

## Syllabus

IN THE MATTER OF  
ASSOCIATION OF COUPON BOOK  
MANUFACTURERS 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 5532. Complaint, Apr. 1, 1948—Decision, Sept. 3, 1948*

Where some thirty-three corporate and partnership concerns which were engaged in the manufacture and interstate sale and distribution of different kinds of tickets, checks and coupons, classified in accordance with the special interest therein of their six trade associations, as (1) amusement tickets, (2) restaurant checks—clubs, cafes, hotels, soda fountains, etc., (3) coupons in strip or book form, redeemable in merchandise or services by commercial and industrial establishments, (4) clothing tickets, including also those employed by manufacturers to record piece work, etc., and by establishments engaged in agricultural activities whose employees are given checks or coupons redeemable in cash for work performed, (5) transit tickets—electric railways, buses, ferries, etc. and (6) railroad tickets—including railway affiliates, and airway systems; and which, with one exception, were members of one or more or all of said six corporate trade associations, and constituted so large and influential a group that they were able substantially to dominate and control the market and prices of the aforesaid products, and, except as below described, were normally in competition with one another and with others—

Entered into an unlawful agreement, understanding, combination and conspiracy to hinder, lessen, eliminate, restrict and restrain competition in price and otherwise between and among themselves in the manufacture, sale and distribution in commerce of the aforesaid products; and

Where said various manufacturers, their said associations, a partnership which was the secretary and industry counsel for said associations, and an individual partner therein, who dominated and controlled its operations—

Carried out the aforesaid unlawful agreement, understanding, etc.; and pursuant thereto and in furtherance thereof—

(a) Agreed upon identical and uniform prices, discounts, surcharges and extra charges to be applied in the sale and distribution of the products concerned; and

Where said manufacturers, pursuant to aforesaid agreement, etc.,

(b) Organized said associations for use as clearing houses or central agencies through which they could and did carry on and effectuate their unlawful agreements, etc.; and

Where said various associations, pursuant to aforesaid agreement, etc.,

(c) Employed said partnership and individual to make plans for and to aid, assist and direct said manufacturers in effectuating and carrying out said agreement, etc.;

(d) Adopted and carried out an open price filing plan whereby each manufacturer filed with the association of which it was a member, a price list

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of its products and quotations thereon in advance of their effective date, for distribution among the other manufacturers by said partnership in such manner that the name of each manufacturer was identified with any price quotation made by it, and was made known to the other manufacturers;

With the result that all such manufacturers were enabled to identify any particular quotation with the particular manufacturer who made it, and through the code of symbols below described, were further enabled to check and detect any deviation by a particular manufacturer from the quotations it had so disseminated;

- (e) From time to time prepared, revised and adopted "guides of fair value" for use by said manufacturers in determining prices to be charged for "tailor-made" or "special made" tickets, which designated specific charges to be made for each item of variation where the size, printed matter or other characteristics of said tailor-made or special made tickets deviated from that of the standard ticket, so that the different manufacturers could quote and charge identical and uniform prices; and

Where said manufacturers, acting as aforesaid—

- (f) Adopted and put into force a plan of reporting to said partnership all sales below agreed prices, and empowered the aforesaid individual to arbitrate and adjust all disputes between them arising or growing out of such sales; and

Where said associations, partnership, individual, and manufacturers, acting as aforesaid—

- (g) Standardized the products of each manufacturer as to size, style and color, and as to weight and quality of the paper and cardboard used in their manufacture;
- (h) Formulated a code of symbols or identification marks whereby any of the manufacturers identified the products of any other competing manufacturing member; and
- (i) Held meetings of the membership of the associations and of committees acting therefor, where prices were discussed and fixed and other action taken to eliminate competition between said manufacturers;

Capacity, tendency and effect of which agreement, understanding, etc., entered into and carried out by said associations, manufacturers, partnership, and individual, and of acts and practices performed in furtherance thereof and pursuant thereto were—

1. To substantially lessen, restrict, and restrain competition between and among said manufacturers in the manufacture, sale and distribution of their products in commerce;
2. To restrict and prevent price competition between and among them in the sale and distribution thereof;
3. To empower and enable them to control the market and enhance the price of said products above those which would prevail under a condition of natural, normal and free competition among them;
4. To increase the prices paid by purchasers of said products; and
5. To create a monopoly in said manufacturers in the sale and distribution thereof in interstate commerce;

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

While the record did not show in said proceeding that each of the respondents participated in all of the aforesaid activities, each respondent did enter into the formation and establishment of the unlawful agreement, understanding, combination and conspiracy described, and each acted in cooperation with the others in carrying out some of the aforesaid acts and practices pursuant to and in furtherance of the understanding or agreement common to them all.

Though each of the respondent associations in said proceeding had its own charter, and the income and expenses of each were kept separate and apart from those of the others, said associations had a community of interest, and acted concertedly and collectively in employing said partnership and individual, with the result and effects above described.

*Mr. Floyd O. Collins* for the Commission.

*Covington, Burling, Rublee, Acheson & Shorb*, of Washington, D. C., for respondents generally.

*Giddings, Keating & Reid*, of New York City, for Gooch & Co.

*Mr. Aaron L. Ford*, of Washington, D. C., for Weldon, Williams & Lick, Inc.

#### 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 persons, firms, partnerships and corporations hereinafter named and described 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. (a) The respondent, Amusement Ticket Manufacturers Association, is a corporation organized and existing under and by virtue of the laws of the State of New York, with its home office located at 369 Lexington Avenue, New York, N. Y. Said respondent is a membership corporation and its membership is composed of firms, corporations, partnerships, and individuals who are engaged in the manufacture, sale and distribution of checks and coupons used by all types of amusement enterprises, whether or not they are operated for profit, and other establishments using the types of tickets, checks and coupons common to the amusement industry, such as bathhouses, swimming pools, horse and dog shows, races, fairs, carnivals, games, moving pictures, etc. Said group of articles will be referred to herein-

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after as "amusement tickets." All of the members of said association are named as respondents herein.

(b) The respondent, Restaurant Check Manufacturers Association, is a corporation organized and existing under and by virtue of the laws of the State of New York, with its home office located at 369 Lexington Avenue, New York, N. Y. Said respondent is a membership corporation and its membership is composed of firms, corporations, partnerships, and individuals who are engaged in the manufacture, sale, and distribution of checks and coupons of all types used by clubs, commercial restaurants, cafes, hotels, soda fountains, etc., whether or not used in connection with any mechanical accessory. Said group of articles will be referred to hereinafter as "restaurant checks." All of the members of said association are named as respondents herein.

(c) The respondent, Association of Coupon Book Manufacturers, is a corporation organized and existing under and by virtue of the laws of the State of New York, with its home office located at 369 Lexington Avenue, New York, N. Y. Said respondent is a membership corporation and its membership is composed of firms, corporations, partnerships, and individuals who are engaged in the manufacture, sale, and distribution of checks and coupons in strip or book form that are redeemable in merchandise or services used by commercial and industrial establishments, except as defined under amusement tickets, electric railway and bus tickets, steam railroad tickets and restaurant checks. Said group of articles will be referred to hereinafter as "coupon books." All of the members of said association are named as respondents herein.

