England Electrotypers Association, who, individually and as such officers of said respondent New England Electrotypers Association are named as respondents herein are: George C. Scott, president, c/o New England Electrotype Company, 470 Atlantic Street, Boston, Massachusetts; Harry M. Midwood, vice president, c/o Barnum-Hayward Electrotype Company, Inc., 116 Olive Street, New Haven, Connecticut; Frank Galvin, treasurer, c/o Royal Electrotype Company of New England, 292 Main Street, Cambridge, Massachusetts; and Dr. Edward H. Chamberlain, secretary, 685 Commonwealth Avenue, Boston, Massachusetts.

The names and addresses of the members of the Board of Directors of said respondent, New England Electrotypers Association, who, individually and as such members of the Board of Directors of said New England Electrotypers Association, are named as respondents herein are, in addition to the above-named officers who are also directors, the following: Eigner Ringquist, c/o Electrotype Service Corporation, 63 Portland Street, Worcester, Massachusetts; Charles F. Hamilton, c/o Home City Electrotype Works, Inc., 29 Worthington Street, Springfield, Massachusetts; Arthur Tomlinson, c/o Bickford Engraving & Electrotype Company, 20 Mathewson Street, Providence, Rhode Island.

The names and addresses of the members of said respondent, New England Electrotypers Association, who, individually and as such members of said respondent New England Electrotypers Association are named as respondents herein are: New England Electrotype, Inc., 470 Atlantic Avenue, Boston, Massachusetts; Back Bay Electrotype & Engraving Company, 172 Columbus Avenue, Boston, Massachusetts; Shea & Manton Company, 40 Lincoln Street, Boston, Massachusetts; Western Newspaper Union, 144 High Street, Boston, Massachusetts; Royal Electrotype Company of New England (292 Main Street, Cambridge, Massachusetts; Holyoke Electrotype Company, 23 Spring Street, Holyoke, Massachusetts; Lowell Electrotype Foundry, 27 Jackson Street, Lowell, Massachusetts; Home City Electrotype Works, Inc., 29 Worthington Street, Springfield, Massachusetts; Electrotype Service Corporation, 63 Portland Street, Worcester, Massachusetts; Bickford Engraving & Electrotype Company, 20 Mathewson Street, Providence, Rhode Island; Barnum-Hayward Electrotype Co., Inc., 116 Olive Street, New Haven, Connecticut; Winfred A. Jackson trading as Augusta Electrotype Company, Winthrop & Per-

ham Streets, Augusta, Maine; and Walter J. Meserve, Inc., 105 Middle Street, Portland, Maine.

PAR. 3. Respondent, Chicago Employing Electrotypers Association, is a voluntary unincorporated trade association with its principal office and place of business located at 431 South Dearborn Street in the city of Chicago, Illinois. The membership of said respondent Chicago Employing Electrotypers Association is composed of individuals, partnerships and corporations engaged in the manufacture, sale and distribution in interstate commerce of electrotypes and matrices.

The names and addresses of the officers of said respondent Chicago Employing Electrotypers Association who, individually and as such officers of said respondent, are named as respondents herein are: Albert J. Fleig, president, c/o National Electrototype Company, 626 Federal Street, Chicago, Illinois; George W. Liddle, vice president, c/o Ace Electrototype Company, 426 South Clinton Street, Chicago, Illinois; William H. Wohlberg, treasurer, c/o Acme Electrototype Company, 712 Federal Street, Chicago, Illinois; and Thomas J. Ramsay, secretary, 832 Manhattan Building, 431 South Dearborn Street, Chicago, Illinois.

The names and addresses of the Board of Governors of said respondent Chicago Employing Electrotypers Association who, individually and as such members of the Board of Governors of said respondent Chicago Employing Electrotypers Association, are named as respondents herein are the above-named Albert J. Fleig, George W. Liddle and William H. Wohlberg, together with C. A. Parsons, c/o Western Newspaper Union, 210 South Desplaines Street, Chicago, Illinois, and Ed. A. Dominik, c/o Central Typesetting & Electrototype Company, 4600 Diversey Avenue, Chicago, Illinois.

The names and addresses of the members of said respondent Chicago Employing Electrotypers Association who, individually and as such members of said respondent Chicago Employing Electrotypers Association, are named as respondents herein are: A. B. C. Electrototype Company, 522 South Clinton Street, Chicago; Ace Electrototype Company, 426 South Clinton Street, Chicago; Acme Electrototype Company, 712 Federal Street, Chicago; Blomgren Bros. & Company, 512-522 Sherman St., Chicago; Central Typesetting & Electrototype Company, 4600 Diversey Avenue, Chicago; Arthur W. McGrath, trading as Century Electrototype Company, 547 South Clark Street, Chicago; Consolidated Electrotypers, Inc., 732 Federal Street, Chicago; Globe Engraving & Electrototype Company, 711 South Dearborn Street, Chicago; Illinois Electrototype Company, 501 South Jefferson Street, Chicago; Lake Shore Electro Company, 418 South Market Street, Chi-

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Chicago; Lead Mold Electro Company, 3303 North Racine Avenue, Chicago; Foot, Cohn & Belding, 919 North Michigan Avenue, Chicago; National Electrotype Company, 626 Federal Street, Chicago; Partridge & Anderson Company, 712 Federal Street, Chicago; Pontiac Engraving & Electrotype Company, 812 West Van Buren Street, Chicago; F. J. Ringler & Company, 732 Federal Street, Chicago; Schroeder Bros. Company, 501 South Jefferson Street, Chicago; United Electrotype & Stereotype Company, 426 South Clinton Street, Chicago; and Western Newspaper Union, 210 South Desplaines Street, Chicago.

PAR. 4. Respondent, Chicago Employing Stereotypers Association, is a voluntary unincorporated trade association, with its principal office and place of business located at 431 South Dearborn Street, Chicago, Illinois. The membership of said respondent Chicago Employing Stereotypers Association is composed of individuals, partnerships and corporations engaged in the manufacture, sale and distribution of stereotypes, matrices and lithographs in interstate commerce.

The names and addresses of the officers of said respondent, Chicago Employing Stereotypers Association, who, individually and as said officers of said Association, are named as respondents herein are: L. P. Sale, president, c/o Progressive Matrix Company, 517 South Jefferson Street, Chicago; Arthur W. McGrath, c/o Century Electrotype Company, 547 South Clark Street, Chicago; F. A. Herrgott, treasurer, c/o The Cuneo Press, Inc., Cermak Road, Canal and Grove Streets, Chicago; and T. J. Ramsay, secretary, 431 South Dearborn Street, Chicago.

The names and addresses of the members of said respondent, Chicago Employing Stereotypers Association, who, individually and as such members of said respondent association, are named as respondents herein are: George R. Olson, Sr. and George R. Olson, Jr., partners, trading as Advance Printing Plate Company, 727 South Dearborn Street, Chicago; Central Typesetting & Electrotype Company, 4600 Diversey Avenue, Chicago; Arthur W. McGrath, trading as Century Electrotype Company, 547 South Clark Street, Chicago; Chicago Electrotype & Stereotype Company, 350 East 22nd St., Chicago; The Cuneo Press, Inc., 455 West Cermak Road, Chicago; Graphic Arts Electrotype & Matrix Company, 547 South Clark Street, Chicago; Lake Shore Electrotype Company, 418 South Market Street, Chicago; Foot, Cohn & Belding, 919 North Michigan Avenue, Chicago; Merchants Matrix Cut Syndicate, 538 South Clark Street, Chicago; Monarch Matrix & Stereotype Company, 732 Federal Street, Chicago; Partridge & Anderson Company, 712 Federal Street, Chicago; Progressive Matrix Company, 517 South Jefferson Street, Chi-

cago; Western Newspaper Union, 210 South Desplaines Street, Chicago.

PAR. 5. Respondent Electrotypers & Stereotypers Association of New York, Inc., is a corporation organized and existing under the laws of the State of New York, with its principal office and place of business located at 110 East 42nd Street, in the city of New York, New York. The membership of said respondent, Electrotypers & Stereotypers Association of New York, Inc., is composed of individuals, partnerships and corporations engaged in the manufacture, sale and distribution in interstate commerce of electrotypes, stereotypes, matrices and multigraphs.

The names and addresses of the officers of said respondent, Electrotypers & Stereotypers Association of New York, Inc., who, individually and as such officers of said respondent are named as respondents herein are: Walter C. Dohm, president, % Norman-Dohm-O'Flaherty Company, Inc., 228 East 45th Street, New York, New York; Walter C. Flower, vice president, % Edwin Flower, Inc., 216 William Street, New York, New York; Augustus Davis, % Knickerbocker Electrotype Company, 424 West 33rd Street, New York, New York; James S. Love, treasurer, % The Cresset Company, 110 Greenwich Street, New York, New York; and Peter F. Reagan, Jr., managing director, % Electrotypers & Stereotypers Association of New York, Inc., 110 East 42nd Street, New York, New York.

The names and addresses of the directors of said respondent, Electrotypers & Stereotypers Association of New York, Inc., who individually and as such directors of said respondent, are named as respondents herein are: the above named officers; Joseph Reilly, % Reilly Electrotype Company, 305 East 45th Street, New York, New York; and Isaac Rubin, % Gilliams & Rubin, Inc., 225 West 39th Street, New York, New York.

The names and addresses of the members of said respondent, Electrotypers & Stereotypers Association of New York, Inc., who, individually and as such members of said respondent, are named as respondents herein are: Atlantic Electrotype & Stereotype Company, 228 East 45th Street, New York City; J. T. Buntin, Inc., 228 East 45th Street, New York City; Central Electrotype Foundry Co., Inc., 71 Warren Street, Newark, New Jersey; Conde, Nast Engravers, Inc., Greenwich, Connecticut; County Life Press, Corp., Garden City, New York; The Cresset Company, 110 Greenwich Street, New York City; The Thomas H. Crosley Company, 17-19 Rose Street, New York City; Edwin Flower, Inc., 216 William Street, New York City; Flower Steel Electrotype Company, 461 Eighth Avenue, New York City; Foot.

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Cohne & Belding, 305 East 45th Street, New York City; Galvanic Printing Plate & Matrix Company, Inc., 9-13 Barrow Street, New York City; Gilliams & Rubin, Inc., 225 West 39th Street, New York City; Globe-Saam Electrotype Corp., 240 West 40th Street, New York City; Higwell Matrix Company, Inc., 240 West 40th Street, New York City; Kingsboro Electrotype Corp., 300 Adams Street, Brooklyn, New York; Knickerbocker Electrotype Company, 424 West 33rd Street, New York City; J. J. Little & Ives Company, 435 East 24th Street, New York City; Metro Matrix & Reproduction Company, Inc., 275 Seventh Avenue, New York City; National Electrotype Company, 227 East 45th Street, New York City; New York Electrotyping Company, 311 West 43rd Street, New York City; Norman-Dohm-O'Flaherty Company, Inc., 228 East 45th Street, New York City; Nu-Method Matrix & Plate Company, Inc., 239 West 39th Street, New York City; Quinn & Boden Company, Inc., Jackson & Elizabeth Avenues, Rahway, New Jersey; Reilly Electrotype Company, 305 East 45th Street, New York City; F. A. Ringler Company, 39 Barclay Street, New York City; Jacob Weinstein, trading as The Sherwen Company, 40-42 West 27th Street, New York City; Stoddardt-Bell Electrotype Company, 175 Varick Street, New York City and Super Quality Company, Inc., 318 East 23rd Street, New York City.

PAR. 6. Respondent New York State Electrotypers Association is a corporation organized and existing under the laws of the State of New York, with its principal office and place of business located at 365 Furman Street, Syracuse, New York. The membership of said respondent, New York State Electrotypers Association, is composed of individuals, partnerships and corporations who are engaged in the manufacture, sale and distribution of electrotypes, stereotypes, matrices and multigraphs in interstate commerce.

The names and addresses of the officers of said respondent, New York State Electrotypers Association, who, individually and as such officers of said respondent, are named as respondents herein, are: William P. Curry, president, % Syracuse Electrotype Corporation, 148 Gifford Street, Syracuse, New York; Pace N. Curry, vice president, % Syracuse Electrotype Corporation, 148 Gifford Street, Syracuse, New York; and George J. Ryan, secretary, % Syracuse Electrotype Corporation, 148 Gifford Street, Syracuse, New York.

The names and addresses of the members of said respondent New York State Electrotypers Association, who, individually and as such members of said respondent, are named as respondents herein, are: Central City Electrotype Company, Inc., 107 Franklin Street, Syracuse, New York; Syracuse Electrotype Corporation, 148 Gifford Street, Syracuse, New York; Rochester Electrotype & Engraving



Company, Inc., 170 N. Water St., Rochester, New York; S. J. Kelley, trading as S. J. Kelley Engraving Company, Press Annex Building, Binghamton, New York; Theodore Walters, trading as Walters Electrotype Company, 10 Devereux St., Utica, New York; and Bison Electrotype Company, Inc., 33 Franklin St., Buffalo, New York.

PAR. 7. Respondent, Ohio State Association of Electrotypers & Stereotypers is a voluntary, unincorporated trade association, with its principal office and place of business located at 414 Water Street in the city of Akron, Ohio. The membership of said respondent, Ohio State Association of Electrotypers & Stereotypers, is composed of individuals, partnerships and corporations engaged in the manufacture, distribution and sale in interstate commerce of electrotypes, stereotypes, matrices and multigraphs.

The affairs of said respondent Association are conducted by John Weiland, secretary, 414 Water Street, Akron, Ohio, who individually, and as secretary of said Ohio State Association of Electrotypers & Stereotypers, and as representative of the other officers of said respondent whose names are unknown, is named as respondent herein.

The membership of said respondent, Ohio State Association of Electrotypers & Stereotypers, constitutes a class so numerous and changing as to make it impracticable to specifically name them all as parties respondent herein. The following, among others, are members of said respondent Ohio State Association of Electrotypers & Stereotypers, are fairly representative of the whole membership, and are named as respondents herein in their individual capacities, in their capacities as members of said respondent Ohio State Association of Electrotypers & Stereotypers, and as representatives of all members of said respondent Ohio State Association of Electrotypers & Stereotypers as a class, including those not herein specifically named, who are also made respondents herein: The Akron Electrotype & Stereotype Company, 414 Water Street, Akron, Ohio; The Cincinnati Electrotype Company, 528 Walnut Street, Cincinnati, Ohio; The Ace Electrotype Company, 1501 Superior Avenue, Cleveland, Ohio; The Dayton Electrotype Company, 320 W. Fifth St., Dayton, Ohio; Fort Pitt Electrotype Company, Inc., 530 Duquesne Way, Pittsburgh, Pa.; and Atlas Electrotype Corporation, Factories Building, 12th and Woodruff Street, Toledo, Ohio.

PAR. 8. Respondent, Wisconsin Employing Electrotypers Association is a voluntary unincorporated trade association with its principal office and place of business located at 1127 North Seventh Street, in the city of Milwaukee, Wisconsin. The membership of said respondent, Wisconsin Employing Electrotypers Association, is composed of individuals, partnerships and corporations engaged in the

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manufacture, sale and distribution of electrotypes, stereotypes, matrices and multigraphs in interstate commerce.

The affairs of said respondent, Wisconsin Employing Electrotypers Association, are conducted by Clifford W. Remington, 1127 N. Seventh St., Milwaukee, Wis., who, individually, in his capacity as secretary of said respondent Wisconsin Employing Electrotypers Association, and as representative of the other officers of said respondent whose names are unknown, is named as a respondent herein.

The members of said respondent Wisconsin Employing Electrotypers Association, whose names and addresses are unknown are made respondents herein as members of said respondent Association.

PAR. 9. Respondent, Pacific Northwest Electrotypers and Stereotypers Association, is an unincorporated association with its principal office and place of business located at 1010 First Avenue in the city of Seattle, Washington. The membership of said respondent, Pacific Northwest Electrotypers and Stereotypers Association, is composed of individuals, partnerships and corporations engaged in the manufacture, sale and distribution of electrotypes, stereotypes, matrices and multigraphs in interstate commerce.

The names and addresses of the officers of said respondent, Pacific Northwest Electrotypers and Stereotypers Association, who, individually and as such officers of said respondent, are named as respondents herein are: Harold J. Bothel, % Tacoma Electrotype Company, 15th & Commerce Streets, Tacoma, Washington, president, and Arthur Bernhard, % Art Craft Engraving & Electrotyping Co., Inc., 1010 First Avenue, Seattle, Washington.

The names and addresses of the members of said respondent Association residing in the United States of America, who, individually and as such members of said respondent Association, are made parties hereto, are as follows: Metropolitan Press Printing Company, 2603 Third Avenue, Seattle, Washington; Pacific Electrotype Company, Inc., Maritime Building, Seattle, Washington; Art Craft Engraving & Electrotype Company, 1010 First Avenue, Seattle, Washington; Spokane Electrotype Company, East 30 Sprague Avenue, Spokane, Washington; Western Newspaper Union, 1400 N. W.-Hoyt St., Portland, Oregon; Oregon Engraving and Electrotype Company, 9th and Couch Streets, Portland, Oregon; and Harold J. Bothel, trading as Tacoma Electrotype Company, 15th and Commerce Streets, Tacoma, Washington.

PAR. 10. Respondent, Potomac District Association of Electrotypers & Stereotypers, is a voluntary unincorporated trade association, with its principal office and place of business located at 1508 Eckington Place, N. E., in the city of Washington, D. C. The mem-

bership of said respondent, Potomac District Association of Electrotypers & Stereotypers is composed of individuals, partnerships and corporations engaged in the manufacture, sale and distribution of electrotypes, stereotypes, matrices and multigraphs in interstate commerce.

The affairs of said respondent Association are conducted by Charles E. Murray, secretary-treasurer, 1508 Eckington Place, N. E., Washington, D. C., who, individually, in his capacity as secretary-treasurer of said respondent and as representative of the other officers of said respondent Association, whose names are unknown, is named as a respondent herein.

The names and addresses of the members of said respondent, Potomac District Association of Electrotypers & Stereotypers, who, individually and as such members of said Association, are named as respondents herein, are: Baltimore Electrotype Company, Inc., 418-24 East Pratt Street, Baltimore, Maryland; Shane-Beever Co., Inc., 227 North Holliday Street, Baltimore, Maryland; A. W. Harrison & Sons, Inc., 313-315 S. Sharp St., Baltimore, Maryland; Potomac Electrotype Company, Inc., 1508 Eckington Place, N. E., Washington, D. C.; American Electrotype Company, Inc., 930 H Street, N. W., Washington, D. C.; The Maple Press Company, Inc., 210 York Street, York, Pennsylvania; The Pennsylvania Electrotype Company, Inc., Pine Street and Boundary Avenue, York, Pennsylvania; Metropolitan Engraving & Electrotype Company, Inc., 1314 Ross Street, Richmond, Virginia; and H. D. Jordan, trading as Virginia Stereotype Service, 1333 East Franklin Street, Richmond, Virginia.

PAR. 11. Respondent, Employing Electrotypers Association of St. Louis, is a voluntary unincorporated trade association, with its principal office and place of business located at 914 Pine Street, in the city of St. Louis, Missouri. The membership of said respondent, Employing Electrotypers Association of St. Louis, is composed of individuals, partnerships and corporations engaged in the manufacture, sale and distribution of electrotypes, stereotypes, matrices and multigraphs in interstate commerce.

The affairs of said respondent, Employing Electrotypers Association of St. Louis, are conducted by George F. Preisler, secretary-treasurer, 914 Pine Street, St. Louis, Missouri, who, individually, in his capacity as secretary-treasurer of said respondent Association and as representative of the other officers of said respondent Association, whose names are unknown, is named as a respondent herein.

