

IN MATTER OF  
THE GUMMED INDUSTRIES ASSOCIATION, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF  
THE FEDERAL TRADE COMMISSION ACT

*Docket 7079. Complaint, Mar. 3, 1958—Decision, Oct. 3, 1958*

Consent order requiring a trade association and six of its seven members, together producing almost 100 per cent of the gummed paper products manufactured in the United States, to cease fixing and maintaining uniform prices and terms of sale for flat gummed paper and differentials for variations in products, or selling at zone delivered prices; and requiring such manufacturer-members to cease quoting or selling their products at prices determined in accordance with a geographical zone delivered price system, and using the Association as a clearing house to exchange price information.

As to the seventh manufacturer respondent, Minnesota Mining and Manufacturing Company, complaint was dismissed without prejudice on Mar. 7, 1959, p. 1409, herein.

By *Earl J. Kolb*, hearing examiner.

*Mr. Andrew C. Goodhope* and *Mr. John Perechinsky* for the Commission.

*Sawyer & Marion*, of New York, N.Y., by *Mr. Albert E. Sawyer*, for The Gummed Industries Association, Inc., and *Philip O. Deitsch*.

*Mr. William H. Leahy*, of Framingham, Mass., for Dennison Manufacturing Company.

*Nutter, McClennen & Fish*, of Boston, Mass., for Nashua Corporation.

*Covington & Burling*, of Washington, D.C., by *Mr. H. Thomas Austern*, for Ludlow Papers, Inc.

*Frost & Jacobs*, of Cincinnati, Ohio, by *Mr. John C. Egbert*, for The Brown-Bridge Mills, Inc.

*Mr. Homer Crawford*, of New York, N.Y., for The Gummed Products Company.

*MacCoy, Evans & Lewis*, of Philadelphia, Pa., by *Mr. Mark Willcox, Jr.*, for Paper Manufacturers Company.

INITIAL DECISION AS TO CERTAIN RESPONDENTS

The complaint in this proceeding charges the respondents named therein with having entered into a combination and conspiracy to fix prices in violation of Section 5 of the Federal Trade Commission Act.

After the issuance of the complaint, the respondents, except Minnesota Mining and Manufacturing Company, a corporation, entered into an agreement containing a consent order to cease and desist with counsel supporting the complaint disposing of all the issues in this proceeding.

Said agreement provides, among other things, that said respondents admit all of the jurisdictional allegations in the complaint; that the record on which the initial decision and the decision of the Commission shall be based shall consist solely of the complaint and agreement; that the inclusion of findings of fact and conclusions of law in the decision disposing of this matter is waived, together with any further procedural steps before the hearing examiner and the Commission; that the order hereinafter set forth may be entered in disposition of the proceeding, such order to have the same force and effect as if entered after a full hearing, said respondents specifically waiving any and all rights to challenge or contest the validity of such order; that the order may be altered, modified, or set aside in the manner provided for other orders of the Commission; that the complaint may be used in construing the terms of the order; and that the agreement is for settlement purposes only and does not constitute an admission by said respondents that they have violated the law as alleged in the complaint.

The hearing examiner has considered such agreement and the order therein contained, and it appearing that said agreement and order provides for an appropriate disposition of this proceeding, the same is hereby accepted and is ordered filed upon becoming part of the Commission's decision in accordance with Sections 3.21 and 3.25 of the Rules of Practice, and, in consonance with the terms of said agreement, the hearing examiner finds that the Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents hereinafter named and that this proceeding is in the interest of the public; and issues the following order:

Respondent, The Gummed Industries Association, Inc., is an incorporated trade association organized and existing under and by virtue of the laws of the State of Delaware with its office and principal place of business located at 11 West 42d Street, New York 36, N.Y.

Respondent Philip O. Deitsch is an individual, and is secretary-treasurer and managing director of said respondent Association. Respondent's address is 11 West 42d Street, New York 36, N.Y.

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Respondent Dennison Manufacturing Company is a corporation organized and existing under and by virtue of the laws of the State of Massachusetts with its office and principal place of business located in Framingham, Mass.