(d) The respondent, Clothing Ticket Manufacturers Association, is a corporation organized and existing under and by virtue of the laws of the State of New York, with its home office located at 369 Lexington Avenue, New York, N. Y. Said respondent is a membership corporation and its membership is composed of firms, corporations, partnerships, and individuals who are engaged in the manufacture, sale, and distribution of tickets, checks, and coupons used by: (1) Clothing manufacturers to designate lot number, size, style and/or price on all classes of clothing; (2) manufacturers in various industries for recording piece work and similar operations; (3) establishments engaged in agricultural activities whose employees are given tickets, checks, or coupons redeemable in cash for work performed. Said group of articles will be referred to hereinafter as "clothing tickets." All of the members of said associations are named as respondents herein.

(e) The respondent, Traffic Ticket Manufacturers Association, is a corporation organized and existing under and by virtue of the laws of the State of New York, with its home office located at 369 Lexington Avenue, New York, N. Y. Said respondent is a membership corporation and its membership is composed of firms, corporations, partnerships, and individuals who are engaged in the manufacture, sale, and distribution of electric railway and bus tickets, checks, coupons, and transfers of all types used by city and interurban electric railways, their subsidiaries and/or affiliates, and independently operated buses, ferries, bridges, airways and all other transportation enterprises, except as defined under licensed railroad tickets. Said group of articles will be referred to hereinafter as "transit tickets." All of the members of said association are named as respondents herein.

(f) The respondent Licensed Railroad Ticket Manufacturers Association is a corporation organized and existing under and by virtue of the laws of the State of New York, with its home office located at 369 Lexington Avenue, New York, N. Y. Said respondent is a membership corporation and its membership is composed of firms, corporations, partnerships and individuals who are engaged in the manufacture, sale, and distribution of tickets, checks, and coupons of all types used by railroad systems and their subsidiaries or affiliated bus, ferry, bridge, and airway systems. Said group of articles will be referred to hereinafter as "railroad tickets." All of the members of said association are named as respondents herein.

(g) Respondents Joseph Gooch, Jr., and his wife Edith A. Gooch are copartners, trading and doing business under the partnership name of Gooch & Co. The home office of said partnership is located at 369 Lexington Avenue, New York, N. Y. Said partnership is now and has been (since the organization of the above named respondent associations) employed by respondent associations as secretary and industry counsel.

(h) Respondent Joseph Gooch, Jr., is an individual whose principal place of business is located at 369 Lexington Avenue, New York, N. Y. Said respondent has the active control and management of the partnership Gooch & Co., and directs and controls said partnership's activities and practices.

PAR. 2. (a) The respondent, Globe Ticket Co., is a corporation organized and existing under and by virtue of the laws of the State of Pennsylvania, with its home office and principal place of business located at 112 North Twelfth Street, Philadelphia, Pa. Said respondent is engaged in the manufacture, sale, and distribution of amusement

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tickets, restaurant checks, coupon books, clothing tickets, transit tickets and railroad tickets. Said respondent is now and has been for a number of years last past a member of the respondent associations named and described in paragraphs 1 (a) through (f) hereinabove.

(b) The respondent, International Ticket Ticket Co., is a corporation organized and existing under and by virtue of the laws of the State of New Jersey, with its home office and principal place of business located at 50 Grafton Avenue, Newark, N. J. Said respondent is engaged in the manufacture, sale, and distribution of amusement tickets, restaurant checks, coupon books, clothing tickets, transit tickets and railroad tickets. Said respondent is now and has been for a number of years last past a member of the respondent associations named and described in paragraphs 1 (a) through (f) hereinabove.

(c) The respondent, Keller Printing Co., is a corporation organized and existing under and by virtue of the laws of the State of New York, with its home office and principal place of business located at 297 Lafayette Street, New York, N. Y. Said respondent is engaged in the manufacture, sale, and distribution of amusement tickets, restaurant checks, coupon books and clothing tickets. Said respondent is now and has been for a number of years last past a member of the respondent associations named and described in paragraphs 1 (a) through (d) hereinabove.

(d) The respondent, Arcus-Simplex Ticket Co., Inc., is a corporation organized and existing under and by virtue of the laws of the State of New York, with its home office and principal place of business located at 15 Laight Street, New York, N. Y. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale, and distribution of amusement tickets, restaurant checks, coupon books, transit tickets and railroad tickets. Said respondent is now and has been for a number of years last past a member of the respondent associations named and described in paragraphs 1 (a), (b), (c), (e) and (f) hereinabove.

(e) The respondent, Poole Brothers, Inc., is a corporation organized and existing under and by virtue of the laws of the State of Illinois, with its home office and principal place of business located at 85 West Harrison Street, Chicago, Ill. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale, and distribution of amusement tickets, restaurant checks, coupon books, transit tickets and railroad tickets. Said respondent is now and has been for a number of years last past a member of the respondent as-

sociations named and described in paragraphs 1 (a), (b), (c), (e) and (f) hereinabove.

(f) The respondent, Ansell-Simplex Ticket Co., Inc., is a corporation organized and existing under and by virtue of the laws of the State of Illinois with its home office and principal place of business located at 2844 West Chicago Avenue, Chicago, Ill. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale, and distribution of amusement tickets, restaurant checks, coupon books and transit tickets. Said respondent is now and has been for a number of years last past a member of the respondent associations named and described in paragraphs 1 (a), (b), (c) and (e) hereinabove.

(g) The respondent, Elliott Ticket Co., is a corporation organized and existing under and by virtue of the laws of the State of New York, with its home office and principal place of business located at 409 Lafayette Street, New York, N. Y. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale, and distribution of amusement tickets, restaurant checks, coupon books and transit tickets. Said respondent is now and has been for a number of years last past a member of the respondent associations named and described in paragraphs 1 (a), (b), (c), and (e) hereinabove.

(h) The respondent, the Toledo Ticket Co., is a corporation organized and existing under and by virtue of the laws of the State of Ohio, with its home office and principal place of business located at 114 Erie Street, Toledo, Ohio. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale, and distribution of amusement tickets, restaurant checks, coupon books and transit tickets. Said respondent is now and has been for a number of years last past a member of the respondent associations named and described in paragraphs 1 (a), (b), (c), and (e) hereinabove.

(i) The respondent, Arcus Ticket Co., Inc., is a corporation organized and existing under and by virtue of the laws of the State of Illinois, with its home office and principal place of business located at 348 North Ashland Avenue, Chicago, Ill. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale, and distribution of amusement tickets and restaurant checks, and is now and has been for a number of years last past a member of the respondent associations named in paragraphs 1 (a) and (b) hereinabove.

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(j) The respondent, McGill-Warner Co., is a corporation organized and existing under and by virtue of the laws of the State of Delaware, with its home office and principal place of business located at 215-225 East Ninth Street, St. Paul, Minn. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale, and distribution of amusement tickets, coupon books, clothing tickets, transit tickets, and railroad tickets. Said respondent is now and has been for a number of years last past a member of the respondent associations named and described in paragraphs 1 (a), (c), (d), (e), and (f) hereinabove.