The names and addresses of the members of said respondent Employing Electrotypers Association, of St. Louis, who, individually and as members of said respondent Association, are named as respondents

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herein, are: Reinert-Preisler Electrotype Company, 914 Pine Street, St. Louis, Missouri; The Progressive Electrotype Company, 125 South 11th Street, St. Louis, Missouri; St. Louis Electrotype Foundry Company, 125 South 8th Street, St. Louis, Missouri; and Service Electrotype Company, Inc., 2122 Pine Street, St. Louis, Missouri.

PAR. 12. Respondent, Employing Electrotypers & Stereotypers of Philadelphia is a voluntary unincorporated association with its principal office and place of business located at 109 North 11th Street, in the city of Philadelphia, Pennsylvania. The membership of said association is composed of individuals, partnerships and corporations engaged in the manufacture, sale and distribution in interstate commerce of electrotypes, stereotypes, matrices and multigraphs.

The names and addresses of the officers of said respondent Employing Electrotypers & Stereotypers of Philadelphia, who, individually and as such officers of said respondent, are named as respondents herein, are: D. Edward McAllister, president, c/o Progress Plate Making Co., 917-32 Filbert Street, Philadelphia, Pennsylvania, and Joseph Schwartz, secretary and treasurer, c/o Westcott & Thomson, Inc., 109-115 No. 11th Street, Philadelphia, Pennsylvania.

The names and addresses of the members of said respondent Employing Electrotypers & Stereotypers of Philadelphia, who individually and as such members of said respondent are named as respondents herein, are: Belz Electrotype Co., Inc., 14 South Fifth Street, Philadelphia, Pennsylvania; Western Newspaper Union, 1336 Cherry Street, Philadelphia, Pennsylvania; Royal Electrotype Company, 1309 Noble Street, Philadelphia, Pennsylvania; Westcott & Thomson, Inc., 147-151 North 10th Street, Philadelphia, Pennsylvania; D. Edward McAllister, trading as Hanson Company, Sheridan Building, 9th and Sansom Streets, Philadelphia, Pennsylvania; Elmer Deputy, 123-125 Federal Street, Camden, New Jersey; and George S. Ferguson Company, 15 North Seventh Street, Philadelphia, Pennsylvania.

PAR. 13. Respondent, Detroit Employing Electrotypers & Stereotypers Association, is a voluntary unincorporated Association with its principal office and place of business located at 1959 East Jefferson Avenue in the city of Detroit, Michigan. The membership of said association is composed of individuals, partnerships and corporations, engaged in the manufacture, sale and distribution in interstate commerce of electrotypes, stereotypes, matrices, and lithographs.

The names and addresses of the officers of said respondent Detroit Employing Electrotypers & Stereotypers Association, who, individually and as such officers of said respondent are named as respondents herein, are: Melville H. Kennedy, president, c/o Detroit Electrotype

Co., 1959 East Jefferson Avenue, Detroit, Michigan, and Bob H. Kennedy, secretary and treasurer, c/o Detroit Electrotype Co., 1959 East Jefferson Avenue, Detroit, Michigan.

The names and addresses of the members of said respondent Detroit Employing Electrotypers & Stereotypers Association, who, individually and as such members of said respondent Association are named as respondents herein, are: Louis H. Booze, trading as City Electrotype Co., 314 Beaubien Street, Detroit, Michigan; Congress Electrotype Co., 1326 East Congress Street, Detroit, Michigan; The Bell Electrotype Company, 508 West Congress Street, Detroit, Michigan; Michigan Electrotype & Stereotype Company, 95 West Hancock Avenue, Detroit, Michigan; Northern Electrotype Company, 41 Burroughs Avenue, Detroit, Michigan; and Detroit Electrotype Company, 1959 East Jefferson Avenue, Detroit, Michigan.

PAR. 14. Respondent, Indiana State Electrotypers Association, is a voluntary unincorporated association with its principal office and place of business located at 120 West Superior Street, in the city of Fort Wayne, Indiana. The membership of said association is composed of individuals, partnerships and corporations engaged in the manufacture, sale and distribution in interstate commerce of electrotypes, stereotypes, matrices and multigraphs.

The names and addresses of the officers of said respondent, Indiana State Electrotypers Association, who, individually and as such officers of said respondent are named as respondents herein, are: John N. Rettig, president, c/o Indianapolis Electrotype Foundry, 341-349 East Market Street, Indianapolis, Indiana, and C. C. Barnes, secretary and treasurer, c/o Fort Wayne Engraving Company, 120 West Superior Street, Fort Wayne, Indiana.

The names and addresses of the members of said respondent, Indiana State Electrotypers Association, who, individually and as members of said respondent association are named as respondents herein are: Advance Independent Electrotype Co., Inc., 200 East Sycamore Street, Elkhart, Indiana; Miller Electroplating, Inc., 301 N. W. First Street, Evansville, Indiana; Fort Wayne Engraving Company, 120 West Superior Street, Fort Wayne, Indiana; W. B. Conkey Company, 601 Conkey Street, Hammond, Indiana; Advance Independent Electrotype Co., Inc., 730 East Washington Street, Indianapolis, Indiana; Indianapolis Electrotype Foundry, 341-349 East Market Street, Indianapolis, Indiana; Western Newspaper Union, Murphy Building, Indianapolis, Indiana; Apex Electrotype Corp., 227-229 South Carroll Street, South Bend, Indiana; South Bend Engraving & Electrotyping Co., Inc., 232-236 South St. Joseph Street, South Bend, Indiana; and

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Terre Haute Electrotype Company, 308½ North Ninth Street, Terre Haute, Indiana.

PAR. 15. Respondent, Northern California Electrotypers and Stereotypers Association, is a voluntary unincorporated Association, with its principal office and place of business located at Room 242, Hotel Whitcomb, in the city of San Francisco, California. The membership of said Association is composed of individuals, partnerships and corporations, engaged in the manufacture, sale and distribution in interstate commerce of electrotypes, stereotypes, matrices and multigraphs.

The names and addresses of the officers of said respondent Northern California Electrotypers and Stereotypers Association, who, individually and as such officers of said respondent, are named as respondents herein, are: W. P. Filmer, % The Filmer Brothers Electrotype Company, 330 Jackson Street, San Francisco, California, president, and Albert E. Benson, Room 242, Hotel Whitcomb, San Francisco, California, executive secretary.

The names and addresses of the members of said respondent Northern California Electrotypers and Stereotypers Association, who, individually and as such members of said respondent, are named as respondents herein, are: American Electrotype Division Electrographic Corp., 329 Fremont Street, San Francisco, California; The Filmer Brothers Electrotype Company, 330 Jackson Street, San Francisco; Bert Hoffschneider and Brother, Inc., 500 Sansome Street, San Francisco, California; Stephen W. Johnson, trading as Johnson Mat & Stereotype Company, 500 Sansome Street, San Francisco, California; The Rapid Electrotype Company, 500 Howard Street, San Francisco, California; and Printing Plates, Inc., 585 21st Street, Oakland, California.

PAR. 16. Respondent, Southern California Electrotypers & Stereotypers Association, is a voluntary unincorporated association, with its principal office and place of business located at 1210 Broadway Arcade Building, in the city of Los Angeles, California. The membership of said respondent, Southern California Electrotypers and Stereotypers Association, is composed of individuals, partnerships and corporations engaged in the manufacture, sale and distribution in interstate commerce of electrotypes, stereotypes, matrices and multigraphs.

The affairs of said respondent, Southern California Electrotypers and Stereotypers Association, are conducted by Harry R. Simon, executive secretary, 1210 Broadway Arcade Building, Los Angeles, California, who, individually, in his capacity as executive secretary of said respondent, and as representative of the other officers of said

respondent whose names are unknown, is named as a respondent herein.

The names and addresses of the members of said respondent, Southern California Electrotypers and Stereotypers Association, who, individually and as such members of said respondent, are named as respondents herein, are: American Engraving and Electrotype Company, 110 South Broadway, Los Angeles 12, California; Bryan-Brandenburg Company, 232 East 4th Street, Los Angeles 13, California; California Electrotype & Stereotype Company, 360 South Los Angeles Street, Los Angeles 13, California; Theodore Frase, trading as Frase Electrotype Company, 1120 South Maple Avenue, Los Angeles 15, California, and L. A. Matrix Company, Ltd., 423 Wall Street, Los Angeles 13, California.

PAR. 17. The names and addresses of those individuals, partnerships, and corporations who, while not members of the respondent International Association of Electrotypers & Stereotypers, Inc., or of the other respondent associations named herein, have nevertheless cooperated with said respondent associations in their activities, as hereinafter set out, and who are named as respondents herein, are: The Smith-Brooks Printing Co., 1743 California Street, Denver, Colorado; Wm. H. Lockwood Sons, Inc., 11 Edward Street, Hartford, Connecticut; Edward H. Parkhurst Co., 365 State Street, New Haven, Connecticut; The Southern Electro Company, 10 N. Newman Street, Jacksonville, Florida; The Wrigley Co., Inc., 110 Cain Street, N. W., Atlanta, Georgia; Merchants Matrix Cut Syndicate, 538 S. Clark Street, Chicago, Illinois; Meyer-Both Co., 1935 S. Michigan Avenue, Chicago, Illinois; Sampson & Ollier Electrotype Co., 141-149 W. Ohio Street, Chicago, Illinois; Schroeder Bros. Co., 120 W. Polk Street, Chicago, Illinois; Union Engraving Co., Inc., 101 Main Street, Peoria, Illinois; Rockford Illustrating Co., 317-321 Market Street, Rockford, Illinois; Roscoe Zeigler, trading as Springfield Electrotype Co., 515 E. Mason Street, Springfield, Illinois; Waterloo Engraving & Service Co., Arts & Crafts Building, Waterloo, Iowa; Louisville Electrotype Co., 204-206 E. Jacob Street, Louisville, Kentucky; Louisiana Electrotype Co., Inc., 732 Poydras Street, New Orleans, Louisiana; Superior Electrotype Co., Inc., 297 Congress Street, Boston, Massachusetts; The Colonial Press, Inc., Clinton, Massachusetts; J. S. Cushing Co., Washington Street, Norwood, Massachusetts; The Plimpton Press, Lennox Street, Norwood, Massachusetts; Arthur J. Cheney and Roger M. Powers, trading as Springfield Electrotype & Stereotype Service, 279 Dwight Street, Springfield, Massachusetts; Charles Van Vlack Co., 191 Chestnut Street, Springfield, Massachusetts; Battle

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Creek Electrotype Co., 43 N. Division Street, Battle Creek, Michigan; Jay B. Perry, trading as Perry Printing Co., 1025 E. Fourth Avenue, Flint, Michigan; Lansing Electrotype Co., 230 N. Washington Avenue, Lansing, Michigan; G. T. Iverson, trading as Printing Trade Plate Makers Co., 305 Fifth Street, S., Minneapolis, Minnesota; Rotary Press Co., 300 East 4th Street, St. Paul, Minnesota; T. C. Parrish, trading as American Cut & Matrix Co., 610 Delaware Street, Kansas City, Missouri; Robert H. Smallfeldt, trading as Kansas City Electrotype Co., 616-618 Wyandotte Street, Kansas City, Missouri; Artcrafts Engraving Co., 224½ S. 8th Street, St. Joseph, Missouri; John Wuest and D. Jules Sacks, partners, trading as Active Matrix Co., 325-29 N. 14th Street, St. Louis, Missouri; Lee Seibert, trading as National Matrix Service, 412 N. 15th Street, St. Louis, Missouri; T. P. Beacom and J. H. Davies, partners, trading as Beacom-Davies Co., 914 Farnam Street, Omaha, Nebraska; Charles J. Hely and John E. McCormack, partners, trading as, Hely & McCormack, 55-57 Lafayette Street, Newark, New Jersey; Albany Electrotype Co., Inc., P. O. Box 1259, Albany, New York; Williams Press, Inc., North Broadway, Albany, New York; Willard H. Marshman, trading as Quality Electrotype Foundry, 1 Daniel Street Cor. Beaver Street, Albany, New York; A. E. Munyer Electrotype Co., Inc., 662-668 Pacific Street, Brooklyn, New York; William J. Onink, Inc., 155 Seymour Street, Buffalo, New York; The Cornwall Press, Inc., Shore Road, Cornwall, New York; Ad Plate & Mat Co., Inc., 227 E. 45th Street, New York, New York; Empire City Electrotype Co., Inc., 251 William Street, New York, New York; Neptune Electrotype Corp., 304 East 23rd Street, New York, New York; Mulligan & Walsh, Inc., 310 E. 45th Street, New York, New York; Publishers Plate & Mat Co., Inc., 313 West 37th Street, New York, New York; Western Newspaper Union, 310 E. 45th Street, New York, New York; Gilman Fanfold Corp., Buffalo Avenue at Porter Park, Niagara Falls, New York; The J. W. Ford Co., 108 W. Central Parkway, Cincinnati, Ohio; The McDonald Printing Co., Arbor Place, Cincinnati, Ohio; The Rapid Electrotype Co., McMicken Avenue at Race Street, Cincinnati, Ohio; James T. Flanagan and Frank J. Flanagan, partners, trading as Advertisers Matrix Co., 24 Noble Court, N. W., Cleveland, Ohio; Standard Plate & Matrix Co., 1104 Prospect Avenue, Cleveland, Ohio; E. L. Geiger, trading as Geiger Stereotype Co., 223 S. Ludlow, Dayton, Ohio; The Gilbert-Baker-Midlam Co., 38 N. Jefferson Street, Dayton, Ohio; Springfield Electrotype Co., 416 Linn, Springfield, Ohio; Bureau of Engraving, 315 N. Broadway, Oklahoma; J. R. Cissna and W. T. Resing, partners, trading as Oklahoma Mat & Plate Co., 325 N. W. Second Street, Oklahoma City, Oklahoma; The Morgan



Co., Inc., 128 W. Third Street, Tulsa, Oklahoma; Keystone Electrotype Co., 123 E. 17th Street, Erie, Pennsylvania; Potomac Electrotype Co., 919 Walnut Street, Philadelphia, Pennsylvania; D. Edward McAllister, trading as Progress Plate Making Co., 917-23 Filbert Street, Philadelphia, Pennsylvania; Jos. W. Sullivan, trading as J. W. Sullivan Co., 422 First Avenue, Pittsburgh, Pennsylvania; Art Engraving & Electrotype Co., Inc., 634-636 Court Street, Reading, Pennsylvania; Acme Plate & Mat Co., 392 W. Lancaster Avenue, Wayne, Pennsylvania; Erskine & Morrison, Inc., 7 Beverly Street, Providence, Rhode Island; Chattanooga Electrotype Co., 239 E. 11th Street, Chattanooga, Tennessee; W. D. Hoard & Sons, 28 W. Milwaukee Avenue, Fort Atkinson, Wisconsin; Progressive Printing Plate Service, Inc., 1732 So. Broadway, Green Bay, Wisconsin; Carl H. Lahl, trading as Lahl Matrix & Plate Co., 104 E. Mason Street, Milwaukee, Wisconsin; L. R. Dowling, % Western Newspaper Union, 1400 N. W. Hoyt St., Portland, Oregon; Stetson D. Richmond, % Reilly Electrotype Co., 305 East 45th St., New York, N. Y.; Cy Means, % Typothetae, Detroit, Michigan; R. McDonald, % Western Newspaper Union, Detroit, Michigan; Precision Electrotype Company, 1045 Sansome Street, San Francisco, California; Western Newspaper Union, 500 Howard Street, San Francisco, California; Muirson Label Company, Inc., San Jose, California; Arthur W. Hoffschneider and Alma Hoffschneider, partners trading as A. W. Hoffschneider Company, 912 6th St., Sacramento, California, and the Methodist Book Concern, 420 Plum Street, Cincinnati, Ohio.

PAR. 18. The members of said respondent associations heretofore named in Paragraphs One to Sixteen, both inclusive, and the individual respondents named in Paragraph Seventeen, are located in various States of the United States. Most of the said members of said respondent associations, and the individual respondents are engaged in the business of manufacturing, selling and distributing electrotypes, stereotypes, matrices and multigraphs to purchasers located in States other than the State in which said respective respondents are located, causing said products when so sold to be transported from their respective places of business to the purchasers thereof, and there has been and now is a course of interstate trade and commerce in said products between the members of said respondent associations and said individual respondents and the purchasers of said products located throughout the several States of the United States.

Respondent associations hereinbefore mentioned in Paragraphs Two to Sixteen, both inclusive, have served and do now serve as regional and State organizations of respondent International Association of Electrotypers and Stereotypers, Inc., and have cooperated and do now

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cooperate with said respondent International Association of Electrotypers and Stereotypers, Inc., in its said activities as hereinafter set out. The respondents hereinbefore mentioned in Paragraph Seventeen are not members of said respondent International Association of Electrotypers and Stereotypers, Inc., nor of the other respondent associations, but said respondents have cooperated with said respondent associations in their activities. Said respondent members of said respondent associations named in Paragraphs One to Sixteen, both inclusive, and said nonmember respondents named in Paragraph Seventeen hereof are now and have been during all of the times mentioned herein engaged in competition with other members of the industry in making and seeking to make sales of their said products in said commerce, and but for the facts hereinafter alleged would now be in free, active and substantial competition with each other in their respective selling areas.

PAR. 19. Said respondent members acting in cooperation with each other and through and in cooperation with said respondent associations and said nonmember respondents for more than two years last past, and particularly since June 16, 1933, have entered into an understanding, agreement, combination, conspiracy and planned common course of action among themselves and with and through said respondent associations and said individual respondents to restrict, restrain and suppress competition in the sale and distribution of electrotypes, stereotypes, matrices, and multigraphs to customers located throughout the several States of the United States and in the District of Columbia as aforesaid by agreeing to fix and maintain uniform prices, terms and discounts at which said electrotypes, stereotypes, matrices, and multigraphs are to be sold, and to cooperate with each other in the enforcement and maintenance of said fixed prices, terms and discounts by exchanging information through said respondent associations as to the prices, terms and discounts at which said respondent members have sold and are offering to sell said electrotypes, stereotypes, matrices and multigraphs to customers and prospective customers.

PAR. 20. Pursuant to said understanding, agreement, combination, conspiracy, and planned common course of action and in furtherance thereof, the said respondents have done and performed and still do and perform, among others, the following acts and things:

(1) Respondent International Association of Electrotypers and Stereotypers, Inc., has devised, worked out and promulgated standard scales of prices to be charged for electrotypes, stereotypes, matrices and multigraphs and has distributed said standard scales of prices to

and among, and secured the adoption and use of the same by the various regional and local respondent associations and by the various nonmember respondents and has by this means established fixed standard prices for said products.

(2) Respondent International Association of Electrotypers and Stereotypers has acted as a clearing house for the exchange of the information submitted to it by said respondent members including reports of sales of said electrotypes, stereotypes, matrices and multigraphs, together with the prices, discounts and terms at which said electrotypes, stereotypes, matrices and multigraphs are sold or offered to be sold. Said respondent International Association of Electrotypers and Stereotypers, Inc., has also served as a policing agency to enforce standard uniform prices for electrotypes, stereotypes, matrices and multigraphs and has made efforts to adjust disputes arising between said members of said respondent association as a result of deviations from the standard scale of prices.

(3) Regular meetings of the members of said respondent International Association of Electrotypers and Stereotypers, Inc., and of the members of the various regional and local associations hereinbefore mentioned have been and are held from time to time at convenient locations within the United States and at said meetings said respondent members have discussed and do discuss trade and competitive conditions in said industry, and have agreed upon and established and do agree upon and establish trade policies to be followed, prices to be charged, and discounts and terms to be allowed by said respondent members in the interstate sale and distribution of their said electrotypes, stereotypes, matrices and multigraphs.