Respondent Nashua Corporation (erroneously named in the complaint as a Massachusetts corporation and member of respondent The Gummed Industries Association, Inc.) is a corporation organized and existing under and by virtue of the laws of the State of Delaware with its office and principal place of business located at 44 Franklin Street, Nashua, N.H.

Respondent Ludlow Papers, Inc., is a corporation organized and existing under and by virtue of the laws of the State of Massachusetts with its office and principal place of business located at Needham Heights, Mass.

Respondent The Brown-Bridge Mills, Inc., is a corporation organized and existing under and by virtue of the laws of the State of Ohio with its office and principal place of business located at Water Street, Troy, Ohio.

Respondent The Gummed Products Company is a corporation organized and existing under and by virtue of the laws of the State of Ohio with its office and principal place of business located at South Union Street, Troy, Ohio.

Respondent Paper Manufacturers Company is a corporation organized and existing under and by virtue of the laws of the State of Pennsylvania with its office and principal place of business located at 9800 Bustelton Avenue, Philadelphia, Pa.

## ORDER

*It is ordered,* That respondent The Gummed Industries Association, Inc., an incorporated trade association, its officers, agents, representatives, and employees; respondent Philip O. Deitsch, individually and as secretary-treasurer and managing director of said association; and the corporate respondents Dennison Manufacturing Company, Ludlow Papers, Inc., The Brown-Bridge Mills, Inc., The Gummed Products Company, and Paper Manufacturers Company, independently and as members of said association, and Nashua Corporation, their respective officers, agents, representatives and employees, in or in connection with the offering for sale, sale or distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act, of flat gummed paper, do forthwith cease and desist from entering into, continuing, cooperating in, or carrying out any planned common course

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of action, understanding, agreement, combination or conspiracy between or among any two or more of said respondents, or between any one or more of said respondents and others not parties hereto, to do or to perform any of the following things:

1. Establishing, fixing or maintaining uniform and identical prices, terms or conditions of sale for any kind of flat gummed paper, or adhering to any prices, terms or conditions of sale so established, fixed or maintained.

2. Quoting or selling flat gummed paper at prices calculated or determined in whole or in part pursuant to or in accordance with a zone delivered price system, or quoting or selling flat gummed paper pursuant to or in accordance with any other plan or system which results in identical price quotations or prices for flat gummed paper at points of quotation or sale or to particular purchasers by any two or more sellers of flat gummed paper using such plan or system, or which prevents purchasers from finding any advantage in price in dealing with one or more as against another seller.

3. Using in the quotation and sale of flat gummed paper the geographical zones, or the price differentials between such zones heretofore fixed for pricing purposes, or establishing, fixing or maintaining any geographical areas for pricing purposes, or any differentials in price between any such areas for use in quoting or selling flat gummed paper.

4. Exchanging or relaying, directly or through The Gummed Industries Association, Inc., or any other trade association, clearing house or agency, price lists or other information as to prices, discounts, terms or conditions of sale for flat gummed paper for the purpose or with the effect of restraining price competition in the sale and distribution of flat gummed paper.

5. Establishing, fixing or maintaining, in the quotation and sale of flat gummed paper, uniform and identical differentials in price for variations in color, size, weight, trim, type, quantity or packing of flat gummed paper, or adhering to any such differentials so established, fixed or maintained.

*It is further ordered,* That the corporate respondents, Dennison Manufacturing Company, Nashua Corporation, Ludlow Papers, Inc., The Brown-Bridge Mills, Inc., The Gummed Products Company, and Paper Manufacturers Company, their officers, agents, representatives and employees, in or in connection with the offering for sale, sale or distribution of flat gummed paper in commerce, as "commerce" is defined in the Federal Trade Commis-

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sion Act, do forthwith cease and desist from quoting or selling flat gummed paper at prices calculated or determined in whole or in part pursuant to or in accordance with a zone delivered price system for the purpose or with the effect of systematically matching the delivered price quotations or the delivered prices of other sellers of flat gummed paper and thereby preventing purchasers from finding any advantage in price in dealing with one or more sellers as against another.