(k) The respondent, Hancock Bros., is a corporation organized and existing under and by virtue of the laws of the State of California, with its home office and principal place of business located at 25 Jessie Street, San Francisco, Calif. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale, and distribution of amusement tickets, coupon books, transit tickets, and railroad tickets. Said respondent is now and has been for a number of years last past a member of the respondent associations named and described in paragraphs 1 (a), (c), (e), and (f) hereinabove.

(l) The respondent, Dillingham Printing Co., Inc., is a corporation organized and existing under and by virtue of the laws of the State of California, with its home office and principal place of business located at 4837 North Huntington Drive, Los Angeles, Calif. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale, and distribution of amusement tickets, coupon books, transit tickets, and railroad tickets. Said respondent is now and has been for a number of years last past a member of the respondent associations named and described in paragraphs 1 (a), (c), (e) and (f) hereinabove.

(m) The respondent, Specialty Printing Co., is a partnership composed of Edwin L. Gosnell and Charles Edward Oster, with its home office and principal place of business located at 811 Lake Avenue, Rochester, N. Y. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale and distribution of amusement tickets and clothing tickets. Said respondent is now and has been for a number of years last past a member of the respondent associations named and described in paragraphs 1 (a) and (d) hereinabove.

(n) The respondent, National Ticket Co., is a corporation organized and existing under and by virtue of the laws of the State of Penn-

sylvania, with its home office and principal place of business located at Franklin and Commerce Streets, Shamokin, Pa. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale and distribution of amusement tickets and transit tickets, and is now and has been for a number of years last past a member of the respondent associations named and described in paragraphs 1 (a) and (e) hereinabove.

(o) The respondent, Southwest Tablet Manufacturing Co., is a partnership composed of Edgar H. Perry, Sr., Edgar H. Perry, Jr., Edgar H. Perry, III, and Thomas A. Harris, with its home office and principal place of business located at 2110 Corinth Street, Dallas, Tex. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale, and distribution of amusement tickets and coupon books, and is now and has been for a number of years last past a member of the respondent associations named and described in paragraphs 1 (a) and (c) hereinabove.

(p) The respondent, Premier-Southern Ticket Co., Inc., is a corporation organized and existing under and by virtue of the laws of the State of Ohio, with its home office and principal place of business located at 1621 Dana Street, Cincinnati, Ohio. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale, and distribution of amusement tickets, and is now and has been for a number of years last past a member of the respondent association named and described in paragraph 1 (a) hereinabove.

(q) The respondent, National Checking Co., is a corporation organized and existing under and by virtue of the laws of the State of Minnesota, with its home office and principal place of business located at 271 Chestnut Street, St. Paul, Minn. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale and distribution of restaurant checks and coupon books, and is now and has been for a number of years last past a member of the respondent associations named and described in paragraphs 1 (b) and (c) hereinabove.

(r) The respondent, Universal Checking System, Inc., is a corporation organized and existing under and by virtue of the laws of the State of New Jersey, with its home office and principal place of business located at Hudson Avenue and Sixty-second Street, West New York, N. J. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale and distribution of restaurant checks, and is now and has been for a number of years last

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past a member of the respondent association named and described in paragraph 1 (b) hereinabove.

(s) The respondent, Whitney Duplicating Check Co., is a corporation organized and existing under and by virtue of the laws of the State of New York, with its home office and principal place of business located at 406 East Thirty-first Street, New York, N. Y. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale and distribution of restaurant checks, and is now and has been for a number of years last past a member of the respondent association named and described in paragraph 1 (b) hereinabove.

(t) The respondent, Gibbs-Inman Co., is a corporation organized and existing under and by virtue of the laws of the State of Kentucky, with its home office and principal place of business located at 817 West Market Street, Louisville, Ky. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale, and distribution of coupon books, transit tickets, and railroad tickets. Said respondent is now and has been for a number of years last past a member of the respondent associations named and described in paragraphs 1 (c), (e), and (f) hereinabove.

(u) The respondent, Rand Avery-Gordon Taylor, Inc., is a corporation organized and existing under and by virtue of the laws of the State of Maine, with its home office and principal place of business located at 871 Commonwealth Avenue, Boston, Mass. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale and distribution of coupon books, transit tickets and railroad tickets. Said respondent is now and has been for a number of years last past a member of the respondent associations named and described in paragraphs 1 (c), (e), and (f) hereinabove.

(v) The respondent, Rand McNally & Co., is a corporation organized and existing under and by virtue of the laws of the State of Illinois, with its home office and principal place of business located at 536 South Clark Street, Chicago, Ill. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale and distribution of coupon books, transit tickets and railroad tickets. Said respondent is now and has been for a number of years last past a member of the respondent associations named and described in paragraphs 1 (c), (e), and (f) hereinabove.

(w) The respondent, Stromberg Allen & Co., is a partnership composed of Charles J. Stromberg, Herbert L. Greaves and Charles S.

Greaves, with its home office and principal place of business located at 430 South Clark Street, Chicago, Ill. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale, and distribution of coupon books, transit tickets, and railroad tickets. Said respondent is now and has been for a number of years last past a member of the respondent associations named and described in paragraphs 1 (c), (e), and (f) hereinabove.

(x) The respondent, Southern Coupon Co., is a corporation organized and existing under and by virtue of the laws of the State of Alabama, with its home office and principal place of business located at 1819 Fourth Avenue, South Birmingham, Ala. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale, and distribution of coupon books, and is now and has been for a number of years last past a member of the respondent association named and described in paragraph 1 (c) hereinabove.

(y) The respondent, the Baltimore Ticket Printing & Envelope Co., is a corporation organized and existing under and by virtue of the laws of the State of Maryland, with its home office and principal place of business located at 1101 East Fayette Street, Baltimore, Md. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale, and distribution of transit tickets and railroad tickets, and is now and has been for a number of years last past a member of the respondent associations named and described in paragraphs 1 (e) and (f) hereinabove.

(z) The respondent, the A. H. Pugh Printing Co., is a corporation organized and existing under and by virtue of the laws of the State of Ohio, with its home office and principal place of business located at 400 Pike Street, Cincinnati, Ohio. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale, and distribution of transit tickets and railroad tickets, and is now and has been for a number of years last past a member of the respondent associations named and described in paragraphs 1 (e) and (f) hereinabove.

(aa) The respondent, Frank McCaffrey, is an individual trading as Frank McCaffrey Acme Press of Seattle, with its home office and principal place of business located at 2116 Fourth Avenue, Seattle, Wash. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale, and distribution of railroad tickets, and is now and has been for a number of years a member of the respondent association named and described in paragraph 1 (f) hereinabove.

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(bb) The respondent, Allen-Lane & Scott, is a corporation organized and existing under and by virtue of the laws of the State of Pennsylvania, with its home office and principal place of business located at 1211 Clover Street, Philadelphia, Pa. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale, and distribution of railroad tickets, and is now and has been for a number of years last past a member of the respondent association named and described in paragraph 1 (f) hereinabove.