(4) Said respondent International Association of Electrotypers and Stereotypers, Inc., and said respondent regional and local associations have formulated and established uniform trade customs and practices, uniform terms of sale and discount, and uniform scales of prices for said products, which said uniform prices are not based upon and do not reflect their divergent costs of production of said products but are arrived at without regard to their divergent costs of production, and said respondent members have adopted and maintained, and now maintain, said uniform trade customs, terms of sale, discounts and prices.

(5) Said respondents who are not members of the respondent International Association of Electrotypers and Stereotypers, Inc., nor of the respondent regional or local associations have adopted at the suggestion and solicitation of said respondent associations and used and do now use the standard scales devised and promulgated by the

respondent International Association of Electrotypers and Stereotypers, Inc., and the aforesaid uniform trade customs, terms of sale, discounts and prices.

PAR. 21. The result of the acts and practices of the said respondent members of said respondent associations and of said individual non-member respondents as hereinabove set out in Paragraph Twenty has been and now is to substantially lessen, restrict, restrain and suppress price competition in the interstate sale of electrotypes, stereotypes, matrices and multigraphs throughout the several States of the United States and in the District of Columbia, and empowers the said respondents to control the market and to enhance the prices of said electrotypes, stereotypes, matrices and multigraphs above the prices which would prevail therefore under normal, natural and open competition between said respondents, and also to tend to create a monopoly in said respondent members and in said cooperating nonmember respondents in the manufacture and sale of electrotypes, stereotypes, matrices and multigraphs in interstate commerce.

PAR. 22. The acts and practices of the respondents as herein alleged are all to the prejudice and injury of the public, have a dangerous tendency to and have actually hindered and prevented price competition between and among respondents in the sale of electrotypes, stereotypes, matrices and multigraphs in interstate commerce and have placed in respondents the power to control prices, have increased the prices of electrotypes, stereotypes, matrices and multigraphs paid by the purchasers thereof and consequently the prices paid by the public, have created in the respondents a monopoly in the sale of electrotypes, stereotypes, matrices and multigraphs in such commerce and unreasonably restrained such commerce in electrotypes, stereotypes, matrices and multigraphs, and constitute unfair methods of competition within the intent and meaning of Section 5 of the Federal Trade Commission Act.

#### REPORT, FINDINGS AS TO THE FACTS, AND ORDER

Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission on July 20, 1945, issued and subsequently served its complaint in this proceeding on the respondents named in the caption hereof, charging them with the use of unfair methods of competition in commerce in violation of the provisions of said Act. After the issuance of said complaint and the filing of answers thereto, and after testimony and other evidence in support of and in opposition to the allegations of the complaint were introduced before a hearing examiner of the Commission theretofore duly desig-

nated by it, which testimony and other evidence were duly recorded and filed in the office of the Commission, counsel in support of the complaint and counsel for certain of the respondents entered into a written stipulation by which it was stipulated and agreed to waive further intervening procedure (except the filing of a recommended decision by the hearing examiner) and to propose and consent that the hearing examiner and the Commission proceed on the record herein to make findings as to the facts and conclusions based thereon and that the Commission enter, as to the respondents so stipulating, an order of the substance and form set forth in an exhibit attached to and made a part of said stipulation.

Thereafter this proceeding regularly came on for final hearing before the Commission upon the complaint, answers thereto, testimony and other evidence, recommended decision of the hearing examiner with exceptions thereto filed by respondent Precision Electrotype Company and by Marathon Corporation, an unspecified member of a respondent class, and briefs and oral argument of counsel in support of and in opposition to the allegations of the complaint insofar as they pertain to respondent Precision Electrotype Company; and the Commission, having duly considered the matter and having entered its order disposing of the exceptions to the recommended decision of the hearing examiner, and being now fully advised in the premises, finds that this proceeding is in the interest of the public and makes this its findings as to the facts and its conclusion drawn therefrom.

#### FINDINGS AS TO THE FACTS

PARAGRAPH 1. Respondent International Association of Electrotypers and Stereotypers, Inc., hereinafter sometimes referred to as respondent International, is a non-profit corporation organized and existing under the laws of the State of Ohio, with its principal office and place of business located at 949 Leader Building, Cleveland, Ohio. Said respondent International was organized in the year 1897 as an association of electrotypers. In or about the year 1934 stereotypers were also included and the name of the association was changed to the present title.

The membership of respondent International consists of various individuals, partnerships, and corporations located in the several States of the United States, and which are engaged in the manufacture, sale, and distribution of electrotypes, stereotypes, and matrices.

An electrotype, which is by far the most important of all the products involved in this proceeding, is a reproduction or duplicate of type or other cuts in the form of a printing plate and is produced

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by means of the electrolytic process of plate making. It is made by taking an impression in wax or soft, pliable lead and depositing on this mould a thin shell of copper or nickel-steel by an electrical process. The shell is then backed with electrotype metal. Electrotypes are used for printing purposes by commercial printers, advertising agencies, and others. The commercial job electrotype work refers to electrotypes for use by commercial printers principally.

A stereotype is a duplicate of a printing plate or type form produced by using a matrix as a mould in which lead or stereotype metal is poured to make the plate.

A matrix is a paper mould or impression made by the imprint of type upon sheet of paper pressed together. Both stereotypes and matrices are used for printing by newspapers.

Electrotypes, stereotypes, and matrices are made in an infinite variety of shapes, sizes, and kinds and may be of either copper or nickel finish, and may have either heavy or light shells, with different kinds of mounting, etc.

Respondent International was organized for the avowed purposes of (1) fostering friendship between producers of electrotypes and stereotypes; (2) devising ways and means for advancing the interests of the industry; (3) spreading its influence through the establishment of local and sectional associations; (4) developing cooperation in all matters of mutual interest; (5) thoroughly organizing the electrotypers and stereotypers in America and maintaining a just and equitable method of doing business; (6) urging electrotypers and stereotypers to cooperate with one another to eliminate the evils of ignorant and ruinous competition; (7) spreading a wider knowledge of cost elements and of a proper remuneration; and (8) establishing standards, principles, and policies for the guidance of its members in their dealings with one another and with the public.

Respondent International is governed by an Executive Board composed of its officers and a representative elected or appointed by each local or sectional trade association in which three or more members are also members of respondent International. The Executive Board has full power to act for and in behalf of respondent International in all matters pertaining to or affecting respondent International. The Executive Board also has the power to appoint from time to time, and has so appointed, an Executive Committee, which Committee acts for and in behalf of the Executive Board and the members of respondent International in all matters pertaining to or affecting respondent International in the interim between meetings of that organization. Respondent International holds meetings of the general membership annually, and the Executive Board usually meets for its annual meet-

ing just prior to the general meeting. The Executive Committee of respondent International meets at the request of the president to pass upon special matters only.

Membership in a local Association does not automatically confer membership in respondent International, nor does membership in respondent International automatically confer membership in a local Association. When any given area is entitled to representation on the Executive Board of respondent International, the Executive Secretary of respondent International notifies the members in the particular area and invites them to appoint a representative. Each of the members pays dues to respondent International, the amount of which is based upon the number of employees which the member has engaged in the production of electrotypes, stereotypes, or matrices.

Respondent Albert P. Schloegel is, and has been since May 1, 1940, Secretary-Treasurer and Executive Secretary of respondent International, and in that capacity he has actively participated in various of the acts and practices described herein. His address is 949 Leader Building, Cleveland, Ohio. The Executive Secretary of respondent International has full charge over the conduct of the office of said respondent, subject, however, to instructions from the Executive Board and the Executive Committee. The Executive Secretary visits the members of respondent International located in various cities of the United States as often as possible, and holds group meetings among such members. For example, a short time prior to October 25, 1940, the respondent Schloegel visited the respondent electrotypers in St. Louis and held a meeting at which the standard scale of prices issued by respondent International and the night shop or night work situation were discussed. Thereafter, the St. Louis electrotyper members of respondent International held several meetings among themselves, and on December 2, 1941, began to use the standard electrotype scale issued by respondent International.

PAR. 2. Respondent International publishes from time to time a directory of electrotype and stereotype producers in which every known firm in the industry located in the United States and Canada is listed. The directory issued as of March 1, 1947, lists approximately 449 producers, of which 166 were listed as being members of respondent International. Of the 283 non-members listed in said directory, 81 were listed as private plants not producing for commercial sale. The 283 non-members also included 70 firms which do not produce any electrotypes but were engaged in the production and sale only of stereotypes or matrices, or both. The names and addresses of various local, State, and regional associations are also listed in the directories published by respondent International. The volume of production of

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the members of respondent International cannot be ascertained from the record.

The said directory issued by respondent International as of March 1, 1947, shows that, with the exception of the Pacific Coast, the majority of electrotypers located in the large cities of the United States are members of respondent International. In New York City, for example, there were 23 firms listed, excluding private plants, and 14 of these 23 were members of respondent International. In Chicago the number of members was 22 out of 26, not including private plants. In Boston the members outnumbered non-members by 3 to 1; in Detroit, by 5 to 1; and in Buffalo, Baltimore, Philadelphia, and Newark, New Jersey, the members outnumbered non-members by 2 to 1. In addition, said directory also shows that respondent International had among its membership all of the electrotypers located in the following cities:

<i>City</i>	<i>Number of commercial electrotypers</i>
Milwaukee, Wis.....	5
Cleveland, Ohio.....	5
St. Louis, Mo.....	4
Pittsburgh, Pa.....	3
Indianapolis, Ind.....	3
Atlanta, Ga.....	2
Washington, D. C.....	2
South Bend, Ind.....	2
Nashville, Tenn.....	2
Syracuse, N. Y.....	2
St. Paul, Minn.....	2
Louisville, Ky.....	2
Worcester, Mass.....	2
Richmond, Va.....	1
Houston, Tex.....	1
Fort Worth, Tex.....	1
Dallas, Tex.....	1
Providence, R. I.....	1
Toledo, Ohio.....	1
Columbus, Ohio.....	1
Canton, Ohio.....	1
Akron, Ohio.....	1
Schenectady, N. Y.....	1
Omaha, Nebr.....	1
Portland, Maine.....	1
Des Moines, Iowa.....	1



<i>City</i>	<i>Number of commercial electrotypers</i>
Fort Wayne, Ind.....	1
Evansville, Ind.....	1
New Haven, Conn.....	1
Hartford, Conn.....	1

The complaint herein includes all the members of respondent International as respondents and specifically names certain of said members as representative of all the members. It appears from the record, however, that for various reasons, certain of said members should not be retained as respondents in this proceeding. The names and addresses of the members of respondent International who are included as respondents herein because of their membership in respondent International and because of the participation by each in some of the acts and practices described herein, are:

- |  |   |
|--|---|
| <p>A. B. C. Electrotype Co.,<br/>522 South Clinton Street,<br/>Chicago, Ill.</p> <p>Ace Electrotype Co.,<br/>426 South Clinton Street,<br/>Chicago, Ill.</p> <p>The Ace Electrotype Co.,<br/>1501 Superior Avenue,<br/>Cleveland, Ohio.</p> <p>G. A. Ackermann Electrotype Co.,<br/>727 W. Van Buren Street,<br/>Chicago, Ill.</p> <p>Acme Electrotype Co.,<br/>712 Federal Street,<br/>Chicago, Ill.</p> <p>Advance Independent Electrotype Co.,<br/>Inc.,<br/>730 East Washington Street,<br/>Indianapolis, Ind.</p> <p>The Akron Electrotype &amp; Stereotype<br/>Co.,<br/>414 Water Street,<br/>Akron, Ohio.</p> <p>American Electrotype Co.,<br/>732 W. Van Buren Street,<br/>Chicago, Ill.</p> <p>The American Electrotype Co.,<br/>2182 East Ninth Street,<br/>Cleveland, Ohio.</p> <p>American Electrotype Division of Elec-<br/>trographic Corp.,<br/>329 Fremont Street,<br/>San Francisco, Calif.</p> | <p>American Electrotype Co., Inc.,<br/>1424 Florida Avenue NE.,<br/>Washington, D. C.</p> <p>Anderson &amp; Hedwall Co.,<br/>Lindeke Building,<br/>Fourth and Rosabel Streets,<br/>St. Paul, Minn.</p> <p>Apex Electrotype Corp.,<br/>227 South Carroll Street,<br/>South Bend, Ind.</p> <p>The Artcraft Electrotype Co.,<br/>704 Union Street,<br/>Ashland, Ohio.</p> <p>The Art Electrotype Co.,<br/>1104 Prospect Avenue,<br/>Cleveland, Ohio.</p> <p>Atlantic Electrotype &amp; Stereotype Co.<br/>(a division of respondent The Rapid<br/>Electrotype Co., Cincinnati),<br/>228 East 45th Street,<br/>New York, N. Y.</p> <p>Atlas Electrotype Corp.,<br/>Factories Building,<br/>12th and Woodruff Streets,<br/>Toledo, Ohio.</p> <p>Back Bay Electrotype &amp; Engraving Co.,<br/>172 Columbus Avenue,<br/>Boston, Mass.</p> <p>Badger-American Electrotype Co.,<br/>407 East Michigan Street,<br/>Milwaukee, Wis.</p> <p>Baltimore Electrotype Co., Inc.,<br/>418 East Pratt Street,<br/>Baltimore, Md.</p> |
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Barnum-Hayward Electrotype Co., Inc., 116 Olive Street, New Haven, Conn.	Crescent Engraving Co., 344 North Church Street, Kalamazoo, Mich.
John Beissel Co., 488 Sibley Street, St. Paul, Minn.	The Cresset Co., 110 Greenwich Street, New York, N. Y.
The Bell Electrotyping Co., 508 West Congress Street, Detroit, Mich.	The Thomas H. Crosley Co., 17 Rose Street, New York, N. Y.
Bickford Engraving & Electrotype Co., 20 Mathewson Street, Providence, R. I.	The Dayton Electrotype Co., 320 West Fifth Street, Dayton, Ohio.
Bison Electrotype Co., Inc., 33 Franklin Street, Buffalo, N. Y.	Detroit Electrotype Co., 1959 East Jefferson Avenue, Detroit, Mich.
Blomgren Bros. & Co., 626 Federal Street, Chicago, Ill.	J. K. Dean, an individual trading as Dixie Electrotype Co., 150 Fifth Avenue North, Nashville, Tenn.
J. T. Buntin, Inc., 228 East 45th Street, New York, N. Y.	Dorsey Printers Supply Co., Inc., 125 Pontotoc Avenue, Memphis, Tenn.
Bush-Krebs Co., 408 West Main Street, Louisville, Ky.	Electrotype Service, 222 East Ohio Street, Indianapolis, Ind.
Canton Engraving & Electrotype Co., 400 Third Street SE., Canton, Ohio.	Electrotype Service Corp., 63 Portland Street, Worcester, Mass.
Capital City Printing Plate Co., 1912 Grand Avenue, Des Moines, Iowa.	Elliot Electrotype, Stereotype & Matrix Co., Inc., 461 Eighth Avenue, New York, N. Y.
Central City Electrotype Co., Inc., 107 North Franklin Street, Syracuse, N. Y.	The Employing Printers Electrotype Co., 904 Sycamore Street, Cincinnati, Ohio.
The Central Electrotype Co., 1760 East 22d Street, Cleveland, Ohio.	The Filmer Bros. Electrotype Co., 330 Jackson Street, San Francisco, Calif.
Central Electrotype Foundry Co., Inc., 71 Warren Street, Newark, N. J.	Edwin Flower, Inc., 216 William Street, New York, N. Y.
Central Typesetting & Electrotyping Co., 4600 Diversey Avenue, Chicago, Ill.	Flower Steel Electrotype Co., 461 Eighth Avenue, New York, N. Y.
Chicago Electrotype & Stereotype Co., 350 East Cermak Road, Chicago, Ill.	Fort Pitt Electrotype Co., Inc., 530 Duquesne Way, Pittsburgh, Pa.
Congress Electrotype Co., 1326 East Congress Street, Detroit, Mich.	Fort Wayne Engraving Co., 120 West Superior Street, Fort Wayne, Ind.
Consolidated Electrotypers, Inc., 732 Federal Street, Chicago, Ill.	

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- Freeport Electrotype Co.,  
109 West Jackson Street,  
Freeport, Ill.
- Gage Printing Company, Ltd.,  
29 North McCamley Street,  
Battle Creek, Mich.
- Galvanic Printing Plate & Matrix Co.,  
Inc.,  
9 Barrow Street,  
New York, N. Y.
- Genesee Electrotype Co.,  
97 North Water Street,  
Rochester, N. Y.
- Gether Electrotype Co.,  
1423 North 5th Street,  
Milwaukee, Wis.
- Gilliams & Rubin, Inc.,  
225 West 39th Street,  
New York, N. Y.
- Globe Electrotype Corp. (named in the  
complaint as Globe-Saam Electrotype  
Corp.),  
240 West 40th Street,  
New York, N. Y.
- Globe Engraving & Electrotype Co.,  
711 South Dearborn Street,  
Chicago, Ill.
- Grand Rapids Electortype Co.,  
19 La Grave Street SE.,  
Grand Rapids, Mich.
- Graphic Arts Electrotype & Matrix  
Co. (a division of American Type-  
setting Corp.),  
547 South Clark Street,  
Chicago, Ill.
- Higwell Matrix Co., Inc.,  
240 West 40th Street,  
New York, N. Y.
- Arthur W. Hoffschneider, an individual  
operating A. W. Hoffschneider Co.,  
and Alma Hoffschneider, an indi-  
vidual trading as A. W. Hoffschneider  
Co.,  
912 6th Street,  
Sacramento, Calif.
- Home City Electrotype Works, Inc.,  
29 Worthington Street,  
Springfield, Mass.
- Holmes Electrotype Foundry,  
167 Commercial Street,  
Worcester, Mass.
- Illinois Electrotype Co.,  
501 South Jefferson Street,  
Chicago, Ill.
- Indianapolis Electrotype Foundry,  
343 East Market Street,  
Indianapolis, Ind.
- A. G. Johnson Electrotype Co.,  
308 South Sixth Street,  
Minneapolis, Minn.
- Kansas City Central Electrotype Co.,  
(formerly Robert H. Smallfeldt, trad-  
ing as Kansas City Electrotype Co.),  
928 Central Street,  
Kansas City, Mo.
- S. J. Kelley and Estate of Fred C. Kel-  
ley, partners trading as S. J. Kelley  
Engraving Co.,  
19 Chenango Street,  
Binghamton, N. Y.
- Kingsboro Electrotype Corp.,  
300 Adams Street,  
Brooklyn, N. Y.
- Knickerbocker Electrotype Co.,  
424 West 33d Street,  
New York, N. Y.
- A. R. Koehler Electrotype Co., Inc.,  
567 Washington Street,  
Buffalo, N. Y.
- L. A. Matrix Company, Ltd.,  
423 Wall Street,  
Los Angeles, Calif.
- Lake Shore Electrotype Co.  
418 South Market Street,  
Chicago, Ill.
- Lancaster Press, Inc.,  
Prince and Lemon Streets,  
Lancaster, Pa.
- Louisville Electrotype Co.,  
204 East Jacob Street,  
Louisville, Kentucky.
- Maple Press Co., Inc.,  
210 York Street,  
York, Pa.
- D. Edward McAllister, trading as Han-  
son Co. and as Progress Plate Making  
Co.,  
Sheridan Building,  
125 South 9th Street,  
Philadelphia, Pa.