DECISION OF THE COMMISSION AND ORDER TO FILE  
REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision as to certain respondents of the hearing examiner shall, on the 3d day of October 1958, become the decision of the Commission; and, accordingly:

*It is ordered,* That respondents The Gummed Industries Association, Inc., Philip O. Deitsch, Dennison Manufacturing Company, Nashua Corporation, Ludlow Papers, Inc., The Brown-Bridge Mills, Inc., The Gummed Products Company, and Paper Manufacturers Company 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.

## Decision

IN THE MATTER OF  
COLE STEEL EQUIPMENT CO., INC.CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF  
THE FEDERAL TRADE COMMISSION ACT*Docket 7127. Complaint, Apr. 18, 1958—Decision, Oct. 3, 1958*

Consent order requiring manufacturers of steel filing cabinets, with principal place of business in New York City, to cease representing falsely in catalogs and insert sheets furnished to their distributors that certain of their said filing cabinets were used in U.S. Government offices for the protection and preservation of secret and confidential documents and were suitable for such use by the Government and private industry.

*Mr. Frederick McManus* for the Commission.

*Walzer & Walzer*, of New York, N.Y., by *Mr. Martin J. Walzer*, for respondent.

## INITIAL DECISION BY EARL J. KOLB, HEARING EXAMINER

The complaint in this proceeding issued April 18, 1958, charges the respondent Cole Steel Equipment Co., Inc., a corporation, located at 415 Madison Avenue, New York, N.Y., with violation of the provisions of the Federal Trade Commission Act in the manufacture, sale and distribution of steel filing cabinets.

After the issuance of the complaint, said respondent entered into an agreement containing consent order to cease and desist with counsel in support of the complaint, disposing of all the issues in this proceeding, which agreement was duly approved by the director and assistant director of the Bureau of Litigation.

It was expressly provided in said agreement that the signing thereof is for settlement purposes only and does not constitute an admission by said respondent that it has violated the law as alleged in the complaint.

By the terms of said agreement, the said respondent admitted all the jurisdictional facts alleged in the complaint and agreed that the record herein may be taken as if the Commission had made findings of jurisdictional facts in accordance with the allegations.

By said agreement, the parties expressly waived any further procedural steps before the hearing examiner and the Commission; the making of findings of fact or conclusions of law; and all the rights they may have to challenge or contest the validity

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of the order to cease and desist entered in accordance with the agreement.

Respondents further agreed that the order to cease and desist, issued in accordance with said agreement, shall have the same force and effect as if made after a full hearing.

It was further provided that said agreement, together with the complaint, shall constitute the entire record herein; that the complaint herein may be used in construing the terms of the order issued pursuant to said agreement; and that said order may be altered, modified or set aside in the manner prescribed by the statute for orders of the Commission.

The hearing examiner has considered such agreement and the order therein contained, and, it appearing that said agreement and order provides for an appropriate disposition of this proceeding, the same is hereby accepted and is ordered filed upon becoming part of the Commission's decision in accordance with §3.21 and §3.25 of the Rules of Practice, and, in consonance with the terms of said agreement, the hearing examiner finds that the Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent named herein, that this proceeding is in the interest of the public, and issues the following order:

ORDER

*It is ordered*, That the respondent Cole Steel Equipment Co., Inc., a corporation, and its officers, and its representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of steel filing cabinets in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, directly or by implication, that any of its steel filing cabinets are used by the United States Government, or any of its offices, for the protection or preservation of secret or confidential documents or any of its steel filing cabinets are suitable for use for such purposes by the United States Government, or private industry, unless such is the fact.

DECISION OF THE COMMISSION AND ORDER TO FILE  
REPORT OF COMPLIANCE

Pursuant to Section 3.21 of the Commission's Rules of Practice, the initial decision of the hearing examiner shall, on the 3d day of

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October 1958, become the decision of the Commission; and, accordingly:

*It is ordered,* That respondent Cole Steel Equipment Co., Inc., a corporation, 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 the order to cease and desist.