(cc) The respondent, Buxton & Skinner Printing & Stationery Co., is a corporation organized and existing under and by virtue of the laws of the State of Missouri, with its home office and principal place of business located at 306 North Fourth Street, St. Louis, Mo. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale, and distribution of railroad tickets, and is now and has been for a number of years last past a member of the respondent association named and described in paragraph 1 (f) hereinabove.

(dd) The respondent, Con. P. Curran Printing Co., is a corporation organized and existing under and by virtue of the laws of the State of Missouri, with its home office and principal place of business located at Eighth and Walnut Streets, St. Louis, Mo. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale and distribution of railroad tickets, and is now and has been for a number of years last past a member of the respondent association named and described in paragraph 1 (f) hereinabove.

(ee) The respondent, Hedstrom-Barry Co., is a corporation organized and existing under and by virtue of the laws of the State of Illinois, with its home office and principal place of business located at 610 South Federal Street, Chicago, Ill. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale and distribution of railroad tickets, and is now and has been for a number of years last past a member of the respondent association named and described in paragraph 1 (f) hereinabove.

(ff) The respondent, Allison Coupon Co., is a corporation organized and existing under and by virtue of the laws of the State of Indiana, with its home office and principal place of business located at 536 East Market Street, Indianapolis, Ind. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale and distribution of coupon books, and is now and has been for a number of years last past a member of the respondent association named and described in paragraph 1 (c) hereinabove.

(*gg*) The respondent, Dasco-Lockstub Corp., is a corporation organized and existing under and by virtue of the laws of the State of New York, with its home office and principal place of business located at 133 Prince Street, New York, N. Y. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale and distribution of restaurant checks, and is now and has been for a number of years last past a member of the respondent association named and described in paragraph 1 (b) hereinabove.

All of the above named manufacturers are members of one or more of the respondent associations and have taken an active part in the plans, methods, acts and practices herein alleged.

PAR. 3. (*a*) The respondent, American Ticket Corp., is a corporation organized and existing under and by virtue of the laws of the State of Illinois, with its home office and principal place of business located at 360 East Grand Avenue, Chicago, Ill., and is now and has been for a number of years last past engaged in the manufacture, sale, and distribution of amusement tickets.

(*b*) The respondent, Jack's Letter Service, Inc., is a corporation organized and existing under and by virtue of the laws of the State of Wisconsin, with its home office and principal place of business located at Milwaukee, Wis., and is now and has been for a number of years last past engaged in the manufacture, sale, and distribution of amusement tickets.

(*c*) The respondent, National Theater Supply Co., is a corporation organized and existing under and by virtue of the laws of the State of Wisconsin, with its home office and principal place of business located at Milwaukee, Wis., and is now and has been for a number of years last past engaged in the manufacture, sale, and distribution of amusement tickets.

(*d*) The respondent, Weldon, Williams & Lick, Inc., is a corporation organized and existing under and by virtue of the laws of the State of Arkansas, with its home office and principal place of business located at Fort Smith, Ark., and is now and has been for a number of years last past engaged in the manufacture, sale, and distribution of amusement tickets.

The respondents named in this paragraph are not members of any of the respondent associations named in paragraphs 1 (*a*) through (*f*) hereof, but have taken an active part in the acts and practices herein alleged, and have cooperated with the members of the said associations in doing and performing acts and practices in furtherance of and in carrying out the understanding, agreement, combination, and conspiracy herein alleged.

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PAR. 4. The manufacturers named as respondents herein constitute a group so large and influential that they are able to substantially dominate and control the market and the price of the products herein described.

PAR. 5. None of the respondent associations described in paragraph 1 hereof are engaged in the manufacture, sale, and distribution of any article in commerce, but said respondents were organized by the manufacturers named as respondents herein, and have aided and abetted their members in the acts and practices herein alleged, and were organized for and have served as clearing houses or central agencies in and through which said plans, acts, and practices were promulgated and put into force and effect by their members.

The partnership of Gooch & Co. is not engaged in the manufacture, sale, and distribution in commerce of any of the articles herein described, nor is the respondent, Joseph Gooch, Jr., individually so engaged, but the said partnership while under the active control and management of the respondent Joseph Gooch, Jr., has for a number of years been the secretary and industry counsel for the respondent associations and has planned, aided, abetted and directed the respondent manufacturers in the acts and practices herein alleged.

PAR. 6. All of said respondent manufacturers are now and have been for more than 5 years last past engaged in the manufacture, sale, and distribution in commerce among and between the various States of the United States and in the District of Columbia, of one or more of the articles described, and have caused said products when sold to be shipped to the purchasers thereof located in States other than the State of origin of said shipments. Said respondents during all the time herein described carried on a constant course of trade in said products in commerce as herein set forth.

PAR. 7. Prior to the unlawful agreement, combination, and conspiracy herein alleged, the respondent manufacturers were competing one with the other in price and otherwise in the manufacture, sale, and distribution in commerce of the products manufactured and sold by them and were and are in such competition with others engaged in the manufacture, sale, and distribution of said products. Said respondents would now be in such competition with one another were it not for the aforementioned agreement, combination, and conspiracy.

PAR. 8. Some time prior to February 1938, the respondent manufacturers entered into and have thereafter carried out an unlawful agreement, understanding, combination, and conspiracy to hinder, lessen, eliminate, restrict, and restrain competition in price and other-

wise between and among said respondents in the manufacture, sale, and distribution in commerce of the products herein described. Pursuant to and in furtherance of said agreement, understanding, combination, and conspiracy, the respondents have done and performed and are now doing and performing, among others, the following acts and things:

(a) They agreed upon identical and uniform prices, discounts, surcharges, and extra charges to be applied in the sale and distribution of the products manufactured and sold by each of the respondents.

(b) They organized the respondent associations to be used as clearing houses or central agencies through which respondents could carry on and effectuate their unlawful agreement, understanding, combination, and conspiracy.

(c) They employed the respondent, Gooch & Co., to make plans and aid, assist, and direct them in effectuating and carrying out said agreement, understanding, combination, and conspiracy.

(d) They adopted and carried out an open price filing plan whereby each manufacturing respondent filed with the association of which it was a member, a price list of the products it was offering for sale and in which it set forth its price quotations on such products. Said quotations were filed before their effective date and were by the respondent Gooch & Co., while under the supervision and control of Joseph Gooch, Jr., distributed among other manufacturing respondents. Said price quotations were prepared and disseminated in a manner so that the name of each manufacturing respondent could be and was identified with any particular price quotation it made, and such identification was through the aforesaid open price reporting plan made known to other manufacturing respondents. Thus, all manufacturing respondents were enabled to identify any particular price quotation with the particular manufacturing respondent who made it. Through those means and the code of symbols hereinafter alleged, respondents were enabled to check upon and detect any deviation by a particular manufacturing respondent from the quotations it had previously made and disseminated through respondent Gooch.

(e) They from time to time prepared, revised, and adopted "guides of fair value" to be used by the respondent manufacturers in determining prices to be charged for what is known in the trade as "tailor-made" or "special made" tickets. Said guides designated specific charges to be made for each item of variation where the size, printed matter or other characteristics of the tailor-made or special made tickets deviated from that of the standard ticket, so that the different manufacturers could quote and charge identical and uniform prices.