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Sam Ross McElreath, trading as Sam Ross McElreath Co., 1121 Canton Street, Dallas, Tex.	Northern Electrotype Co. (a division of respondent The Rapid Electrotype Co., Cincinnati), 41 Burroughs Avenue, Detroit, Mich.
Arthur W. McGrath and Evelyn Mc- Grath, partners trading as Century Electrotype Co., 160 East Illinois Street, Chicago, Ill.	Northwestern Electrotype Co., 410 Washington Street, Menasha, Wis.
Merchants Matrix Cut Syndicate, Inc., 538 South Clark Street, Chicago, Ill.	Nu-Method Matrix & Plate Co., Inc., 239 West 39th Street New York, N. Y.
Walter J. Meserve, Inc. 105 Middle Street, Portland, Maine.	Pacific Electrotype Co., Inc., 202 Maritime Building, Seattle, Wash.
Metro Matrix & Reproduction Co., Inc., 80 Madison Avenue, New York, N. Y.	Partridge & Anderson Co., 712 Federal Street, Chicago, Ill.
Metropolitan Engraving & Electrotype Co., Inc., 1314 East Grace Street, Richmond, Va.	Pennsylvania Electrotype Co., Inc., Pine Street and Boundary Avenue, York, Pa.
Michigan Electrotype & Stereotype Co., 95 West Hancock Avenue, Detroit, Mich.	Phoenix Supplies Co., 1525 Fairfield Avenue, Cleveland, Ohio.
Miller Electroplating, Inc., 301 Northwest First Street, Evansville, Ind.	Pontiac Engraving & Electrotype Co., 812 West Van Buren Street, Chicago, Ill.
The Milwaukee Electrotype Co., 1127 North 7th Street, Milwaukee, Wis.	Portland Electrotype & Stereotype Co., Inc., 718 West Burnside Street, Portland, Oreg.
A. E. Munyer Electrotype Co., Inc., 27 Sixth Avenue, Brooklyn, N. Y.	Potomac Electrotype Co. of New Jersey, 919 Walnut Street, Philadelphia, Pa.
National Electrotype Co., 623 Federal Street, Chicago, Ill.	Potomac Electrotype Co., Inc., 1508 Eckington Place NE., Washington, D. C.
Nebraska Electrotype Co., 419 South 12th Street, Omaha, Nebr.	Progressive Electrotype Co., 125 South 11th Street, St. Louis, Mo.
New England Electrotype Co., 470 Atlantic Avenue, Boston, Mass.	Progressive Matrix Co., 517 South Jefferson Street, Chicago, Ill.
New York Electrotyping Co., Inc., 311 West 43d Street, New York, N. Y.	The Quality Engraving & Electrotype Co., 436 Commercial Square, Cincinnati, Ohio.
Norman-Dohm-O'Flaherty Co., Inc. 228 East 45th Street, New York, N. Y.	The Rapid Electrotype Co., McMicken Avenue at Race Street, Cincinnati, Ohio.
	Reilly Electrotype Co., 305 East 45th Street, New York, N. Y.

Reinert-Preisler Electrotype Co., 914 Pine Street, St. Louis, Mo.	St. Louis Electrotype Foundry Co., 125 South 8th Street, St. Louis, Mo.
F. A. Ringler Co., 40 Park Place, New York, N. Y.	Standard Electrotype Co., 704 Second Avenue, Pittsburgh, Pa.
F. J. Ringler & Co., 732 Federal Street, Chicago, Ill.	Stoddart-Bell Electrotype Co., Inc., (named in the complaint as Stoddart- Bell Electrotype Co.),
Rochester Electrotype & Engraving Co., Inc., 170 North Water Street, Rochester, N. Y.	175 Varick Street, New York, N. Y.
Royal Electrotype Co., 1309 Noble Street, Philadelphia, Pa.	Syracuse Electrotype Corp., 148 Gifford Street, Syracuse, N. Y.
Royal Electrotype Co. of New England, 592 Newberry Street, Boston, Mass.	Union Electrotype Co., 601 South Jefferson Street, Chicago, Ill.
Ruralist Press, Inc., 713 Glenn Street SW., Atlanta, Ga.	United Electrotype & Stereotype Co., 426 South Clinton Street, Chicago, Ill.
Scranton Electrotype Co., 1138 Capouse Avenue, Scranton, Pa.	United Electrotype Co., 517 Commerce Street, Nashville, Tenn.
Service Electrotype Co., 733 North Van Buren Street, Milwaukee, Wis.	Van Bolt-Kreber Electrotype Co., 145 North Grant Avenue, Columbus, Ohio.
Service Electrotype Co., 108 Ferry Street, Pittsburgh, Pa.	Theodore C. Walters, trading as Wal- ters Electrotype Co., 10 Devereux Street, Utica, N. Y.
Service Electrotype Co., Inc., 2122 Pine Street, St. Louis, Mo.	Webb Publishing Co., 55 East 10th Street, St. Paul, Minn.
Shane-Beever Co., 227 North Holliday Street, Baltimore, Md.	Westcott & Thomson, Inc., 1027 Arch Street, Philadelphia, Pa.
Shea & Manton Co., 40 Lincoln Street, Boston, Mass.	Western Newspaper Union, 310 East 45th Street, New York, N. Y.
William Snell & Co., 10 Columbia Street, Newark, N. J.	Jacob Weinstein, trading as The Sher- wen Co., 40 West 27th Street, New York, N. Y.
South Bend Engraving & Electrotyping Co., Inc., 232 South St. Joseph Street, South Bend, Ind.	The Wrigley Co., 110 Cain Street NW., Atlanta, Ga.
Springfield Electrotype Co., (formerly Roscoe Zeigler and wife, partners trading as), 515 East Mason Street, Springfield, Ill.	Williams Press, Inc., Menands, N. Y.

PAR. 3. In October 1936, respondent International, at its 39th Annual Convention, in Dallas, Texas, adopted a code of ethics which was recommended for the guidance of all electrotypers and sterotypers throughout the United States. Among the 26 provisions of this code were the following:

#### OF OUR DUTY TO OURSELVES

\* \* \*

2. To practice clean, honorable competition, and not degrade our business, remembering that destructive competition is always injurious to those practicing it.

\* \* \*

5. To foster and maintain cordial and friendly relations toward other intelligent and honorable employers in our industry by associating with them in local and area organizations, and by studying their ways and methods; and in like manner, sharing with them the results of our experience and observation.

6. To endeavor to secure and maintain a reputation in the community of being honest, intelligent and progressive businessmen and citizens, to whom work of the most exacting character may be safely intrusted without competitive bidding.

7. To remember that in order that our business may be safely and efficiently conducted, sound Accounting Methods must be employed, including an approved Cost System, by which we may ascertain and record our cost, statistics and other data, and thus be enabled to sell our work at a fair profit. To make no charges which cannot be proved by records as fair for the work done and services rendered.

8. To remember that each charge must not only cover direct labor and material, but also its proportionate cost of wear and tear of plant and machines, interest on money borrowed or invested, losses on work and accounts, rent, taxes, insurance, office and clerical expenses, and all other expense items, including advertising and the cost of selling, and fair salaries to proprietors, managers and others in responsible positions.

9. If operating on small capital and doing part of our own work, to realize that we cannot sell it cheaper than our large competitor unless we are willing to live for less than do his employees. Rather should we render and charge for superior personal service and quality.

10. To ever remember that quoting a low price does not reduce the cost of production nor decrease the overhead expenses.

11. To pay no commissions to parties directly or indirectly representing the interests of the buyer. To be as honorable in our selling as we expect others to be when we are buying.

12. To remember that volume of duplicate work alone is the only basis for special prices. That under similar conditions costs are the same for one customer's work as for another's.

#### OUR DUTY TO EACH OTHER

13. To welcome any new competitor entering our business, remembering that if our information or advice help him to conduct his business on a better or more profitable basis, we are also, either directly or indirectly, the beneficiaries; and, conversely, if he suffers, we may and probably will, also.

14. To remember that ignorance and prejudice are the most dangerous and demoralizing factors of business competition. To open our places, our books,

and our experience to any competitor for any helpful purpose, so long as we are satisfied that the information generously given will be honorably used.

15. To avoid the evils consequent on over-equipment. Hence to never install a new machine or tool unless an old one is taken out, or unless really necessary because of a steady growth of permanent business. Idle machinery will weaken the stiffest backbone ever created, and make it impossible to maintain fair prices.

16. To exercise great care in quoting prices on work to ascertain all the conditions under which it is to be done, and being equally careful in criticizing prices made by another. To take great care that our competition does not merely set a lower price at which our competitor will continue doing the work, to the detriment of the entire industry. To remember that if we seem to suffer from unfair competition we should seek relief through conference and discussion, rather than by further unfair reprisals, which always injure both parties.

\* \* \*

#### ON PRICES AND ESTIMATES

23. To have a real knowledge of what our work costs, based on careful and systematic records. To determine on a reasonable profit and then apply our price with fairness to ourselves on contract work and to our customer on open work.

24. When estimating, we are entitled to know all who are requested to quote. When quotations are in, we should know all prices and those making them. Check our customers' statements by open discussions with our competitors. We may thereby learn some very surprising things regarding the tactics of buyers who may be posing as our friends.

25. The buyer who shows or pretends to show us the quoted prices of others to induce a lower figure from us, is practicing the same tricks all along the line. He sincerely "wishes" to give us the job, "if we will do it at a lower price than anyone else." (Comm. Ex. 518.)

PAR. 4. Respondent International has appointed from time to time a committee known as a Scale Committee, for the purpose of determining costs of operations in the industry as a basis for the preparation of standard prices or values of electrotypes, stereotypes, and matrices. The duty of the Scale Committee has been to prepare the various standard scales adopted and issued by respondent International, and from time to time this has been done.

In 1932 respondent International published a standard scale for electrotypers. This scale, known as the "Gray Scale," was generally used by respondent electrotypers in the pricing of electrotypes until about May 1, 1937. Such scale contained a chart which was used for the purpose of measuring the size of electrotypes to be made. By measuring an electrotype on said chart, a key number was determined. Reference to this key number on the dollar and cent schedule of values shown in the scale gave the price applicable to a particular electrotype. Such scale also listed a table of quantity discounts applicable to duplicate plates made from a single form or cut of 55 square inches or less, such discounts being as follows: 10 or more, 4%; 25 or more, 6%; 50 or more 8%; 100 or more, 10%. Said scale also

contained a number of so-called trade customs, among which was the provision for the imposition of a minimum charge of 60 cents for any order.

On October 7, 1936, at a meeting of respondent International in Dallas, Texas, the Scale Committee reported that the entire country "is selling from the International scale." Reference was made to two firms, however, that had issued a scale of their own which, in some instances, was considered lower than the International scale. Meetings were supposed to be held with these two firms to see if changes could be made so as to make the price more uniform. On October 8, 1936, there was a further discussion of the advertising scales issued by these two national firms. These firms were reportedly censured for their action, and a committee was appointed to confer with them.

In the Spring of 1937 respondent International issued a bulletin, effective April 1, 1937, in which it set forth a new and revised scale for advertising and dealer electrotypes to supersede a "Supplement A" scale which had been in effect. This notice contained the following explanation:

A new and revised scale for Advertising and Dealer Electrotypes will become effective on April 1, 1937, and our present Supplement A Scale will be discontinued on that date. So please be governed accordingly.

\* \* \*

The prices in the scale, established and printed by the Special Ad Group Manufacturers, (which are net), have been doubled in our new revised Supplement A. Scale which seems a more desirable plan than adopting the Net Scale of Prices used by the group mentioned.

This plan will permit our members who are now obtaining better prices to maintain them and our new scale can be discounted to meet circumstances. A discount of 50% indicates the values now existing in the New Price List used by the Special Ad Group Manufacturers.

Our new scales are now being printed and will be ready for distribution by the time this letter reaches you. (Comm. Ex. 10.)

On March 15, 1937, respondent International issued another bulletin entitled "New Scales to be Adopted," which reads as follows:

Members of the International Association of Electrotypers & Stereotypers, consisting of the Executive Board, Cost and Scale Committee and District Representatives, were in conference at the Stevens Hotel, in Chicago, Illinois, on March 12, 1937 in regard to the emergency confronting our industry.

Increasing costs of raw materials, labor, taxes and the Social Security Act are becoming serious financial problems in mounting production cost. Our industry cannot continue to absorb this expense without passing it on to the customer. Therefore, prices must be raised and very soon.

At the meeting above mentioned a Special Committee, after lengthy conference, recommended that the Standard Scale of Electrotypes be revised by using a base of six cents (now .05139) and a carrying charge of eighty cents (now .744). This base value to apply to type and line cuts—unmounted—wax mould—



copper. Values for other classifications to be determined by adding the same percent of increases as used in our present scale. (See page 12—Electrotypers Bulletin—March, 1937.)

Many plans and proposals were discussed and considered but the recommendation outlined above was finally adopted, and that the scale be printed in sheet form. The matter was then referred to the Executive Board, who assembled immediately after the group meeting, and accepted the report of the Special Committee. The proposed new scale will be prepared in sheet form to present at the Spring Conference for final adoption by the members.

Therefore, all employing electrotypers and stereotypers are hereby notified that the Spring Conference to be held at the Traymore Hotel, Atlantic City, N. J., on April 16, 17, 1937, will be a special meeting to adopt a new Standard Scale for Electrotypers, a new Standard Scale for Stereotypers and Matrices, and a new Scale for Multigraph Plates. (Comm. Ex. 11.)

On April 22, 1937, respondent International issued the following bulletin:

INTERNATIONAL ASSOCIATION OF ELECTROTYPERS & STEREOTYPERS, 950 Leader Bldg.

OFFICIAL BULLETIN

New Standard Scale of Electrotypes

Effective May 1, 1937

Please consider this an official notice that a new Standard Scale of Electrotypes for the *entire industry* will become effective May 1, 1937.

At the Spring Conference of the International Association of Electrotypers & Stereotypers (to which all members of the industry were invited) held at Atlantic City, N. J., there was adopted on April 17, 1937 a new and revised Standard Scale of Electrotypes.

This action became imperative because increasing production costs compel the industry to obtain better prices for its products.

The situation had previously been carefully studied and reviewed at conferences by and between the members of the Cost and Scale Committee, Executive Board and Local Associations, and their recommendations were considered in compiling the revised values and trade customs.

The new scale is compiled with a basis of six cents (\$.06) and a carrying charge of eighty cents (\$.80). This base value to apply to type and line cuts—unmounted—wax mold—copper. Values for other classifications were determined by adding the same percents of increase as used in our previous scale. The scales will be printed in single sheet form. One side will contain the area chart and trade customs and the other side the compilations and basis for determining values for each classification of work.

We had expected to send a sample scale with this notice, but as copies are not yet available it seemed advisable to send this notice without further delay to give you an opportunity to place your order before the effective date.

An order blank is herewith enclosed to permit you to order whatever quantity you may require at the nominal cost of six cents (\$.06) each. This price includes the cost of delivery but does not include imprinting the member's name.

These scales will no doubt be in readiness by the time this notice reaches you and if you will kindly fill in the enclosed order blank and forward it to us with your remittance we will promptly supply your needs. (Comm. Ex. 12.)

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The standard scale issued by respondent International, as indicated above, was known as the "1937 Scale." The values or prices appearing in said scale, which were from 10 percent to 15 percent higher than the values in the so-called "Gray Scale," represented the average cost of production, plus a profit, of about 73 electrotype and stereotype plants. Said 1937 Scale, similar to the Gray Scale, showed quantity discounts to be allowed and the minimum charge. A list of trade customs and instructions on how to use the scale to compute a price were also included. The 1937 Scale remained in effect until November 1, 1941.

On January 15, 1941, the then president of respondent International, C. A. Mawicke, in a report to the Executive Board stated:

There is some agitation throughout the country for a new selling scale. Personally, I think that a new scale designed along the lines of the Photo-Engravers' Scale could be produced and thus enable those of our members who are stout-hearted and smart enough a chance to pick up a few more cents per plate to offset some of the losses. I think a definite recommendation one way or another is in order here this morning. (Comm. Ex. 528-F.)

At a meeting of the Executive Board of respondent International held in Cleveland, Ohio, on April 25, 1941, the ratio scale came in for considerable discussion, with the result that a scale committee was appointed to investigate and recommend a new ratio scale. At a meeting of the Executive Board held in Chicago, Illinois, on September 16, 1941, it was voted to recommend the adoption of the ratio type of scale by the industry.

Respondent International, at its 44th Annual Convention, in Chicago, on September 17-19, 1941, formally adopted the scale recommended by the Executive Board and the Scale Committee. This scale, which was referred to as the "Ratio Unit Value Scale," differed from those previously used in that the values were not shown in dollars and cents and it was therefore necessary that a multiplier be used in conjunction with the figures appearing in the scale. Respondent International sent a letter dated October 31, 1941, to all members of the electrotyping and stereotyping industry, enclosing a copy of the new scale and explaining how to use it. Following are excerpts from that letter:

Enclosed herewith is a copy of the Ratio Unit Value Scale adopted by the 44th Annual Convention.

\* \* \*

Perhaps the question that comes to mind now will be what's my individual Unit Selling Rate?

Example: You are now selling 1937, Standard Scale at a 10% discount, your rising costs over the past few years prove that you must get a 10% increase in selling price. If that is true, here is how you arrive at your Unit Selling Rate.

Use key 16, Standard Scale, Col. A, which is \$1.76. You now sell at 10% off, your net price \$1.58; you must have a 10% increase which will bring your net price to \$1.74. Divide \$1.74 by 60 which is the ratio figure for key 16, Col. A, and you will get a Unit Selling Value of .029.

The same method of figuring can be used to ascertain your unit value no matter what discount is being given and what is required to obtain a fair value for your product.

Another example: Key 16, Col. A, being sold at 20% off, net price \$1.41; increase of 10% gives a net selling price of \$1.55. Divide \$1.55 by 60 and the Unit Selling Value will be .0258. It will be found desirable to confine the Unit Selling Rate to 3 figures so in this instance you would use .026, which you will note brings the net price to \$1.56 only one cent differential. (Comm. Ex. 519-A.)

PAR. 5. Respondent New England Electrotypers Association, hereinafter sometimes referred to as respondent New England, is a non-stock corporation organized and existing under the laws of the State of Massachusetts, with its principal office having been located at 29 Worthington Street, Springfield, Massachusetts, Respondent Edwin M. Chamberlin (named in the complaint as Dr. Edward H. Chamberlain) was Secretary of respondent New England from about 1934 to on or about September 1, 1943.

The membership of respondent New England is composed of individuals, partnerships, and corporations located in various parts of the New England States and which are engaged in the manufacture, sale, and distribution of electrotypes, stereotypes, and matrices. The names and addresses of the members of respondent New England who are included as respondents herein are:

Back Bay Electrotype & Engraving Co., 172 Columbus Avenue, Boston, Mass.	Home City Electrotype Works, Inc., 29 Worthington Street, Springfield, Mass.
Barnum-Hayward Electrotype Co., Inc., 116 Olive Street, New Haven, Conn.	New England Electrotype Co., 470 Atlantic Avenue, Boston, Mass.
Bickford Engraving & Electrotype Co., 20 Mathewson Street, Providence, R. I.	Royal Electrotype Co. of New England, 592 Newberry Street, Boston, Mass.
Electrotype Service Corp., 63 Portland Street, Worcester, Mass.	Shea & Manton Co., 40 Lincoln Street, Boston, Mass.
Holyoke Electrotype Co., 23 Spring Street, Holyoke, Mass.	Walter J. Meserve, Inc., 105 Middle Street, Portland, Maine.

Respondent New England was organized for the purposes, among others, of fostering, encouraging, and developing cooperative activity among its members; to do every and all legal things to assist in the elimination of unfair methods of competition and trade abuses in the industry in which its members are engaged, and in furtherance of this

objective, to collect and disseminate information relating in any way to the purpose of said Association which will be of advantage to its members. Other purposes for the organization of said respondent New England were to secure uniform and united action in the common interest and to develop more ethical relations among its members through collective and cooperative effort.

Respondent New England has held meetings of its members from time to time since 1933. At these meetings various problems relating to the business of the members, such as wages, hours, prices, and discounts, were discussed. Respondent New England recommended to its members that certain designated discounts be granted to their customers. In the event any discount greater than those recommended was allowed, such information, together with the name and address of each customer receiving such excessive discount, was obtained by respondent New England and placed in its files for use in connection with any requests by the members for such information. Said respondent also made and adopted recommendations in the form of booklets issued in 1937 and 1941 entitled "Recommended Trade Practices." These booklets contained recommended discounts for different classes of work which had been theretofore adopted by respondent New England, as hereinafter set forth, and also quantity discounts and minimum charges to be observed in the sale of electrotypes and stereotypes.

The members of respondent New England adopted and used in connection with the pricing of their products the standard scale of electrotypes issued by respondent International and referred to herein as the "Gray Scale." Copies of an abbreviated form of this scale were printed at the instance of respondent New England and distributed to its members. The prices shown on the abbreviated form were identical with those appearing in the Gray Scale.

In June 1935 respondent New England recommended, and its members unanimously adopted, a uniform discount of 20 percent to be applied in connection with prices appearing in the Gray Scale. It was also recommended and adopted at the same time that the classified discounts previously agreed upon remain in effect.

On or about September 10, 1941, respondent New England, at a regularly scheduled monthly meeting, recommended that its members adopt a basic discount of 10 percent instead of the then prevailing 20 percent, and such recommendation was agreed upon and adopted by the members of respondent New England. The new discount of 10 percent became effective October 1, 1941.

The members of respondent New England recommended and agreed to establish, and did establish, charges, prices, and discounts for the

sale of electrotypes, stereotypes, and matrices. Information relating to prices was exchanged from time to time between respondent New England and other local associations of electrotypers and stereotypes, such as respondent Electrotypers and Stereotypers Association of New York, Inc.

Respondent New England was represented as a local association of electrotypers and stereotypes on the Executive Board of respondent International. In or about 1937 or 1938, respondent New England agreed among its members to collect dues from its members for the benefit of respondent International and at times to guarantee the payment of such dues to said respondent International. During the period in which said arrangement as to dues was in effect, all members of respondent New England were also members of respondent International. It was recommended by the membership of respondent New England that its representative on the Executive Board of respondent International should recommend to the said respondent International at a cost committee meeting to be held in Chicago on November 18, 1938, that the suggested prices for carton plates, book work, and dealer cuts agreed upon by the members of respondent New England should be recommended to respondent International for adoption.

PAR. 6. Respondent Chicago Employing Electrotypers Association, hereinafter sometimes referred to as respondent Chicago Electrotypers, is a voluntary, unincorporated trade association organized and existing under the laws of the State of Illinois, with its principal office and place of business located at 176 West Adams Street, Chicago, Illinois. Respondent T. J. Ramsay is and has been for many years Secretary of respondent Chicago Electrotypers, as well as of respondent Chicago Stereotypers, and in such capacity he has actively participated in various of the activities described herein.

The membership of respondent Chicago Electrotypers is composed of individuals, partnerships, and corporations located in Chicago and vicinity and engaged in the manufacture, sale, and distribution of electrotypes and matrices. The names and addresses of the members of respondent Chicago Electrotypers who are included as respondents herein are:

A. B. C. Electrotype Co.,  
522 South Clinton Street,  
Chicago, Ill.

Ace Electrotype Co.,  
426 South Clinton Street,  
Chicago, Ill.

Acme Electrotype Co.,  
712 Federal Street,  
Chicago, Ill.

Blomgren Bros. & Co.,  
626 Federal Street,  
Chicago, Ill.

Central Typesetting & Electrotyping Co.,  
4600 Diversey Avenue,  
Chicago, Ill.

Consolidated Electrotypers, Inc.,  
732 Federal Street,  
Chicago, Ill.

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Globe Engraving & Electrotype Co., 711 South Dearborn Street, Chicago, Ill.	National Electrotype Co., 626 Federal Street, Chicago, Ill.
Illinois Electrotype Co., 501 South Jefferson Street, Chicago, Ill.	Partridge & Anderson Co., 712 Federal Street, Chicago, Ill.
Lake Shore Electrotype Co., 418 South Market Street, Chicago, Ill.	Pontiac Engraving & Electrotype Co., 812 West Van Buren Street, Chicago, Ill.
Lead Mould Electrotype Co. (named in the complaint as Lead Mold Electro Co.), 3303 North Racine Avenue, Chicago, Ill.	F. J. Ringler & Co., 732 Federal Street, Chicago, Ill.
Arthur W. McGrath and Evelyn McGrath, partners trading as Cen- tury Electrotype Co., 160 East Illinois Street, Chicago, Ill.	Schroeder Brothers Co., 120 West Polk Street, Chicago, Ill.
	Union Electrotype Co., 601 South Jefferson Street, Chicago, Ill.
	United Electrotype & Stereotype Co., 426 South Clinton Street, Chicago, Ill.

The objectives sought by the organization of respondent Chicago Electrotypers were to accomplish a complete and efficient organization for cooperation among all electrotypers in the city of Chicago and vicinity and to inculcate a thorough knowledge of manufacturing costs and to do all things which would directly or indirectly contribute to the welfare of the members of the industry. The constitution of said respondent Chicago Electrotypers provides that a Board of Governors consisting of five members shall be elected to govern the affairs of the Association and the executive officers of the Association are elected from the members of the Board of Governors. The Board of Governors appoints the secretary. It also appoints such committees as it deems necessary. Respondent Chicago Electrotypers usually meets monthly. The Board of Governors meets at the request of the president.

Among the activities of respondent Chicago Electrotypers have been the negotiation of labor contracts and securing the adoption by the members of estimating scales for the pricing of electrotypes. Said respondent has recommended to its members the use of respondent International's cost system, which, however, was not adopted by the members.

Some of the members of respondent Chicago Electrotypers are also members of respondent International, and dues payable to the latter are collected from such members through the office of respondent Chicago Electrotypers and paid to respondent International. Respondent Chicago Electrotypers acts as a regional organization of

respondent International and is represented on the Executive Board of respondent International. The representative of respondent Chicago Electrotypers on the Board of respondent International reports to the members of respondent Chicago Electrotypers concerning the activities of respondent International and the results of meetings of the Executive Board of respondent International.

Respondent Chicago Electrotypers has from time to time appointed from its membership various committees for the purpose of making studies or surveys of costs and prices and of other manufacturing and marketing problems, and such committees have made reports and recommendations to the membership. Members of respondent Chicago Electrotypers have agreed from time to time upon prices, terms, discounts, and trade customs applicable to the sale and distribution of electrotypes.

Members of respondent Chicago Electrotypers have discussed with each other, and with other local and regional groups or associations of electrotypers, matters concerning the sale and distribution of electrotypes which subsequently became the subject of discussion at conferences and meetings of respondent International. Information relating to prices was exchanged from time to time between respondent Chicago Electrotypers and other local or regional associations or groups of electrotypers.

The Board of Governors of respondent Chicago Electrotypers, at a meeting held on May 3, 1937, recommended, and the membership on May 4, 1937, adopted, the new standard scale of electrotypes published by respondent International May 1, 1937, to be made effective to the trade of Chicago and vicinity May 17, 1937. The said 1937 Scale was adopted and used by the membership of respondent Chicago Electrotypers and copies thereof were sold to its members.

This scale was superseded by a standard scale issued by respondent Chicago Electrotypers effective July 1, 1941, which reflected an increase in prices of approximately 10 percent. The 1941 scale was in turn superseded by a scale issued by respondent Chicago Electrotypers effective May 1, 1943, which reflected an increase over the prices in the 1941 scale of approximately 10 percent. The Ratio Unit Value Scale issued by respondent International on or about November 1, 1941, was not immediately approved by respondent Chicago Electrotypers but subsequently the membership of said respondent did approve and did adopt and use such Ratio Unit Value Scale for pricing purposes. The membership of respondent Chicago Electrotypers authorized the printing of a ratio unit value scale for electrotypes and such scale was printed and sold to the members of respondent Chicago Electrotypers. The figures appearing in the ratio unit value scale issued by

respondent Chicago Electrotypers were the same as those shown in the ratio unit value scale issued by respondent International.

Respondent Chicago Electrotypers issued an electrotype and stereotype scale of prices applicable to book work, which scale was referred to as "Supplement D." This scale was used generally from 1935 until July 1, 1941, when a new Supplement D scale of rates for electrotypes for book work was issued. Such new rates or prices represented an increase of approximately 10 percent over the previous scale of prices. In 1943 said respondent issued another scale of electrotype prices for book work entitled "Supplement D," effective May 1, 1943, which reflected an increase of about 10 percent over the prices in the preceding scale.

A standard scale for advertising and dealer cut electrotypes, referred to as "Supplement A," was issued by respondent International effective as of November 1, 1938. Copies of this scale were sold by respondent Chicago Electrotypers to its members. A similar scale, entitled "Supplement A Standard Electrotype Scale for Advertising and Dealer Cuts," was issued by respondent Chicago Electrotypers effective August 1, 1941. The prices shown in the 1941 scale exceeded by 10 percent those appearing in the November 1, 1938 scale published by respondent International. On July 15, 1941, the membership of respondent Chicago Electrotypers agreed to accept the recommendations of said respondent's cost committee, which were to the effect that the figures shown on the Supplement A Ad Plate and Dealer Cut Scale issued by respondent International be increased 10 percent and the effective date for such increase was agreed upon as of August 1, 1941. Respondent Chicago Electrotypers issued another Supplement A Standard Electrotype Scale for Advertising and Dealer Cuts, with an effective date of May 1, 1943, which reflected an increase of approximately 20 percent over the prices appearing in the 1938 scale.

Respondent Chicago Electrotypers sold copies of the various standard scales published by respondent International and those issued under its own name to its membership and to anyone else in the industry who desired to use such scales.

PAR. 7. Respondent Chicago Employing Stereotypers Association, sometimes hereinafter referred to as respondent Chicago Stereotypers, is a voluntary unincorporated trade association organized in the year 1930, with its principal office and place of business located at 176 West Adams Street, Chicago, Illinois. Respondent T. J. Ramsay, Secretary of respondent Chicago Electrotypers, is also Secretary of Chicago Stereotypers. The membership of respondent Chicago Stereotypers is composed of individuals, partnerships, and corporations located in Chicago and vicinity and engaged in the manufacture, sale, and dis-



tribution of stereotypes and matrices. The names and addresses of the members of respondent Chicago Stereotypers who are included as respondents herein are:

Central Typesetting & Electrotyping Co., 4600 Diversey Avenue, Chicago, Ill.	Arthur W. McGrath and Evelyn McGrath, partners trading as Century Electrotyping Co., 160 East Illinois Street, Chicago, Ill.
Chicago Electrotyping & Stereotype Co., 350 East Cermak Road, Chicago, Ill.	George R. Olson, trading as Advance Printing Plate Co., 727 South Dearborn Street, Chicago, Ill.
Graphic Arts Electrotyping & Matrix Co. (a division of American Typesetting Corp.), 547 South Clark Street, Chicago, Ill.	Partridge & Anderson Co., 712 Federal Street, Chicago, Ill.
Lake Shore Electrotyping Co., 418 South Market Street, Chicago, Ill.	Progressive Matrix Co., 517 South Jefferson Street, Chicago, Ill.

Respondent Chicago Stereotypers was organized for the purposes, among others, of eliminating trade evils, of hearing the grievances of the members and applying proper remedies thereto, and of fostering fellowship and brotherhood among all stereotypers in Chicago and vicinity. Some of the objectives sought by the organization of said respondent were to accomplish complete and efficient organization and cooperation among all engaged in the job stereotyping industry in Chicago and vicinity; to elevate the standards and promote the interests of the entire industry and those engaged in it; to improve and regulate trade matters pertaining to the welfare of its members; to inculcate a thorough knowledge of manufacturing costs; and in general to do all things which would directly or indirectly contribute to the peace, prosperity, and welfare of the industry as a whole and of all engaged in it.

Respondent Chicago Stereotypers is governed by its membership, and regular meetings are held monthly, with special meetings being called from time to time at the request of the President of the Association. In addition, said Association meets once annually, at which time officers are chosen. At such meetings, various problems concerning the business of the members, such as wages, hours, prices, and discounts, were discussed.

Respondent Chicago Stereotypers was represented from time to time at various meetings of respondent International, and reports of such meetings were made to the membership of respondent Chicago Stereotypers.

Respondent Chicago Stereotypers has from time to time appointed from its membership various committees for the purpose of making

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studies of costs and prices and of other manufacturing and marketing problems, and of making reports and recommendations thereon to the membership. Among the activities of respondent Chicago Stereotypers has been the securing of the adoption by the membership of scales for the pricing of stereotypes and matrices. Said respondent has from time to time among its membership agreed upon prices, terms, discounts, and trade customs applicable to the sale and distribution of stereotypes and matrices.

The membership of respondent Chicago Stereotypers has adopted and used in connection with the pricing of stereotypes and matrices the various standard scales of prices published by the respondent International and the membership of said respondent Chicago Stereotypers has agreed with respondent International to adopt such standard scales for the pricing of stereotypes and matrices.

PAR. 8. Respondent Electrotypers and Stereotypers Association of New York, Inc., hereinafter sometimes referred to as respondent New York City, is a non-stock corporation organized and existing under the laws of the State of New York, with its principal office located at 110 East 42nd Street, New York, New York. Respondent Peter F. Regan, Jr., is, and has been since 1934, Managing Director of respondent New York City, and in that capacity he has actively participated in various of the activities described herein.

The membership of respondent New York City is composed of individuals, partnerships, and corporations located in the city of New York and vicinity, including nearby points in New Jersey and Connecticut, which are engaged in the manufacture, sale, and distribution of electrotypes, stereotypes, and matrices. The membership of respondent New York City is divided into two classes, namely, "active" and "associate," the principal difference being that the associate members do not produce for resale but use their products themselves. The names and addresses of the members of respondent New York City who are included as respondents herein are:

Atlantic Electrotypes & Stereotype Co., (division of respondent The Rapid Electrotypes Co., Cincinnati), 228 East 45th Street, New York, N. Y.	The Cresset Co., 110 Greenwich Street, New York, N. Y.
J. T. Buntin, Inc., 228 East 45th Street, New York, N. Y.	The Thomas H. Crosley Co., 17 Rose Street, New York, N. Y.
Central Electrotypes Foundry Co., Inc., 71 Warren Street, Newark, N. J.	Edwin Flower, Inc., 216 William Street, New York, N. Y.
	Flower Steel Electrotypes Co., 461 Eighth Avenue, New York, N. Y.

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Galvanic Printing Plate & Matrix Co., Inc., 9 Barrow Street, New York, N. Y.	New York Electrotyping Co., Inc., 311 West 43d Street, New York, N. Y.
Gilliams & Rubin, Inc., 225 West 39th Street, New York, N. Y.	Norman-Dohm-O'Flaherty Co., Inc., 228 East 45th Street, New York, N. Y.
Globe Electrotype Corp. (named in the complaint as Globe-Saam Electrotype Corp.), 240 West 40th Street, New York, N. Y.	Nu-Method Matrix & Plate Co., Inc., 239 West 39th Street, New York, N. Y.
Higwill Matrix Co., Inc., 240 West 40th Street, New York, N. Y.	Reilly Electrotype Co., 305 East 45th Street, New York, N. Y.
Kingsboro Electrotype Corp., 300 Adams Street, New York, N. Y.	F. A. Ringler Co., 40 Park Place, New York, N. Y.
Knickerbocker Electrotype Co., 424 West 33d Street, New York, N. Y.	Stoddart-Bell Electrotype Co., Inc. (named in the complaint as Stod- dardt-Bell Electrotype Co.), 175 Varick Street, New York, N. Y.
Metro Matrix & Reproduction Co., Inc., 80 Madison Avenue, New York, N. Y.	Super Quality Co., Inc., 318 East 23d Street, New York, N. Y.
A. E. Munyer Electrotype Co., Inc., 27 Sixth Avenue, Brooklyn, N. Y.	Jacob Weinstein, trading as The Sher- wen Co., 40 West 27th Street, New York, N. Y.

Respondent New York City was organized in 1886 for the purposes, among others, of eliminating trade evils, of hearing the members' grievances and applying the proper remedies thereto, and fostering fellowship and brotherhood and promoting the welfare of the members of the industry located in New York City and vicinity. Some of the objectives sought by said respondent were to handle labor disputes, to regulate all trade matters pertaining to the members' welfare, to endeavor to reconcile all differences of opinion, to devise economical methods for the purchase of necessary supplies, and to provide rules for standard practice and a code of ethics to be of real help to the membership and others with whom they do business.

The Constitution and by-laws and code of ethics of said respondent have not been revised since June 13, 1934. The code of ethics provides, among other things, for the following:

SECTION 1. The spirit of courtesy, fair dealing and cooperation shall govern all intercourse between members of this Association.

\* \* \*

Sec. 4. No member shall publish or issue for general circulation a schedule of prices without first submitting same to the Board of Managers whose jurisdiction covers such work and receiving the approval of that body.

\* \* \*

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SEC. 7. Members shall co-operate with the Association and its cost finding department, to the end that an appropriate system of cost finding methods, covering all of the operations involved in the work of the members, may be adopted and minimum costs for the various operations involved in the work may be fully ascertained. (Comm. Ex. 806.)

Respondent New York City is managed and governed by a Board of Managers consisting of the officers of said respondent and three executive members, all of whom are elected by and from the general active membership. In addition, said respondent has what it calls a "Managing Director" who has directed much of the Association's activities and operations. About 95 percent of all matters of policy were presented to and decided by the membership rather than by the Board of Managers. Said respondent holds an annual meeting at which officers are chosen and also meets at various other times throughout the year, with minutes of the activities of such meetings being recorded and maintained.

Various committees have been appointed from time to time by the President of said respondent, with the approval of the Board of Managers. Among such committees are those relating to the cost of operations and the preparation of scales of prices.

Many of the active members of respondent New York City are also members of respondent International and the dues for membership in the latter Association are paid by respondent New York City. In about 1937, and for some time subsequent thereto, all active members of respondent New York City were also members of respondent International, and dues to respondent International were paid by respondent New York City. In addition to paying the dues of its members, respondent New York City also paid the transportation costs of representatives of its membership attending conferences and meetings of respondent International. All active members, including those who have joined respondent New York City since 1937 and who are paying enough dues to justify, are members of respondent International and have their dues paid by respondent New York City. Respondent New York City is represented on the Executive Board of respondent International by the former's President or by such other person as is chosen by the members. Such representative reports to the membership of respondent New York City on the activities of respondent International and on the results of meetings of the Executive Board of respondent International.

The membership of respondent New York City has adopted from time to time various standard scales for pricing electrotypes, stereotypes, and matrices. Copies of such scales are and have been made available by respondent New York City to buyers of such products.

Said respondent has also gathered cost data and prepared scales of prices, using as a basis for such scales the figures established by respondent International. Respondent New York City has had such scales printed and furnished copies thereof to its membership and to others.

The Standard Ratio Unit Value Scale adopted and published by respondent International bearing an effective date of November 1, 1941, was adopted and made effective on the same day by the members of respondent New York City, and copies were distributed to the trade. Considerable discussion was had among the members of respondent New York City concerning the change in scale prior to the adoption of the Ratio Scale.

On May 20, 1943, respondent New York City sent an announcement to the trade that a new electrotype scale was to become effective on June 1, 1943, based upon unit values adopted by respondent International. On May 16, 1947, respondent New York City notified its members of a new stereotype and matrix ratio unit value scale to become effective June 1, 1947, and copies of such scale were made available through the office of respondent New York City.

Respondent New York City has agreed among its membership upon prices, discounts, and trade customs in connection with the sale of electrotypes, stereotypes, and matrices.