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(f) They adopted and put into force a plan of reporting to the partnership, Gooch & Co. all sales below agreed prices and empowered the respondent Joseph Gooch, Jr., to arbitrate and adjust all disputes between respondents, arising or growing out of such sales.

(g) They standardized said products as to size, style, and color of said products and as to weight, and quality of the paper and cardboard used in manufacturing said products.

(h) They formulated and used a code of symbols or identification marks to enable any of the manufacturer members to identify the products of any other competing manufacturer member.

(i) They held meetings of the membership of the respondent associations and of committees acting for the associations and for and on behalf of the members of the associations, where prices were discussed and fixed and action taken to eliminate competition between the respondents.

While each of respondent associations had its own charter, and the income and expense of each were kept separate and apart from those of the others, they had a community of interest and acted concertedly and collectively in employing the partnership, Gooch & Co. and the respondent Joseph Gooch, Jr., with resultant effects as herein alleged.

PAR. 9. The capacity, tendency, and effect of the understanding, agreement, combination, and conspiracy hereinbefore described, and the acts and practices of the respondents done and performed in furtherance thereof, and pursuant thereto, are now and have been to substantially lessen, restrict, restrain, and suppress competition among and between said respondents in the manufacture, sale and distribution of said products in commerce within the intent and meaning of section 5 of the Federal Trade Commission Act; have a dangerous tendency to and have actually hindered, restricted, and prevented price competition between and among said respondents in the sale and distribution of said products in said commerce; have empowered and enabled the respondents to control the market and enhance the prices of said products above the prices which would prevail under a condition of natural; normal, and free competition among said respondents; have increased the prices paid by purchasers of said products and have a dangerous tendency to create a monopoly in said respondents in the manufacture, sale and distribution of said products in interstate commerce.

PAR. 10. The acts and practices of the respondents as herein alleged are all to the injury and prejudice of the public and competitors of respondents and constitute unfair methods of competition in commerce 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 April 1, 1948, issued and subsequently served upon the respondents named in the caption hereof its complaint in this proceeding, charging said respondents with the use of unfair methods of competition in commerce in violation of the provisions of that act. Subsequently, all of said respondents except American Ticket Corp., Jack's Letter Service, Inc., Dasco-Lockstub Corp., and National Theater Supply Co. filed answers in which they admitted, with certain qualifications, all of the material allegations of fact set forth in the complaint, waived all hearings as to said facts, and consented that the Commission may, without the taking of evidence and without further procedure, make and enter its findings as to the facts, inferences drawn therefrom, and conclusions based thereon, and issue and serve upon said respondents an order to cease and desist from any act or practice or method of competition alleged in the complaint to constitute a violation of section 5 of the Federal Trade Commission Act. Answers were filed also by American Ticket Corp. and Jack's Letter Service, Inc., but these respondents in said answers denied as to themselves substantially all of the allegations of the complaint. No answer was filed by Dasco-Lockstub Corp., or National Theater Supply Co.

Thereafter, this proceeding regularly came on for final hearing before the Commission upon the complaint, the answers thereto as aforesaid, a memorandum dated June 22, 1948, and a supplemental memorandum dated July 19, 1948, both filed by counsel supporting the complaint, proposing disposition of said proceeding, no answers to said memoranda having been filed; 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 this its findings as to the facts and its conclusion drawn therefrom.

## FINDINGS AS TO THE FACTS

PARAGRAPH 1. (a) The respondent, Amusement Ticket Manufacturers Association, is a corporation organized and existing under and by virtue of the laws of the State of New York, with its home office located at 369 Lexington Avenue, New York, N. Y. Said respondent is a membership corporation and its membership is composed of firms, corporations, partnerships, and individuals who are engaged in the

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manufacture, sale, and distribution of checks and coupons used by all types of amusement enterprises, whether or not they are operated for profit, and other establishments using the types of tickets, checks and coupons common to the amusement industry, such as bathhouses, swimming pools, horse and dog shows, races, fairs, carnivals, games, moving pictures, etc. Said group of articles will be referred to hereinafter as "amusement tickets." All of the members of said association are named as respondents herein.

(b) The respondent, Restaurant Check Manufacturers Association, is a corporation organized and existing under and by virtue of the laws of the State of New York, with its home office located at 369 Lexington Avenue, New York, N. Y. Said respondent is a membership corporation and its membership is composed of firms, corporations, partnerships, and individuals who are engaged in the manufacture, sale, and distribution of checks and coupons of all types used by clubs, commercial restaurants, cafes, hotels, soda fountains, etc., whether or not used in connection with any mechanical accessory. Said group of articles will be referred to hereinafter as "restaurant checks." All of the members of said association are named as respondents herein.

(c) The respondent, Association of Coupon Book Manufacturers, is a corporation organized and existing under and by virtue of the laws of the State of New York, with its home office located at 369 Lexington Avenue, New York, N. Y. Said respondent is a membership corporation and its membership is composed of firms, corporations, partnerships, and individuals who are engaged in the manufacture, sale and distribution of checks and coupons in strip or book form that are redeemable in merchandise or services used by commercial and industrial establishments, except as defined under amusement tickets, electric railway and bus tickets, steam railroad tickets and restaurant checks. Said group of articles will be referred to hereinafter as "coupon books." All of the members of said association are named as respondents herein.

(d) The respondent, Clothing Ticket Manufacturers Association, is a corporation organized and existing under and by virtue of the laws of the State of New York, with its home office located at 369 Lexington Avenue, New York, N. Y. Said respondent is a membership corporation and its membership is composed of firms, corporations, partnerships, and individuals who are engaged in the manufacture, sale, and distribution of tickets, checks, and coupons used by:

- (1) clothing manufacturers to designate lot number, size, style

and/or price on all classes of clothing; (2) manufacturers in various industries for recording piece work and similar operations; (3) establishments engaged in agricultural activities whose employees are given tickets, checks, or coupons redeemable in cash for work performed. Said group of articles will be referred to hereinafter as "clothing tickets." All of the members of said association are named as respondents herein.

(e) The respondent, Transit Ticket Manufacturers Association, referred to in the complaint as Traffic Ticket Manufacturers Association, is a corporation organized and existing under and by virtue of the laws of the State of New York, with its home office located at 369 Lexington Avenue, New York, N. Y. Said respondent is a membership corporation and its membership is composed of firms, corporations, partnerships, and individuals who are engaged in the manufacture, sale, and distribution of electric railway and bus tickets, checks, coupons, and transfers of all types used by city and interurban electric railways, their subsidiaries and/or affiliates, and independently operated buses, ferries, bridges, airways and all other transportation enterprises, except as defined under licensed railroad tickets. Said group of articles will be referred to hereinafter as "transit tickets." All of the members of said association are named as respondents herein.

(f) The respondent, Licensed Railroad Ticket Manufacturers Association, is a corporation organized and existing under and by virtue of the laws of the State of New York, with its home office located at 369 Lexington Avenue, New York, N. Y. Said respondent is a membership corporation and its membership is composed of firms, corporations, partnerships, and individuals who are engaged in the manufacture, sale and distribution of tickets, checks, and coupons of all types used by railroad systems and their subsidiaries or affiliated bus, ferry, bridge, and airway systems. Said group of articles will be referred to hereinafter as "railroad tickets." All of the members of said association are named as respondents herein.

(g) The respondents, Joseph Gooch, Jr. and Edith A. Gooch, are copartners trading and doing business under the partnership name of Gooch & Co. The home office of said partnership is located at 369 Lexington Avenue, New York, N. Y. Said partnership is now and has been (since the organization of the above named respondent corporations) employed by respondent associations as secretary and industry counsel. Respondent Joseph Gooch, Jr. has the active control and management of the partnership Gooch & Co., and directs and controls said partnership's activities and practices.

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PAR. 2. (a) The respondent, Globe Ticket Co., is a corporation organized and existing under and by virtue of the laws of the State of Pennsylvania, with its home office and principal place of business located at 112 North Twelfth Street, Philadelphia, Pa. Said respondent is engaged in the manufacture, sale and distribution of amusement tickets, restaurant checks, coupon books, clothing tickets, transit tickets, and railroad tickets. Said respondent is now and has been for a number of years last past a member of the respondent associations named and described in paragraphs 1 (a) through (f) hereinabove.

(b) The respondent, International Ticket Co., is a corporation organized and existing under and by virtue of the laws of the State of New Jersey, with its home office and principal place of business located at 50 Grafton Avenue, Newark, N. J. Said respondent is engaged in the manufacture, sale and distribution of amusement tickets, restaurant checks, coupon books, clothing tickets, transit tickets, and railroad tickets. Said respondent is now and has been for a number of years last past a member of the respondent associations named and described in paragraphs 1 (a) through (f) hereinabove.

(c) The respondent, Keller Printing Co., is a corporation organized and existing under and by virtue of the laws of the State of New York, with its home office and principal place of business located at 297 Lafayette Street, New York, N. Y. Said respondent is engaged in the manufacture, sale and distribution of amusement tickets, restaurant checks, coupon books and clothing tickets. Said respondent is now and has been for a number of years last past a member of the respondent associations named and described in paragraphs 1 (a) through (d) hereinabove.

(d) The respondent, Arcus-Simplex Ticket Co., Inc., is a corporation organized and existing under and by virtue of the laws of the State of New York, with its home office and principal place of business located at 15 Laight Street, New York, N. Y. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale and distribution of amusement tickets, restaurant checks, coupon books, transit tickets, and railroad tickets. Said respondent is now and has been for a number of years last past a member of the respondent associations named and described in paragraphs 1 (a), (b), (c), (e) and (f) hereinabove.

(e) The respondent, Poole Bros., Inc., is a corporation organized and existing under and by virtue of the laws of the State of Illinois, with its home office and principal place of business located at 85 West

Harrison Street, Chicago, Ill. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale and distribution of amusement tickets, restaurant checks, coupon books, transit tickets and railroad tickets. Said respondent is now and has been for a number of years last past a member of the respondent associations named and described in paragraphs 1 (a), (b), (c), (e) and (f) hereinabove.

(f) The respondent, Ansell-Simplex Ticket Co., Inc., is a corporation organized and existing under and by virtue of the laws of the State of Illinois, with its home office and principal place of business located at 2844 West Chicago Avenue, Chicago, Ill. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale, and distribution of amusement tickets, restaurant checks, coupon books, and transit tickets. Said respondent is now and has been for a number of years last past a member of the respondent associations named and described in paragraphs 1 (a), (b), (c) and (e) hereinabove.

(g) The respondent, Elliott Ticket Co., is a corporation organized and existing under and by virtue of the laws of the State of New York, with its home office and principal place of business located at 409 Lafayette Street, New York, N. Y. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale, and distribution of amusement tickets, restaurant checks, coupon books, and transit tickets. Said respondent is now and has been for a number of years last past a member of the respondent associations named and described in paragraphs 1 (a), (b), (c) and (e) hereinabove.

(h) The respondent, the Toledo Ticket Co., is a corporation organized and existing under and by virtue of the laws of the State of Ohio, with its home office and principal place of business located at 114 Erie Street, Toledo, Ohio. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale, and distribution of amusement tickets, restaurant checks, coupon books, and transit tickets. Said respondent is now and has been for a number of years last past a member of the respondent associations named and described in paragraphs 1 (a), (b), (c), and (e) hereinabove.

(i) The respondent, Arcus Ticket Co., Inc., is a corporation organized and existing under and by virtue of the laws of the State of Illinois, with its home office and principal place of business located at 348 North Ashland Avenue, Chicago, Ill. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale, and distribution of amusement tickets and restaurant

checks, and is now and has been for a number of years last past a member of the respondent associations named in paragraphs 1 (a) and (b) hereinabove.

(j) The respondent, McGill-Warner Co., is a corporation organized and existing under and by virtue of the laws of the State of Delaware, with its home office and principal place of business located at 215-225 East Ninth Street, St. Paul, Minn. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale, and distribution of amusement tickets, coupon books, clothing tickets, transit tickets, and railroad tickets. Said respondent is now and has been for a number of years last past a member of the respondent associations named and described in paragraphs 1 (a), (c), (d), (e), and (f) hereinabove.

(k) The respondent, Hancock Bros., is a corporation organized and existing under and by virtue of the laws of the State of California, with its home office and principal place of business located at 25 Jessie Street, San Francisco, Calif. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale, and distribution of amusement tickets, coupon books, transit tickets, and railroad tickets. Said respondent is now and has been for a number of years last past a member of the respondent associations named and described in paragraphs 1 (a), (c), (e), and (f) hereinabove.

(l) The respondent, Dillingham Printing Co., Inc., is a corporation organized and existing under and by virtue of the laws of the State of California, with its home office and principal place of business located at 4837 North Huntington Drive, Los Angeles, Calif. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale, and distribution of amusement tickets, coupon books, transit tickets, and railroad tickets. Said respondent is now and has been for a number of years last past a member of the respondent associations named and described in paragraphs 1 (a), (c), (e), and (f) hereinabove.

(m) The respondent, Specialty Printing Co., is a partnership composed of Edwin L. Gosnell and Charles Edward Oster, with its home office and principal place of business located at 811 Lake Avenue, Rochester, N. Y. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale, and distribution of amusement tickets and clothing tickets. Said respondent is now and has been for a number of years last past a member of the respondent associations named and described in paragraphs 1 (a) and (d) hereinabove.

(*n*) The respondent, National Ticket Co., is a corporation organized and existing under and by virtue of the laws of the State of Pennsylvania, with its home office and principal place of business located at Franklin and Commerce Streets, Shamokin, Pa. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale, and distribution of amusement tickets, and transit tickets, and is now and has been for a number of years last past a member of the respondent associations named and described in paragraphs 1 (*a*) and (*e*) hereinabove.

(*o*) The respondent, Southwest Tablet Manufacturing Co., is a partnership composed of Edgar H. Perry, Sr., Edgar H. Perry, Jr., Edgar H. Perry, III, and Thomas A. Harris, with its home office and principal place of business located at 2110 Corinth Street, Dallas, Tex. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale, and distribution of amusement tickets and coupon books, and is now and has been for a number of years last past a member of the respondent associations named and described in paragraphs 1 (*a*) and (*e*) hereinabove.