Respondent New York City has from time to time discussed with other groups and associations of electrotypers and stereotypers the consideration and adoption of standard scales published by respondent International and has otherwise cooperated with other local or regional associations named as respondents herein and with respondent International in stabilizing the market for electrotypes, stereotypes, and matrices.

PAR. 9. Respondent New York State Electrotypers Association, hereinafter sometimes referred to as respondent New York State, is a voluntary unincorporated association organized in or about 1915 under the laws of the State of New York. Said respondent maintains no regular office other than the place of business of its Secretary-Treasurer, who, on September 21, 1948, was Melvin A. Kelley, Manager of S. J. Kelley Engraving Company, 19 Chenango Street, Binghamton, New York. The membership of respondent New York State is composed of individuals, partnerships, and corporations engaged in the manufacture, sale, and distributions of electrotypes, stereotypes, and matrices. The names and addresses of the members of respondent New York State who are included as respondents herein are:

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Central City Electrotype Co., Inc.,  
107 North Franklin Street,  
Syracuse, N. Y.

S. J. Kelley and Estate of Fred C. Kelley, partners trading as S. J. Kelley Engraving Co.,  
19 Chenango Street,  
Binghamton, N. Y.

Rochester Electrotype & Engraving Co., Inc.,  
170 North Water Street,  
Rochester, N. Y.  
Syracuse Electrotype Corp.,  
148 Gifford Street,  
Syracuse, N. Y.  
Theodore C. Walters, trading as Walters Electrotype Co.,  
10 Devereux Street,  
Utica, N. Y.

Respondent New York State has held meetings of its members from time to time at the request of its President. The membership of said respondent has also at times met with other regional or local respondent associations. The members of respondent New York State do not pay regular dues but are assessed for the actual expenses of the association.

Respondent New York State represented by its President on the Executive Board of respondent International and such representative makes reports on the activities of respondent International to the membership of respondent New York State. Respondent New York State also reports its activities to respondent International.

The membership of respondent New York State has used the various standard scales for pricing purposes. Said respondent adopted for use by its membership in the pricing of their products the ratio scale published by respondent International effective November 1, 1941. Prior to the adoption and use of said ratio scale, the members of respondent New York State had adopted and used the so-called Gray Standard Scale for pricing purposes, with a 15 percent discount being generally allowed. Upon the adoption of the ratio scale late in 1941, the multiplier .028 with a 15 percent discount was generally adopted by the membership and was continued in use in pricing electrotypes for several years. The aforesaid multiplier was increased from time to time by the members of respondent New York State.

PAR. 10. Respondent Ohio State Association of Electrotypers and Stereotypers, hereinafter sometimes referred to as respondent Ohio State, is a voluntary unincorporated association. Said respondent maintains no regular office other than the place of business of its Secretary-Treasurer, who, on June 28, 1948, was John Weiand, Vice-President of respondent The Akron Electrotype & Stereotype Co., 414 Water Street, Akron, Ohio. The membership of said respondent is composed of individuals, partnerships, and corporations engaged in the manufacture, sale, and distribution of electrotypes,

stereotypes, and matrices. The names and addresses of the members of respondent Ohio State who are included as respondents herein are:

The Ace Electrotype Co., 1501 Superior Avenue, Cleveland, Ohio.	The Central Electrotype Co., 1760 East 22d Street, Cleveland, Ohio.
The Akron Electrotype & Stereotype Co., 414 Water Street, Akron, Ohio.	The Dayton Electrotype Co., 320 West Fifth Street, Dayton, Ohio.
The American Electrotype Co., 2182 East Ninth Street, Cleveland, Ohio.	The Quality Engraving & Electrotype Co., 436 Commercial Square, Cincinnati, Ohio.
The Art Electrotype Co., 1104 Prospect Avenue, Cleveland, Ohio.	Service Electrotype Co., 108 Ferry Street, Pittsburgh, Pa.
The Artcraft Electrotype Co., 704 Union Street, Ashland, Ohio.	Standard Electrotype Co., 704 Second Avenue, Pittsburgh, Pa.
Atlas Electrotype Corp., Factories Building, 12th and Woodruff Street, Toledo, Ohio.	Van Bolt-Kreber Electrotype Co., 145 North Grant Avenue, Columbus, Ohio.
Canton Engraving & Electrotype Co., 400 Third Street SE., Canton, Ohio.	

Respondent Ohio State holds meetings of its membership from time to time. The members are assessed to provide for expenses, with dues varying from \$10 to \$50 yearly. The Executive Secretary of respondent International has attended some of the meetings of respondent Ohio State, two of such meetings occurring early in 1941. Respondent Ohio State has been represented, from among its membership, on the Executive Board of respondent International.

The membership of respondent Ohio State was represented at the meeting of the Executive Board of respondent International held on September 16, 1941, when it was agreed that the Standard Ratio Unit Value Scale be recommended for adoption by the industry. Subsequently, members of respondent Ohio State began to use the said Standard Ratio Scale published by respondent International in the pricing of their products.

Respondent Ohio State held a meeting of its membership on November 26, 1941, at which it was agreed to invite several other regional or local respondent associations of electrotypers and stereotypers to a meeting to be held in Cleveland on December 11, 1941, for the purpose of discussing many items of mutual interest, the principal item being the ratio scale adopted by the industry at the Chicago Convention.

**PAR. 7.** Respondent Wisconsin Employing Electrotypers Association, hereinafter sometimes referred to as respondent Wisconsin, is a

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voluntary unincorporated association. The principal office of respondent Wisconsin is the office of its Secretary, who, on May 6, 1948, was Clifford W. Remington, Vice-President of respondent Milwaukee Electrotype Company, 1127 North 7th Street, Milwaukee, Wisconsin. The membership of said respondent is composed of individuals, partnerships, and corporations engaged in the manufacture, sale, and distribution of electrotypes, stereotypes, and matrices. The names and addresses of the members of respondent Wisconsin who are included as respondents herein are:

Badger-American Electrotype Co.,  
407 East Michigan Street,  
Milwaukee, Wis.  
Gether Electrotype Co.,  
1423 North 5th Street,  
Milwaukee, Wis.

The Milwaukee Electrotype Co.,  
1127 North 7th Street,  
Milwaukee, Wis.  
Service Electrotype Co.,  
733 North Van Buren Street,  
Milwaukee, Wis.

The members of respondent Wisconsin are also members of respondent International and are represented on the Executive Board of said respondent International. The membership of respondent Wisconsin Association has held meetings from time to time, at which joint labor contracts and prices and discounts on their products were discussed. In August 1941 the Secretary of respondent Wisconsin Association wrote to the Managing Director of respondent New York City relative to a proposed new scale of electrotype prices, and expressed the opinion that there should be a general price increase and that the respondent International could easily help and should help to bring about such price increase. It was stated in such letter that the members of respondent Wisconsin "have had two local meetings on reducing discount on prices in the present scale."

The members of respondent Wisconsin Association have used and do now use the scales of respondent International for pricing their products. The members adopted the ratio scale published by respondent International shortly after its effective date. In May 1948, all the members of respondent Wisconsin Association were using .04 as a multiplier for pricing commercial job electrotype work. Such scales are and have been advertised in respondent International's publication "The Bulletin," the copies of scales were obtained by the members of respondent Wisconsin Association from respondent International and supplied to their customers.

PAR. 12. Respondent Pacific Northwest Electrotypers and Stereotypers Association, hereinafter sometimes referred to as respondent Pacific, is an unincorporated association, with its principal office and place of business located at 1010 First Avenue, Seattle, Washington.



The names and addresses of the members of respondent Pacific who are included as respondents herein are :

Harold J. Bothel, trading as Tacoma Electrotype Co., 15th and Commerce Streets, Tacoma, Wash.	Portland Electrotype & Stereotype Co., Inc., 718 West Burnside Street, Portland, Oreg.
Oregon Engraving & Electrotype Co., 31 Northwest Ninth Avenue, Portland, Oreg.	Spokane Electrotype Co., East 30 Sprague Avenue, Spokane, Wash.
Pacific Electrotype Co., Inc., 202 Maritime Building, Seattle, Wash.	

The membership of respondent Pacific formerly held meetings annually. However, no meetings have been held since about 1940, although there has been no official dissolution of the Association. At the meetings which were held, there were discussions of the standard scales, and resolutions covering this subject were adopted by the members. The members of said respondent Pacific used the same standard scales and granted the same discounts and did not compete price-wise with each other. The members of said respondent Pacific had an understanding among themselves that they would follow certain trade customs or practices recommended by respondent International and set forth on the various standard scales. The question of increasing prices through the adoption of the 1937 Scale issued by respondent International was discussed, and such scale was subsequently adopted by members of respondent Pacific. There were also discussions among the members at meetings of respondent Association concerning terms and conditions of sale.

Respondent Pacific Association has not had a representative formally appointed to the Executive Board of respondent International, but a representative of one of its members attended at least one convention meeting of respondent International and reported the results thereof to the members of respondent Pacific.

PAR. 13. Respondent Potomac District Association of Electrotypers and Stereotypers, sometimes hereinafter referred to as respondent Potomac District, is a voluntary unincorporated association, with its principal office located at the place of business of its Secretary-Treasurer, Charles E. Murray, Vice-President of respondent Potomac Electrotype Company, Inc., 1508 Eckington Place, N. E., Washington, D. C. The membership of said respondent is composed of individuals, partnerships, and corporations engaged in the manufacture, sale, and distribution of electrotypes, stereotypes, and matrices. The names and addresses of the members of respondent Potomac District who are included as respondents herein are :

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American Electrotype Co., Inc., 1424 Florida Avenue N. E., Washington, D. C.	Metropolitan Engraving & Electrotype Co., Inc., 1314 East Grace Street, Richmond, Va.
Baltimore Electrotype Co., Inc., 418 East Pratt Street, Baltimore, Md.	Pennsylvania Electrotype Co., Inc., Pine Street and Boundary Avenue, York, Pa.
H. D. Jordon, trading as Virginia Stereotype Service, 1333 East Franklin Street, Richmond, Va.	Potomac Electrotype Co., Inc., 1508 Eckington Place N. E., Washington, D. C.
Maple Press Co., Inc., 210 York Street, York, Pa.	Shane-Beever Co., 227 North Holliday Street, Baltimore, Md.

Respondent Potomac District was organized during the NRA days. Meetings of the membership were held from time to time, and the Association was represented on the Executive Board of respondent International. Meetings of respondent International were attended by representatives of respondent Potomac District, and reports of such meetings were made to the membership of respondent Potomac District. Expenses incurred by representatives of Potomac District in attending meetings of respondent International were paid from dues received by respondent Potomac District from its members.

Respondent Potomac District has cooperated with respondent International and has made reports to respondent International of its activities. The members of respondent Potomac District have discussed prices and the use of the standard scales published by respondent International, and have used such scales in the pricing of their products. Copies of the standard scales have been purchased from respondent International and furnished to customers of the members of respondent District on request.

The Baltimore members of respondent Potomac District agreed among themselves to increase prices. They adopted the ratio scale published by respondent International on or about January 1, 1942, and at the same time adopted .025 as a multiplier. In 1946 the Baltimore members of respondent Potomac District simultaneously increased the multiplier to .030, and again in 1947 they increased the multiplier to .035 at about the same time.

The Washington, D. C., members of respondent Potomac District agreed to adopt, and did adopt, the ratio scale in either December 1941 or January 1942, and a multiplier of .026. The multiplier was increased by such members on or about the same day in 1946 to .032, and on or about the same day in 1947 the multiplier was again increased to .038.

PAR. 14. Respondent Employing Electrotypers Association of St. Louis, hereinafter sometimes referred to as respondent St. Louis, is

a voluntary unincorporated informal association, with its principal office located at the place of business of its Secretary-Treasurer, George F. Preisler, President of respondent Reinert-Preisler Electrottype Company, 914 Pine Street, St. Louis, Missouri. The membership of said respondent is composed of individuals, partnerships, and corporations engaged in the manufacture, sale, and distribution of electrotypes, stereotypes, and matrices. The names and addresses of the members of respondent St. Louis who are included as respondents herein are:

Progressive Electrottype Co., 125 South 11th Street, St. Louis, Mo.	Service Electrottype Co., Inc., 2122 Pine Street, St. Louis, Mo.
Reinert-Preisler Electrottype Co., 914 Pine Street, St. Louis, Mo.	St. Louis Electrottype Foundry Co., 125 South 8th Street, St. Louis, Mo.

Respondent St. Louis has held meetings at least once annually, at which negotiations for contracts with a labor union were conducted. The member firms of said respondent also met at other times and discussed various marketing problems and prices and discounts. At one of such meetings, the members of respondent St. Louis met with the Executive Secretary of respondent International to discuss the subject of price cutting among the members. It was agreed that a 20 percent discount be allowed from the 1937 scale of prices for commercial job electrottype work.

The members of respondent St. Louis have used some of the standard scales published by respondent International in the pricing of their products. They did not, however, adopt the ratio scale issued by respondent International in 1941. In 1946 the members of respondent St. Louis were using identical scales of prices in the sale of electrotypes, such scales having been prepared by one member and adopted by each of the other members. Respondent St. Louis was represented from time to time at meetings of respondent International, and reports were made to respondent International of activities of the St. Louis group.

PAR. 15. Respondent Employing Electrottypers and Stereotypers of Philadelphia, hereinafter sometimes referred to as respondent Philadelphia, is a voluntary unincorporated association, with its principal office located at the place of business of its Secretary-Treasurer, Joseph Schwartz, Executive Vice-President of respondent Westcott & Thomson, Inc., 1027 Arch Street, Philadelphia, Pennsylvania. Said respondent was organized in 1934 under the name of Employing Electrottypers and Stereotypers Trade Association of Pennsylvania and New Jersey. The objects or purposes of the organiza-

tion of said respondent were to promote the welfare of the electrotyping and stereotyping industry and to assist the members to follow the aims and principles of the N. R. A. Code of Fair Competition. Upon the termination of N. R. A., the respondent Philadelphia continued in existence. The membership of said respondent is composed of individuals, partnerships, and corporations engaged in the manufacture, sale, and distribution of electrotypes, stereotypes, and matrices. The names and addresses of the members of respondent Philadelphia who are included as respondents herein are:

George S. Ferguson Co., 15 North Seventh Street, Philadelphia, Pa.	Potomac Electrotype Co. of New Jersey, 919 Walnut Street, Philadelphia, Pa.
D. Edward McAllister, trading as Han- son Co., and Progress Plate Making Co., Sheridan Building, 125 South Ninth Street, Philadelphia, Pa.	Royal Electrotype Co., 1309 Noble Street, Philadelphia, Pa. Wescott & Thomson, Inc., 1027 Arch Street, Philadelphia, Pa.

The membership of respondent Philadelphia has held meetings from time to time. Said respondent was represented on the Executive Board of respondent International. The representative of respondent Philadelphia who attended meetings of the Executive Board of respondent International made reports at such meetings as to the activities of respondent Philadelphia and subsequently made reports to members of respondent Philadelphia as to the activities of respondent International.

The members of respondent Philadelphia agreed to use, and did use, the various standard scales published by respondent International in pricing their products. Respondent Philadelphia had scales printed for its members, with each member's name appearing on its scale. The members of respondent Philadelphia, on August 1, 1945, adopted a ratio scale which was the same as that published by respondent International on November 1, 1941. Said members used .034 as a multiplier until April 1, 1946, when the multiplier was increased to .039. On April 7, 1947, the multiplier was changed to .045, and between May 10 and May 17, 1948, it was again increased, to .049. In June 1941 the members of respondent Philadelphia reduced their discount on commercial job electrotyping work from 20 percent to 10 percent.

The membership of respondent Philadelphia has agreed with respondent International to use the standard scales for pricing purposes and to cooperate in general toward the stabilization of prices.

PAR. 16. Respondent Detroit Electrotypers and Stereotypers Association, hereinafter sometimes referred to as respondent Detroit, is a

voluntary unincorporated association, with its principal office located at the place of business of its Secretary, Robert H. Kennedy, Treasurer of respondent Detroit Electrotpe Company, 1959 East Jefferson Avenue, Detroit, Michigan. The membership of said respondent is composed of individuals, partnerships, and corporations engaged in the manufacture, sale, and distribution of electrotypes, stereotypes, and matrices. The names and addresses of the members of respondent Detroit who are included as respondents herein are:

The Bell Electrotyping Co., 508 West Congress Street, Detroit, Mich.	Michigan Electrotpe & Stereotype Co., 95 West Hancock Avenue, Detroit, Mich.
Congress Electrotpe Co., 1326 East Congress Street, Detroit, Mich.	Northern Electrotpe Co. (a division of respondent The Rapid Electrotpe Co., Cincinnati),
Detroit Electrotpe Co., 1959 East Jefferson Avenue, Detroit, Mich.	41 Burroughs Avenue, Detroit, Mich.

Although organized some years prior thereto, the members of respondent Detroit on December 2, 1941, adopted a constitution and by-laws which recited the purposes of the organization as being the maintenance of a high standing of business ethics among its members; the negotiation of labor contracts as an association for its members; and the mutual advancement of its members through promotional activities.

Respondent Detroit has held meetings of its members from time to time. A representative of said respondent has served on the Executive Board of respondent International, and reports to respondent International were made as to the activities of the Detroit group. The members of respondent Detroit have discussed, adopted, and used the various standard scales published by respondent International in the pricing of their products. Said respondent members have also established discounts for the various classifications of work. Copies of the standard scales were obtained by members of the respondent Detroit from respondent International direct or through the offices of respondent Detroit, and customers of the said members were furnished copies of the scales on request. The members of respondent Detroit simultaneously adopted the ratio scale published by respondent International after considerable discussion among themselves of costs and prices. At the same time the members adopted a multiplier of .029 which had been recommended by respondent International. The Secretary of respondent Detroit sought to obtain 500 sample rate cards showing .029 as the multiplier and which had been sent by respondent International to the various local associations in explanation of the use of the ratio scale. On December 26,

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1941, two hundred of the aforesaid rate cards showing .029 as the multiplier were shipped by respondent International to the Secretary of respondent Detroit. In October 1946 the members of respondent Detroit increased the multiplier from .029 to .036. On June 1, 1948, said multiplier was again increased by all the members of respondent Detroit to .044.

PAR. 17. Respondent Indiana State Electrotypers Association, hereinafter sometimes referred to as respondent Indiana, is a voluntary unincorporated association organized in 1934, with its principal office located at the place of business of its Secretary, Clinton C. Barnes, President of respondent Fort Wayne Engraving Company, 120 West Superior Street, Fort Wayne, Indiana. The membership of said respondent is composed of individuals, partnerships, and corporations engaged in the manufacture, sale, and distribution of electrotypes, stereotypes, and matrices. The names and addresses of the members of respondent Indiana who are included as respondents herein are:

Advance Independent Electrotype Co., Inc., 730 East Washington Street, Indianapolis, Ind.	Indianapolis Electrotype Foundry, 343 East Market Street, Indianapolis, Ind.
Apex Electrotype Corp., 227 South Carroll Street, South Bend, Ind.	Miller Electroplating, Inc., 301 Northwest First Street, Evansville, Ind.
Fort Wayne Engraving Co., 120 West Superior Street, Fort Wayne, Ind.	South Bend Engraving & Electrotyping Co., Inc., 232 South St. Joseph Street, South Bend, Ind.

Meetings of the membership of respondent Indiana have been held from time to time beginning in January 1934 and the subjects discussed at such meetings have included prices, terms, and discounts on their products. The members of said respondent Indiana met with other local or regional associations of electrotypers and stereotypers to discuss the adoption of uniform scales of prices, and the members have adopted and used the standard scales published by respondent International in the pricing of their products. In using the ratio scale the members of respondent Indiana agreed to adopt such scale, and used the same multipliers at the same time in each marketing area. The two respondent members of respondent Indiana located in South Bend adopted the ratio scale in January and February 1946 and simultaneously adopted identical multipliers. On November 1, 1946, two of the three Indianapolis members of respondent Indiana adopted .026 as the multiplier for use with the ratio scale, and this was increased on April 10, 1947, to .03. On April 15, 1948, the same members simultaneously increased the multiplier to .033. The third Indianapolis member of respondent Indiana adopted the

same multipliers on or about the same dates as the other two Indianapolis members.