(*p*) The respondent, Premier-Southern Ticket Co., Inc., is a corporation organized and existing under and by virtue of the laws of the State of Ohio, with its home office and principal place of business located at 1621 Dana Street, Cincinnati, Ohio. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale, and distribution of amusement tickets, and is now and has been for a number of years last past a member of the respondent association named and described in paragraph 1 (*a*) hereinabove.

(*q*) The respondent, National Checking Co., is a corporation organized and existing under and by virtue of the laws of the State of Minnesota, with its home office and principal place of business located at 271 Chestnut Street, St. Paul, Minn. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale, and distribution of restaurant checks and coupon books, and is now and has been for a number of years last past a member of the respondent associations named and described in paragraphs 1 (*b*) and (*c*) hereinabove.

(*r*) The respondent, Universal Checking System, Inc., is a corporation organized and existing under and by virtue of the laws of the State of New Jersey, with its home office and principal place of business located at Hudson Avenue and 62d Street, West New York, N. J. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale, and distribution of restaurant checks, and is now and has been for a number of years last

past a member of the respondent association named and described in paragraph 1 (b) hereinabove.

(s) The respondent, Whitney Duplicating Check Co., is a corporation organized and existing under and by virtue of the laws of the State of New York, with its home office and principal place of business located at 406 East Thirty-first Street, New York, N. Y. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale, and distribution of restaurant checks, and is now and has been for a number of years last past a member of the respondent association named and described in paragraph 1 (b) hereinabove.

(t) The respondent, Gibbs-Inman Co., is a corporation organized and existing under and by virtue of the laws of the State of Kentucky, with its home office and principal place of business located at 817 West Market Street, Louisville, Ky. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale, and distribution of coupon books, transit tickets, and railroad tickets. Said respondent is now and has been for a number of years last past a member of the respondent associations named and described in paragraphs 1 (c), (e) and (f) hereinabove.

(u) The respondent, Rand Avery-Gordon Taylor, Inc., is a corporation organized and existing under and by virtue of the laws of the State of Maine, with its home office and principal place of business located at 871 Commonwealth Avenue, Boston, Mass. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale, and distribution of coupon books, transit tickets, and railroad tickets. Said respondent is now and has been for a number of years last past a member of the respondent associations named and described in paragraphs 1 (c), (e) and (f) hereinabove.

(v) The respondent, Rand McNally & Co., is a corporation organized and existing under and by virtue of the laws of the State of Illinois, with its home office and principal place of business located at 536 South Clark Street, Chicago, Ill. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale, and distribution of coupon books, transit tickets, and railroad tickets. Said respondent is now and has been for a number of years last past a member of the respondent associations named and described in paragraphs 1 (c), (e), and (f) hereinabove.

(w) The respondent, Stromberg Allen & Co., is a partnership composed of Charles J. Stromberg, Herbert L. Greaves and Charles S. Greaves, with its home office and principal place of business located at 430 South Clark Street, Chicago, Ill. Said respondent is now and

has been for a number of years last past engaged in the manufacture, sale, and distribution of coupon books, transit tickets, and railroad tickets. Said respondent is now and has been for a number of years last past a member of the respondent associations named and described in paragraphs 1 (c), (e) and (f) hereinabove.

(x) The respondent, Southern Coupon Co., is a corporation organized and existing under and by virtue of the laws of the State of Alabama, with its home office and principal place of business located at 1819 Fourth Avenue South, Birmingham, Ala. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale, and distribution of coupon books, and is now and has been for a number of years last past a member of the respondent association named and described in paragraph 1 (c) hereinabove.

(y) The respondent, the Baltimore Ticket Printing & Envelope Co., is a corporation organized and existing under and by virtue of the laws of the State of Maryland, with its home office and principal place of business located at 1101 East Fayette Street, Baltimore, Md. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale, and distribution of transit tickets and railroad tickets, and is now and has been for a number of years last past a member of the respondent associations named and described in paragraphs 1 (e) and (f) hereinabove.

(z) The respondent, the A. H. Pugh Printing Co., is a corporation organized and existing under and by virtue of the laws of the State of Ohio, with its home office and principal place of business located at 400 Pike Street, Cincinnati, Ohio. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale, and distribution of transit tickets, and railroad tickets, and is now and has been for a number of years last past a member of the respondent associations named and described in paragraphs 1 (e) and (f) hereinabove.

(aa) The respondent, Frank McCaffrey, is an individual trading as Frank McCaffrey's Acme Press of Seattle, with its home office and principal place of business located at 2116 Fourth Avenue, Seattle, Wash. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale, and distribution of railroad tickets, and is now and has been for a number of years a member of the respondent association named and described in paragraph 1 (f) hereinabove.

(bb) The respondent, Allen, Lane & Scott, is a corporation organized and existing under and by virtue of the laws of the State of Pennsyl-

vania, with its home office and principal place of business located at 1211 Clover Street, Philadelphia, Pa. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale, and distribution of railroad tickets, and is now and has been for a number of years last past a member of the respondent association named and described in paragraph 1 (f) hereinabove.

(cc) The respondent, Buxton & Skinner Printing & Stationery Co., is a corporation organized and existing under and by virtue of the laws of the State of Missouri, with its home office and principal place of business located at 306 North Fourth Street, St. Louis, Mo. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale, and distribution of railroad tickets, and is now and has been for a number of years last past a member of the respondent association named and described in paragraph 1 (f) hereinabove.

(dd) The respondent, Con. P. Curran Printing Co., is a corporation organized and existing under and by virtue of the laws of the State of Missouri, with its home office and principal place of business located at Eighth and Walnut Streets, St. Louis, Mo. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale, and distribution of railroad tickets, and is now and has been for a number of years last past a member of the respondent association named and described in paragraph 1 (f) hereinabove.

(ee) The respondent, Hedstrom-Barry Co., is a corporation organized and existing under and by virtue of the laws of the State of Illinois, with its home office and principal place of business located at 610 South Federal Street, Chicago, Ill. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale, and distribution of railroad tickets, and is now and has been for a number of years last past a member of the respondent association named and described in paragraph 1 (f) hereinabove.

(ff) The respondent, Allison Coupon Co., is a corporation organized and existing under and by virtue of the laws of the State of Indiana, with its home office and principal place of business located at 536 East Market Street, Indianapolis, Ind. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale, and distribution of coupon books, and is now and has been for a number of years last past a member of the respondent association named and described in paragraph 1 (c) hereinabove.

(gg) The respondent, Dasco-Lockstub Corp., was a corporation organized and existing under and by virtue of the laws of the State of New York, with its home office and principal place of business

located at 133 Prince Street, New York, N. Y. Said respondent was for a number of years engaged in the manufacture, sale, and distribution of restaurant checks, and was for a number of years a member of the respondent association named and described in paragraph 1 (b) hereinabove. The Commission is informed that the principal owner of this business is now deceased, however, and that this company is no longer in operation.