Respondent Indiana was represented from time to time on the Executive Board of respondent International, and reports were made to the latter association of the activities within the Indiana Association. Results of the meetings and activities of respondent International were in turn reported to the members of respondent Indiana.

PAR 18. Respondent Northern California Electrotypers and Stereotypers Association, hereinafter sometimes referred to as respondent Northern California, is a voluntary unincorporated association. Roy W. Kelly, 593 Market Street, San Francisco, California, is Acting Secretary of respondent Northern California. Said respondent was organized in 1930 or 1931 and its membership was composed of individuals, partnerships, and corporations engaged in the manufacture, sale, and distribution of electrotypes, stereotypes, and matrices. The names and addresses of the members of respondent Northern California who are included as respondents herein are:

American Electrotype Division of Electrographic Corp., 329 Fremont Street, San Francisco, Calif.	Bert Hoffschneider & Bro., Inc., 500 Sansome Street, San Francisco, Calif.
The Filmer Bros., Electrotype Co., 330 Jackson Street, San Francisco, Calif.	Stephen W. Johnson, trading as Johnson Matrix & Stereotype Co., 500 Sansome Street, San Francisco, Calif.

For a time, respondent Northern California used the name Pacific Coast Electrotypers and Stereotypers Association because it was contemplated that Oregon and Washington companies would become members. No formal organization of an association by the name of Pacific Coast occurred, however.

The answer to the complaint herein avers that respondent Northern California ceased to exist sometime in 1944. Said respondent was still in existence in February 1944, when its Executive Secretary, respondent Albert E. Benson, resigned. The members of respondent Northern California continued to act informally without officers, but the Association's name was requested, in October 1945, by one Roy W. Kelly, 593 Market Street, San Francisco, California, as Executive Secretary, to be continued on the list of trade associations of the San Francisco Chamber of Commerce, which request was granted. Subsequent to respondent Benson's resignation, meetings of said respondent Northern California were held from time to time at the instance of the labor union, and no formal steps to disband were taken by respondent Northern California.

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The affairs of respondent Northern California were conducted by its Executive Secretary, respondent Albert E. Benson, who from 1935 to 1937 also acted in the same capacity for respondent Southern California Electrotypers and Stereotypers Association. Respondent Northern California held monthly meetings and also held joint meetings from time to time with respondent Southern California Association. There has been close cooperation between these two respondents.

The members of respondent Northern California have discussed among themselves and have adopted uniform prices, discounts, terms, and conditions of sale. The members have adopted and used standard scales published by respondent International in the pricing of their products. In 1937 the membership adopted and printed scales of prices for their various products, effective on May 1, 1937, the same date as that of a standard scale published by respondent International. The prices in the scales published by respondent Northern California were higher in the smaller quantity lots than the prices in the scale published by respondent International. The trade customs shown on the scale published by respondent Northern California were substantially the same as those on the scale published by respondent International and the quantity discount tables were identical. The respondent members of Northern California agreed to a minimum charge of 80¢, which was more than that shown on the scale published by respondent International. Copies of the scales of prices used by the members of respondent Northern California were distributed to the members through the Association and were furnished to the members' customers. Subsequent to the effective date of such scales, the members or respondent Northern California indicated at meetings of the Association that the prices shown on the scales were not being adhered to.

In May 1937 and December 1939 respondent Northern California entered into an agreement and understanding with the San Francisco Electrotypers and Stereotypers Union, whereby the respondent members agreed to abide by certain fair trade practice rules. These rules were the subject of an agreement made during N. R. A. days and were in effect in 1940. Among such rules were the following:

2. The granting of cash discounts in excess of 2% or for payment later than the twentieth (20th) day of the month following date of invoice, shall constitute a violation of the Fair Trade Practice Rules.

3. The secret payment or allowance of rebates, commissions, credits, or unearned discounts, whether in the form of money or otherwise, or extending to certain purchasers special services or privileges not extended to all purchasers under like terms or conditions, shall constitute a violation of the Fair Trade Practice Rules. (Comm. Ex. 28.)



PAR. 19. Respondent Southern California Electrotypers and Stereotypers Association, hereinafter sometimes referred to as respondent Southern California, is a voluntary unincorporated association, with its principal office located at 1210 Broadway, Arcade Building, Los Angeles, California. The membership of said respondent is composed of individuals, partnerships, and corporations engaged in the manufacture, sale, and distribution of electrotypes, stereotypes, and matrices.

The names and addresses of the members of respondent Southern California who are included as respondents herein are:

Bryan-Brandenburg Co., 232 East 4th Street, Los Angeles, Calif.	Theodore Frase, trading as Frase Electrotype Co., 1220 South Maple Avenue, Los Angeles, Calif.
California Electrotype & Stereotype Co., 360 South Los Angeles Street, Los Angeles, Calif.	L. A. Matrix Co., Ltd., 423 Wall Street, Los Angeles, Calif.

Since 1938 the affairs of respondent Southern California have been conducted by respondent Harry R. Simon as Executive Secretary of said respondent.

Respondent Southern California at times has also used the names "California Electrotypers and Stereotypers Association" and "Pacific Coast Electrotypers and Stereotypers Association," but the express purpose and nature of the business of its members have been the same, irrespective of the name used. Among the objects of respondent Southern California as set forth in a draft of its constitution were:

\* \* \* to encourage and foster a feeling of friendship between producers of electrotypes, stereotypes, and matrices; \* \* \* to develop a spirit of cooperation in all matters of mutual interest; \* \* \* to urge electrotypers and stereotypers to cooperate with one another to eliminate the evils of ignorant and ruinous competition; to spread a wider knowledge of the elements of cost and what constitutes a proper remuneration for services rendered, so that competition may be honorable, just and reasonable; \* \* \*. (Comm. Ex. 236.)

Meetings of the members of respondent Southern California have been held from time to time for the purpose of discussing business in general and to disseminate information pertaining to methods of production, cost, labor relations, and other matters relating to their business. Minutes of such meetings were not recorded. The members of respondent Southern California use and have used a set of scales in the pricing of their products which were prepared by San Francisco electrotypers who were members of respondent Northern California. Such scales were submitted to the members of respondent Southern California in 1937 with the tacit permission of said San Francisco

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electrotypers to use such scales, and they were adopted and used by the members of respondent Southern California. Discounts applicable to the prices shown on said scales were uniform among the various members of respondent Southern California. The key charts used in conjunction with said scales were prepared by respondent International and obtained from it by members of respondent Southern California.

PAR. 20. Each of the respondents named hereinabove as members of one or more of the respondent associations, and sometimes herein referred to as respondent members, is engaged in the manufacture, sale, and distribution of one or more of the products involved in this proceeding. Each of them has participated in some of the activities described and has acted in concert and in cooperation with one or more of the other respondents in doing and in carrying out some of the acts and practices pursuant to and in furtherance of the combination and conspiracy common to them all.

PAR. 21. The following described respondents, sometimes herein referred to as respondent non-members, are not members of any of the respondent associations, but each of them is engaged in the manufacture, sale, and distribution of one or more of the products involved in this proceeding and each of them has participated in some of the activities described herein and has acted in concert and in cooperation with one or more of the other respondents in doing and in carrying out some of the acts and practices pursuant to and in furtherance of the combination and conspiracy common to them all. Each of them has used, and now uses, the standard scales prepared and disseminated by respondent International in computing the selling prices on the products its sells.

Artercrafts Engraving Co., 224½ South 8th Street, St. Joseph, Mo.	Louisiana Electrotype Co., Inc., 732 Poydras Street, New Orleans, La.
Battle Creek Electrotype Co., 43 North Division Street, Battle Creek, Mich.	Mulligan & Walsh, Inc., 310 East 45th Street, New York, N. Y.
The Cincinnati Electrotype Co., 528 Walnut Street, Cincinnati, Ohio.	National Electrotype Co., 227 East 45th Street, New York, N. Y.
The Empire City Electrotype Co., Inc., 251 William Street, New York, N. Y.	Neptune Electrotype Corp., 310 East 23d Street, New York, N. Y.
A. W. Harrison & Sons, Inc., 313 South Sharp Street, Baltimore, Md.	Precision Electrotype Co., 1045 Sansome Street, San Francisco, Calif.
Lansing Electrotype Co., 230 North Washington Avenue, Lansing, Mich.	Publishers Plate & Mat Co., Inc., 313 West 37th Street, New York, N. Y.

Rockford Illustrating Co., 317 Market Street, Rockford, Ill.	Southern Electrotype Co. (named in the complaint as The Southern Electro Co.),
Sampson & Ollier Electrotype Co., 141 West Ohio Street, Chicago, Ill.	10 North Newman Street, Jacksonville, Fla.
Smith-Brooks Printing Co., 1743 California Street, Denver, Colo.	Charles Van Vlack Co., 191 Chestnut Street, Springfield, Mass.

PAR. 22. The vast majority of the respondent members of the various respondent associations and the respondent non-members make sales of one or more of the products involved in this proceeding to purchasers located in States other than the State in which the respective respondents are located, causing said products, when sold, to be shipped from their respective places of business to the purchasers thereof, and there has been and now is a constant course of trade and commerce in such products between and among the several States of the United States and in the District of Columbia. There are among such respondent members and respondent non-members, however, some who, from the record, do not appear to have been engaged in interstate commerce. The respondents in this category are, nevertheless, parties to the combination and conspiracy either through their affiliations with the respondent associations or because of their participation in the acts and practices done and performed pursuant to and in furtherance of the combination and conspiracy common to them all. All of such member and non-member respondents have been and are in competition in the sale of their products with other members of the industry and with each other, in their respective marketing areas, except insofar as such competition has been restrained or lessened as a result of the acts and things done by such respondents, as herein found.

PAR. 23. The record in this proceeding thus establishes that respondent International has devised, worked out, and promulgated standard scales of prices to be charged for electrotypes, stereotypes, and matrices and has disseminated and distributed such scales among and to, and secured their adoption and use by, the various local and regional respondent associations and the various non-member respondents, and by this means has sought to stabilize the prices for said products. The respondent members of the various respondent associations have cooperated with each other and have worked together within their respective local groups or associations, and between and among such local groups or associations, and with respondent International, to restrict, restrain, suppress, and substantially lessen competition in the sale of such products. The respondent non-members have joined in

the common course of action or understanding by adopting and using the various standard scales devised and promulgated by respondent International in the sale of their products, and by using the same prices, terms, and discounts as those used by the member respondents. As a result of the common use of the standard scales, and the agreements and understandings concerning the discounts, or multipliers, applicable to the standard scales, and the terms of sale, the prices at which said products have been offered for sale and sold have been generally uniform in any given marketing area.

The Commission concludes, and therefore finds, that the respondents named herein have entered into and have engaged in and carried out an understanding, agreement, combination, conspiracy, and planned common course of action among themselves to restrict, restrain, and suppress competition in the sale of electrotypes, stereotypes, and matrices.

PAR. 24. Among the respondents specifically named in the complaint herein are certain individuals who are named individually and as officers and/or members of boards or committees of the different respondent associations. It appears that, except for respondents Albert P. Schloegel, Secretary-Treasurer and Executive Secretary of respondent International, Edwin M. Chamberlin, former Secretary of respondent New England, T. J. Ramsay, Secretary of respondent Chicago Electrotypers and of respondent Chicago Stereotypers, Peter F. Regan, Jr., Managing Director of respondent New York City, Albert E. Benson, former Executive Secretary of respondent Northern California and of respondent Southern California, and Harry R. Simon, Executive Secretary of respondent Southern California, the officers and members of boards and committees of the respondent associations consist of representatives of the concerns comprising the membership of the associations. It further appears that respondent Edwin M. Chamberlin severed his connections with respondent New England on or about September 1, 1943, and that respondent Albert E. Benson severed his connections with respondent Northern California in about February 1944, and that neither respondent Chamberlin nor respondent Benson has been connected in any way with the industry since those dates. Since the order to cease and desist which is being entered in this matter runs against the officers, agents, representatives, employees, members of boards or committees, and members of the respondent associations, the Commission does not consider it necessary to retain such individuals, except Albert P. Schloegel, T. J. Ramsey, Peter F. Regan, Jr., and Harry R. Simon, as respondents in this proceeding individually. The complaint herein should, therefore, be dismissed as to the following individual respondents in their capaci-

ties as named parties respondent, but not in their capacities as officers and/or members of boards or committees of the respondent associations if any of them are now, or hereafter become, such.

C. C. Barnes	F. W. Kreber
Albert E. Benson	William C. Lennox
Arthur Bernhard	George W. Liddle
Edwin M. Chamberlin	James S. Love
Payson M. Curry (named in the complaint as Pace N. Curry)	C. A. Mawicke
William P. Curry	Harry M. Midwood
Augustus Davis	Charles E. Murray
Chas. E. Dye	C. A. Parsons
Walter C. Dohm	George F. Preisler
Ed. A. Dominik	Joseph Reilly
W. P. Filmer	Clifford W. Remington
Albert J. Fleig	John N. Rettig
Walter C. Flower	Stetson D. Richmond
Frank Galvin	Eignar Ringquist
Charles F. Hamilton	Robert T. Rowell
F. A. Herrgott	Isaac Rubin
H. G. Hoff	George J. Ryan
Dennes F. Hoynes	L. P. Sale
Leighton R. Johnson	George C. Scott
Melville H. Kennedy	Joseph Schwartz
Robert H. Kennedy	Arthur Tomlinson
Arthur N. Knol	John Weiland
	William H. Wohlberg

The complaint should also be dismissed as to the following named individuals, partnerships, and corporations, some of whom are not specifically named in the complaint but are respondents by reason of their being members of a class, for the reason that the record does not establish that they have participated in the combination and conspiracy described hereinabove, or that they are not presently engaged in the manufacture, sale, and distribution of any of the products involved in this proceeding:

Acme Plate & Mat Co., 392 West Lancaster Avenue, Wayne, Pa.	Art Engraving & Electrotpe Co., Inc., 634 Court Street, Reading, Pa.
Ad Plate & Mat Co., Inc., 227 East 45th Street, New York, N. Y.	Artercraft Engraving & Electrotpe Co., 1010 First Avenue, Seattle, Wash.
Albany Electrotpe Co., Inc., P. O. Box 1259, Albany, N. Y.	T. P. Beacom and J. H. Davies, part- ners trading as Beacom-Davies Co., 914 Farnam Street, Omaha, Nebr.
American Engraving & Electrotpe Co., Division of the Times Mirror Co., 110 South Broadway, Los Angeles, Calif.	The Billboard Publishing Co., 2160 Patterson Street, Cincinnati, Ohio

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Belz Electrotype Co., Inc., 14 South Fifth Street, Philadelphia, Pa.	L. R. Dowlin (named in the complaint as L. R. Dowling), c/o Western Newspaper Union, 1400 Northwest Hoyt Street, Portland, Oreg.
Louis H. Booze, formerly trading as City Electrotype Co., 314 Beaubien Street, Detroit, Mich.	Erskine & Morrison, Inc., 7 Beverly Street, Providence, R. I.
Bureau of Engraving, 315 North Broadway, Oklahoma City, Okla.	James T. Flanagan and Frank J. Flanagan, partners trading as Advertisers Matrix Co., 24 Noble Court NW., Cleveland, Ohio
Capper Publications, Inc., Eighth & Jackson Streets, Topeka, Kans.	Foote, Cone & Belding, 305 East 45th Street, New York, N. Y.
Chattanooga Electrotype Co., 239 East 11th Street, Chattanooga, Tenn.	The J. W. Ford Co., 108 West Central Parkway, Cincinnati, Ohio
J. R. Cissna and W. T. Resing, formerly partners trading as Oklahoma Mat & Plate Co., 325 Northwest Second Street, Oklahoma City, Okla.	E. L. Geiger, trading as Geiger Stereo- type Co., 223 South Ludlow, Dayton, Ohio.
The Colonial Press, Inc. Clinton, Mass.	The Gilbert-Baker-Midlam Co., 38 North Jefferson Street, Dayton, Ohio.
Colorado Stereotype Co. 1802 Broadway, Denver, Colo.	Gilman Fanfold Corp., Buffalo Avenue at Porter Park, Niagara Falls, N. Y.
Conde, Nast Engravers, Inc., Greenwich, Conn.	Charles J. Hely and John E. McCormack, partners trading as Hely & McCormack, 55 Lafayette Street, Newark, N. J.
W. B. Conkey Co., 601 Conkey Street, Hammond, Ind.	W. D. Hoard & Sons, 28 West Milwaukee Avenue, Fort Atkinson, Wis.
The Cornwall Press, Inc., Shore Road, Cornwall, N. Y.	G. T. Iverson, trading as Printing Trade Plate Makers Co., 305 Fifth Street South, Minneapolis, Minn.
Country Life Press Corp., Garden City, N. Y.	Winfred A. Jackson, trading as Augusta Electrotype Co., Winthrop & Perham Streets, Augusta, Maine.
The Cuneo Press, Inc., 455 West Cermak Road, Chicago, Ill.	Kable Bros. Co. (formerly Kable Print- ing Co.), 404 North Wesley Avenue, Mount Morris, Ill.
J. S. Cushing Co., Washington Street, Norwood, Mass.	
Elmer Deputy, 123 Federal Street, Camden, N. J.	
Desaulniers & Co., 1701 Third Avenue, Moline, Ill.	

Keystone Electrotype Co., 123 East 17th Street, Erie, Pa.	Monarch Matrix & Stereotype Co., 732 Federal Street, Chicago, Ill.
Carl H. Lahl, trading as Lahl Matrix & Plate Co., 104 East Mason Street, Milwaukee, Wis.	The Morgan Co. (named in the com- plaint as The Morgan Co., Inc.), 128 West Third Street, Tulsa, Okla.
J. J. Little & Ives Co., 435 East 24th Street, New York, N. Y.	Muirson Label Co., Inc., 535 Stockton Avenue, San Jose, Calif.
Wm. H. Lockwood Sons, Inc., 11 Edward Street, Hartford, Conn.	Northern Engraving & Electrotype Co., Canton, Ohio.
Lowell Electrotype Foundry, 27 Jackson Street, Lowell, Mass.	William J. Onink, Inc., 155 Seymour Street, Buffalo, N. Y.
Marathon Corp., Rothschild, Wis.	Edward H. Parkhurst Co., 365 State Street, New Haven, Conn.
Willard H. Marshman, trading as Qual- ity Electrotype Co. (named in the complaint as Quality Electrotype Foundry), 1 Daniel Street, corner Beaver Street, Albany, N. Y.	T. C. Parrish, formerly trading as American Cut & Matrix Co., 610 Delaware Street, Kansas City, Mo.
The Mauqa Co., 450 Duane Avenue, Schenectady, N. Y.	Jay B. Perry, trading as Perry Printing Co., 1025 East Fourth Avenue, Flint, Mich.
McDonald Printing Co., Inc., (named in the complaint as The McDonald Printing Co.), Arbor Place, Cincinnati, Ohio.	The Plimpton Press, Lennox Street, Norwood, Mass.
R. McDonald, c/o Western Newspaper Union, Detroit, Mich.	Printing Plates Co. (named in the com- plaint as Printing Plates, Inc.), 585 21st Street, Oakland, Calif.
Cy Means, c/o Typothetae Franklin Association of Detroit, Detroit, Mich.	The Progress-Farmer Ruralist Co., 821 North 19th Street, Birmingham, Ala.
Mechano Duoplate, Inc., 151 Seymour Avenue, Buffalo, N. Y.	Progressive Printing Plate Service, Inc., 1732 South Broadway, Green Bay, Wis.
The Methodist Book Concern, 420 Plum Street, Cincinnati, Ohio.	Quinn & Boden Co., Inc., Jackson and Elizabeth Avenues, Rahway, N. J.
Metropolitan Press Printing Co., 2603 Third Avenue, Seattle, Wash.	Rotary Press Co., 300 East 4th Street, St. Paul, Minn.
Meyer-Both Co., 1935 South Michigan Avenue, Chicago, Ill.	Lee Seibert, trading as National Matrix Service, 412 North 15th Street, St. Louis, Mo.

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The Simpson & Doehler Co., 2800 East Preston Street, Baltimore, Md.	Terre Haute Electrotpe Co., 308½ North Ninth Street, Terre Haute, Ind.
Springfield Electrotpe Co., 416 Linn Street, Springfield, Ohio.	Union Engraving Co., Inc., 101 Main Street, Peoria, Ill.
Standard Plate & Matrix Co., 1104 Prospect Avenue, Cleveland, Ohio.	University Electrotpe Co., Inc., University Road, Cambridge, Mass.
Jos. W. Sullivan, formerly trading as J. W. Sullivan Co., 422 First Avenue, Pittsburgh, Pa.	Waterloo Engraving & Service Co., Arts & Crafts Building, Waterloo, Iowa.
Superior Electrotpe Co. (named in the complaint as Superior Electrotpe Co., Inc.), 297 Congress Street, Boston, Mass.	John Wuest and D. Jules Sachs, part- ners trading as Active Matrix Co., 325 North 14th Street, St. Louis, Mo.
	Youngstown Art Engraving Co., Vindicator Building, Youngstown, Ohio.

PAR. 25. The tendency, capacity and effect of the understanding, agreement, combination, conspiracy, and planned common course of action entered into and maintained as aforesaid, and the acts and things done and performed pursuant thereto and in furtherance thereof, have been and are to substantially lessen, restrict, restrain, and suppress competition in price in the sale of electrotypes, stereotypes, and matrices in interstate commerce; to place in the respondents the power to control the market and enhance the prices of such products; to create in the respondents a monopoly in the sale of such products in interstate commerce; and to unreasonably restrain such commerce.

## CONCLUSION

The aforesaid acts and practices of the respondents constitute unfair methods of competition in commerce within the intent and meaning of Section 5 of the Federal Trade Commission Act.

Commissioner Carretta not participating.

ORDER TO CEASE AND DESIST <sup>1</sup>

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission, answers of the respondents, testimony and other evidence in support of and in opposition to

<sup>1</sup> The Commission on March 16, 1953 issued an order modifying order to cease and desist by striking therefrom Precision Electrotpe Co. as a respondent against which said order was directed, and said cease and desist order is published as thus modified.

Said order of March 16, follows:

The Commission, on October 23, 1952, made and issued its findings as to the facts and conclusion in this matter and entered an order to cease and desist against some 239 parties,



the allegations of said complaint taken before a hearing examiner of the Commission theretofore duly designated by it, recommended decision of the hearing examiner, with exceptions thereto filed by respondent Precision Electrotpe Company and by Marathon Corporation, an unspecified member of a respondent class, and briefs and oral argument of counsel in support of and in opposition to the allegations of the complaint insofar as they pertain to respondent Precision Electrotpe Company; and the Commission having issued its order disposing of the exceptions to said recommended decision and having made its findings as to the facts and its conclusion that the respondents, except those as to whom the complaint is hereinafter specifically dismissed, have violated the provisions of Section 5 of the Federal Trade Commission Act:

IT IS ORDERED that the respondents, International Association of Electrotypers & Stereotypers, Inc., New England Electrotypers Association, Chicago Employing Electrotypers Association, Chicago Employing Stereotypers Association, Electrotypers and Stereotypers Association of New York, Inc., New York State Electrotypers Association, Ohio State Association of Electrotypers and Stereotypers, Wisconsin Employing Electrotypers Association, Pacific Northwest Electrotypers and Stereotypers Association, Potomac District Association of Electrotypers and Stereotypers, Employing Electrotypers Association of St. Louis, Employing Electrotypers and Stereotypers of Philadelphia, Detroit Electrotypers and Stereotypers Association, Indiana State Electrotypers Association, Northern California Electrotypers and Stereotypers Association, Southern California Electrotypers and Stereotypers Association, and their respective officers, members of boards or committees, agents, representatives, employees, and members; Albert P. Schloegel, individually and as Secretary-

including respondent Precision Electrotpe Company, a corporation. On December 19, 1952, said Precision Electrotpe Company filed in the United States Court of Appeals for the Ninth Circuit a Petition for Writ of Review of said order to cease and desist. Thereafter, counsel for respondent Precision Electrotpe Company and counsel for the Commission entered into a stipulation which provided that if respondent Precision Electrotpe Company would withdraw its said Petition for Review, the Commission would vacate the order of which review had been sought as against respondent Precision Electrotpe Company and would dismiss as against said respondent the proceedings in which said order had been entered. On the basis of this stipulation the said United States Court of Appeals for the Ninth Circuit granted the motion of Precision Electrotpe Company for leave to withdraw the Petition for Review filed on December 19, 1952.

Respondent Precision Electrotpe Company having waived hearing (and notice thereof) preceding entry of an order dismissing this proceeding as to it, and the Commission having duly considered the matter and being now fully advised in the premises:

*It is ordered*, That the order to cease and desist heretofore entered in this proceeding be, and it hereby is, modified by striking therefrom Precision Electrotpe Company, a corporation, as a respondent against which said order was directed.

*It is further ordered*, That the complaint herein be, and it hereby is, dismissed as to Precision Electrotpe Company, a corporation.

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Treasurer of respondent International Association of Electrotypers & Stereotypers, Inc., T. J. Ramsay, individually and as Secretary of respondents Chicago Employing Electrotypers Association and Chicago Employing Stereotypers Association, Peter F. Regan, Jr., individually and as Managing Director of respondent Electrotypers and Stereotypers Association of New York, Inc., Harry R. Simon, individually and as Executive Secretary of respondent Southern California Electrotypers Association, and their respective agents, representatives, and employees; A. B. C. Electrotype Company, Ace Electrotype Company (Chicago), The Ace Electrotype Company (Cleveland), G. A. Ackermann Electrotype Co., Acme Electrotype Company, Advance Independent Electrotype Co., Inc., The Akron Electrotype & Stereotype Co., American Electrotype Company (Chicago), The American Electrotype Company (Cleveland), American Electrotype Division of Electrographic Corporation, American Electrotype Company, Inc. (Washington, D. C.), Anderson & Hedwall Company, Apex Electrotype Corp., The Artcraft Electrotype Company, The Art Electrotype Company, Atlantic Electrotype & Stereotype Company (Division of The Rapid Electrotype Co., Cincinnati), Atlas Electrotype Corporation, Back Bay Electrotype & Engraving Company, Badger-American Electrotype Company, Baltimore Electrotype Co., Inc., Barnum-Hayward Electrotype Co., Inc., John Beissel Company, The Bell Electrotyping Company, Bickford Engraving & Electrotype Company, Bison Electrotype Company, Inc., Blomgren Bros. & Co., J. T. Buntin, Inc., Bush-Krebs Company, Canton Engraving & Electrotype Company, Capital City Printing Plate Company, Central City Electrotype Company, Inc., The Central Electrotype Company, Central Electrotype Foundry Co., Inc., Central Typesetting & Electrotyping Co., Chicago Electrotype & Stereotype Co., Congress Electrotype Co., Consolidated Electrotypers, Inc., Crescent Engraving Company, The Cresset Company, The Thomas H. Crosley Company, The Dayton Electrotype Company, Detroit Electrotype Company, J. K. Dean individually and trading as Dixie Electrotype Company, Dorsey Printers Supply Company, Inc., Electrotype Service (Indianapolis), Electrotype Service Corporation (Worcester), Elliott Electrotype, Stereotype & Matrix Co., Inc., The Employing Printers Electrotype Co., The Filmer Bros. Electrotype Company, Edwin Flower, Inc., Flower Steel Electrotype Co., Fort Pitt Electrotype Company, Inc., Fort Wayne Engraving Company, Freeport Electrotype Co., Gage Printing Company, Ltd., Galvanic Printing Plate & Matrix Co., Inc., Genesee Electrotype Company, Gether Electrotype Company, Gilliams & Rubin, Inc., Globe Electrotype Corp., Globe Engraving & Electrotype Company (Chicago),

Grand Rapids Electrotype Co., Graphic Arts Electrotype & Matrix Company, Higwill Matrix Company, Inc., Arthur W. Hoffschneider individually, Alma Hoffschneider individually and trading as A. W. Hoffschneider Company, Home City Electrotype Works, Inc., Holmes Electrotype Foundry, Illinois Electrotype Company, Indianapolis Electrotype Foundry, A. G. Johnson Electrotype Company, Kansas City Central Electrotype Company, S. J. Kelley and Estate of Fred C. Kelley individually and as partners trading as S. J. Kelley Engraving Co., Kingsboro Electrotype Corp., Knickerbocker Electrotype Company, A. R. Koehler Electrotype Co., Inc., L. A. Matrix Company, Ltd., Lake Shore Electrotype Co., Lancaster Press, Inc., Louisville Electrotype Co., Maple Press Company, Inc., D. Edward McAllister individually and trading as Hanson Company and as Progress Plate Making Co., Sam Ross McElreath individually and trading as Sam Ross McElreath Co., Arthur W. McGrath and Evelyn McGrath individually and as partners trading as Century Electrotype Co., Merchants Matrix Cut Syndicate, Inc., Walter J. Meserve, Inc., Metro Matrix & Reproduction Company, Inc., Metropolitan Engraving & Electrotype Company, Inc., Michigan Electrotype & Stereotype Company, Miller Electroplating, Inc., The Milwaukee Electrotype Co., A. E. Munyer Electrotype Co., Inc., National Electrotype Co. (Chicago), Nebraska Electrotype Company, New England Electrotype Company, New York Electrotyping Company, Incorporated, Norman-Dohm-O'Flaherty Co., Inc., Northern Electrotype Company (Division of The Rapid Electrotype Co., Cincinnati), Northwestern Electrotype Co., Nu-Method Matrix & Plate Co., Inc., Pacific Electrotype Co., Inc., Partridge & Anderson Company, Pennsylvania Electrotype Company, Inc., Phoenix Supplies Company, Pontiac Engraving and Electrotype Co., Portland Electrotype & Stereotype Co., Inc., Potomac Electrotype Company, Inc., Potomac Electrotype Company of New Jersey, Progressive Electrotype Company, Progressive Matrix Company, The Quality Engraving and Electrotype Company, The Rapid Electrotype Co., Reilly Electrotype Company, Reinert-Preisler Electrotype Company, F. A. Ringler Company, F. J. Ringler & Co., Rochester Electrotype and Engraving Company, Inc., Royal Electrotype Company (Philadelphia), Royal Electrotype Company of New England, Ruralist Press, Inc., Scranton Electrotype Company, Service Electrotype Company (Milwaukee), Service Electrotype Company (Pittsburgh), Service Electrotype Company, Inc., (St. Louis), Shane-Beever Company, Shea & Manton Company, William Snell & Co., South Bend Engraving & Electrotyping Co., Inc., Springfield Electrotype Company, St. Louis Electrotype Foundry Company, Standard Electrotype Company, Stoddart-Bell Electrotype Company, Inc.,

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Syracuse Electrotype Corporation, Union Electrotype Co., United Electrotype & Stereotype Company, United Electrotype Company, Van Bolt-Kreber Electrotype Co., Theodore C. Walters individually and trading as Walters Electrotype Company, Webb Publishing Company, Westcott & Thomson, Inc., Western Newspaper Union, Jacob Weinstein individually and trading as The Sherwen Company, The Wrigley Company, Williams Press, Inc., Harold J. Bothel individually and trading as Tacoma Electrotype Company, Bryan-Brandenburg Company, California Electrotype & Stereotype Company, George S. Ferguson Company, Theodore Frase individually and trading as Frase Electrotype Company, Bert Hoffschneider & Bro., Inc., Holyoke Electrotype Company, Stephen W. Johnson individually and trading as Johnson Matrix & Stereotype Company, H. D. Jordan individually and trading as Virginia Stereotype Service, Lead Mould Electrotype Company, George R. Olson individually and trading as Advance Printing Plate Co., Oregon Engraving & Electrotype Co., Schroeder Brothers Company, Spokane Electrotype Company, Arthur J. Cheney and Roger M. Powers individually and as partners trading as Springfield Electrotype & Stereotype Service, Super Quality Co., Inc., Artcrafts Engraving Co., Battle Creek Electrotype Co., The Cincinnati Electrotype Company, The Empire City Electrotype Co., Inc., A. W. Harrison & Sons, Inc., Lansing Electrotype Co., Louisiana Electrotype Co., Inc., Mulligan & Walsh, Inc., National Electrotype Company (New York City), Neptune Electrotype Corp., Publishers Plate & Mat Co., Inc., Rockford Illustrating Co., Sampson & Ollier Electrotype Co., Smith-Brooks Printing Co., Southern Electrotype Company, and Charles Van Vlack Company, and their respective officers, agents, representatives, and employees, each and all, in or in connection with the offering for sale, sale, and distribution of electrotypes, stereotypes, or matrices in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from entering into, continuing, cooperating in, or carrying out any planned common course of action, understanding, agreement, combination, or conspiracy between any two or more of said respondents or between any one or more of said respondents and others not parties hereto, to do or perform any of the following things:

1. Establishing, fixing, or maintaining prices, discounts, terms, or conditions of sale, or trade customs, or adhering to any prices, discounts, terms, or conditions of sale, or trade customs so established or maintained.
2. Formulating, devising, adopting, or using compilations of prices or values, such as the so-called Standard Scales, whether or not in the form of prices or in the form of units or figures to be converted

into prices by the use of a multiplier or selling rate, *if* such should be for the purpose or with the effect of systematically making, quoting, charging, stabilizing or fixing prices, terms, or conditions of sale on the part of two or more competitors.

3. Engaging in or continuing pricing actions, practices or policies based in whole or in part upon any compilation of prices or values, such as the so-called Standard Scales, whether or not in the form of prices, units, or figures which may be converted into prices through the use of multipliers or selling rates, formulated, devised or adopted by agreement, understanding or collective action, *if* such should be for the purpose or with the effect of systematically making, quoting, charging, stabilizing or fixing prices, terms, or conditions of sale on the part of two or more competitors.

4. Formulating, devising, adopting, or using any multiplier or selling rate in conjunction with the use of any compilation of figures with the effect of causing or continuing the fixing and stabilizing of prices.

5. Filing, exchanging, distributing, or relaying among the respondent Associations, or any of them or their members, or any of their representatives, or through the respondent International or its representatives, or through any other central agency, information concerning prices, terms, and discounts allowed to certain customers where the identity of the seller or purchaser can be determined through such information and which has the capacity or tendency of aiding in securing compliance with announced prices, terms, or discounts.

*It is further ordered*, For reasons appearing in the findings as to the facts in this proceeding, that the complaint herein be, and it hereby is, dismissed as to C. C. Barnes, Albert E. Benson, Arthur Bernhard, Edwin M. Chamberlin, Payson M. Curry, William P. Curry, Augustus Davis, Chas. E. Deye, Walter C. Dohm, Ed. A. Dominik, W. P. Filmer, Albert J. Fleig, Walter C. Flower, Frank Galvin, Charles F. Hamilton, F. A. Herrgott, H. G. Hoff, Dennis F. Hoynes, Leighton R. Johnson, Melville H. Kennedy, Robert H. Kennedy, Arthur N. Knol, F. W. Kreber, William C. Lennox, George W. Liddle, James S. Love, C. A. Mawicke, Harry M. Midwood, Charles E. Murray, C. A. Parsons, George F. Preisler, Joseph Reilly, Clifford W. Remington, John N. Rettig, Stetson D. Richmond, Eignar Ringquist, Robert T. Rowell, Isaac Rubin, George J. Ryan, L. P. Sale, George C. Scott, Joseph Schwartz, Arthur Tomlinson, John Weiland, and William H. Wohlberg, in their capacities as named parties respondent.

*It is further ordered*, For reasons appearing in the findings as to the facts in this proceeding, that the complaint herein be, and it hereby is, dismissed as to Acme Plate & Mat Co.; Ad Plate & Mat Co., Inc.;

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Albany Electrotype Co., Inc.; American Engraving and Electrotype Company, Division of the Times Mirror Company; Art Engraving & Electrotype Co., Inc.; Artcraft Engraving & Electrotype Company; T. P. Beacom and J. H. Davies, partners trading as Beacom-Davies Co.; Belz Electrotype Co., Inc.; The Billboard Publishing Co.; Louis H. Booze, formerly trading as City Electrotype Co.; Bureau of Engraving; Capper Publications, Inc.; Chattanooga Electrotype Co.; J. R. Cissna and W. T. Resing, formerly partners trading as Oklahoma Mat & Plate Co.; The Colonial Press, Inc.; Colorado Stereotype Company; Conde, Nast Engravers, Inc.; W. B. Conkey Company; The Cornwall Press, Inc.; County Life Press Corporation; The Cuneo Press, Inc.; J. S. Cushing Co.; Elmer Deputy; Desaulniers & Co.; L. R. Dowlin; Erskine & Morrison, Inc.; James T. Flanagan and Frank J. Flanagan, partners trading as Advertisers Matrix Co.; Foote, Cone & Belding; The J. W. Ford Co.; E. L. Geiger, trading as Geiger Stereotype Co.; The Gilbert-Baker-Midlam Co.; Gilman Fanfold Corp.; Charles J. Hely and John E. McCormack, partners trading as Hely & McCormack; W. D. Hoard & Sons; G. T. Iverson, trading as Printing Trade Plate Makers Co.; Winfred A. Jackson, trading as Augusta Electrotype Company; Kable Bros. Co.; Keystone Electrotype Co.; Carl H. Lahl, trading as Lahl Matrix & Plate Co.; J. J. Little & Ives Company; Wm. H. Lockwood Sons, Inc.; Lowell Electrotype Foundry; Marathon Corporation; Willard H. Marshman, trading as Quality Electrotype Company; The Maqua Company; McDonald Printing Company, Inc.; R. McDonald; Cy Means; Mechano Duoplate, Inc.; The Methodist Book Concern; Metropolitan Press Printing Company; Meyer-Both Co.; Monarch Matrix & Stereotype Company; Sherwood H. Morgan and wife, partners trading as The Morgan Company; Muirson Label Company, Inc.; Northern Engraving & Electrotype Company; William J. Onink, Inc.; Edward H. Parkhurst Co.; T. C. Parrish, formerly trading as American Cut & Matrix Co.; Jay B. Perry, trading as Perry Printing Co.; The Plimpton Press; Printing Plates Company; The Progress-Farmer Ruralist Co.; Progressive Printing Plate Service, Inc.; Quinn & Boden Co., Inc.; Rotary Press Co.; Lee Seibert, trading as National Matrix Service; The Simpson & Doehler Company; Springfield Electrotype Co.; Standard Plate & Matrix Co.; Joseph W. Sullivan, formerly trading as J. W. Sullivan Co.; Superior Electrotype Co.; Terre Haute Electrotype Company; Union Engraving Co., Inc.; University Electrotype Company, Inc.; Waterloo Engraving & Service Co.; John Wuest and D. Jules Sachs, partners trading as Active Matrix Co.; and Youngstown Art Engraving Company.

*It is further ordered,* That the respondents (except those as to whom the complaint is dismissed) shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with it.

Commissioner Carretta not participating.