All of the above-named manufacturers except Dasco-Lockstub Corp. are members of one or more of the respondent associations and have taken an active part in the plans, methods, acts, and practices herein found.

PAR. 3. (a) The respondent, Weldon, Williams & Lick, Inc., is a corporation organized and existing under and by virtue of the laws of the State of Arkansas, with its home office and principal place of business located at Fort Smith, Ark. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale, and distribution of amusement tickets. This respondent is not a member of any of the respondent associations named in paragraphs 1 (a) through (f) hereof, but it has taken an active part in the acts and practices herein described, and has cooperated with the members of said associations in doing and performing acts and practices in furtherance of and in carrying out the understanding, agreement, combination, and conspiracy herein found.

(b) The respondent, American Ticket Corp., is a corporation organized and existing under and by virtue of the laws of the State of Illinois, with its home office and principal place of business located at 360 East Grand Avenue, Chicago, Ill. Said respondent is now and has been for a number of years last past engaged in the manufacture, sale, and distribution of amusement tickets. This respondent is not a member of any of the respondent associations named in paragraphs 1 (a) through (f) hereof, but the complaint alleged that American Ticket Corp. has cooperated with the members of said associations in carrying out the understanding, agreement, combination, and conspiracy therein alleged. This allegation of the complaint is denied by the American Ticket Corp. in its answer, thus raising the issue of whether or not this respondent has in fact participated in the unlawful conspiracy, and the record presents no basis on which this issue may be determined. The Commission makes no finding, therefore, with respect to the participation or the nonparticipation of the American Ticket Corp. in the conspiracy hereinafter described.

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(c) The respondent, Jack's Letter Service, Inc., is a corporation organized and existing under and by virtue of the laws of the State of Wisconsin, with its home office and principal place of business located at Milwaukee, Wis. The complaint charged that said respondent is engaged in the manufacture, sale, and distribution of amusement tickets and that it, too, has taken an active part in the concerted activities alleged to be unlawful. Actually, this respondent is engaged in the business of multigraphing and duplicating letters as services to clients in Milwaukee. It likewise performs addressing and mailing services. Said respondent occasionally acts as sales representative in Milwaukee and adjacent territory for American Ticket Corp., but it is not an exclusive representative of that corporation in any territory and is not affiliated with American Ticket Corp. Jack's Letter Service, Inc., does not engage in the manufacture or in the sale or distribution of amusement tickets, except as indicated, and there is no evidence tending to show that it has participated in any way in the acts and practices hereinafter described.

(d) The complaint alleged that the respondent, National Theater Supply Co., is a corporation organized and existing under and by virtue of the laws of the State of Wisconsin, with its home office and principal place of business located at Milwaukee, Wis., that said corporation has been for a number of years last past engaged in the manufacture, sale, and distribution of amusement tickets, and that this corporation also has cooperated with the members of the respondent associations in carrying out the unlawful conspiracy therein referred to. It appears, however, that in all these respects the complaint was in error. There is in fact no such ticket manufacturer as National Theater Supply Co.

PAR. 4. The manufacturers named as respondents in paragraphs 2 and 3 above constitute a group so large and influential that they are able to substantially dominate and control the market and the price of the tickets, checks, and coupons herein described.

PAR. 5. None of the respondent associations named in paragraph 1 hereof are engaged in the manufacture or in the sale and distribution of any article in commerce, but said respondent associations were organized by the respondent manufacturers, and all of said associations have aided and abetted their respective members in the acts and practices herein referred to. Said associations were organized for and have served as clearing houses or central agencies in and through which the plans, acts, and practices of their members were promulgated and put into force and effect.

The partnership of Gooch & Co. likewise is not engaged in the manufacture or in the sale and distribution in commerce of any article of merchandise, nor is the respondent Joseph Gooch, Jr., individually, so engaged, but this partnership, while under the active control and management of Joseph Gooch, Jr., has for a number of years been the Secretary and industry counsel for the respondent associations and has planned, aided, abetted and directed the respondent manufacturers in the acts and practices herein found.

PAR. 6. All of the respondent manufacturers (except as otherwise noted) are now and have been for more than 5 years last past engaged in the manufacture and in the sale and distribution of one or more types of the tickets, checks or coupons described in paragraph 1 hereof. In the course and conduct of their respective businesses, said respondent manufacturers cause such products, when sold, to be shipped from their respective places of business to the purchasers thereof located in various States of the United States other than the States of origin of said shipments. Said respondent manufacturers maintain and at all times mentioned herein have maintained a constant course of trade in said products in commerce between and among the various States of the United States and in the District of Columbia.

PAR. 7. Prior to the existence of the unlawful agreement, combination, and conspiracy herein set forth, the respondent manufacturers were competing one with the other in price and otherwise in the manufacture and in the sale and distribution in commerce of the products manufactured and sold by them and were and are in such competition with others engaged in the manufacture and in the sale and distribution of like products. Said respondents would now be in such competition with one another in commerce were it not for the aforementioned agreement, combination, and conspiracy and the acts and practices employed by the respondents in effectuating and carrying it out.

PAR. 8. Some time prior to February 1938, the respondent manufacturers entered into and together with the respondent associations and respondent Gooch & Co. thereafter carried out an unlawful agreement, understanding, combination, and conspiracy to hinder, lessen, eliminate, restrict, and restrain competition in price and otherwise between and among said respondent manufacturers in the manufacture and in the sale and distribution in commerce of the products herein described. Pursuant to and in furtherance of said agreement, understanding, combination, and conspiracy, the respondents have

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done and performed and are now doing and performing, among others, the following acts and things:

(a) They agreed upon identical and uniform prices, discounts, surcharges, and extra charges to be applied in the sale and distribution of the products manufactured and sold by each of the respondent manufacturers.

(b) The respondent manufacturers organized the respondent associations to be used as clearing houses or central agencies through which said manufacturers could and did carry on and effectuate their unlawful agreement, understanding, combination, and conspiracy.

(c) The respondent associations employed the respondents Gooch & Co. and Joseph Gooch, Jr., individually, to make plans and to aid, assist, and direct the manufacturers in effectuating and carrying out said agreement, understanding, combination, and conspiracy.

(d) They adopted and carried out an open price filing plan whereby each manufacturing respondent filed with the association of which it was a member a price list of the products it was offering for sale and in which it set forth its price quotations on such products. Said quotations were filed before their effective date and were distributed among the other manufacturing respondents by the respondent Gooch & Co., while under the supervision and control of Joseph Gooch, Jr. Said price quotations were prepared and disseminated in a manner so that the name of each manufacturing respondent could be and was identified with any particular price quotation it made, and such identification was through the aforesaid open price reporting plan made known to other manufacturing respondents. Thus, all manufacturing respondents were enabled to identify any particular price quotation with the particular manufacturing respondent who made it. Through those means and the code of symbols hereinafter described, the respondents were enabled to check upon and detect any deviation by a particular manufacturing respondent from the quotations it had previously made and disseminated through the respondent Gooch.

(e) From time to time they prepared, revised, and adopted "guides of fair value" to be used by the respondent manufacturers in determining prices to be charged for what are known in the trade as "tailor-made" or "special made" tickets. Said guides designated specific charges to be made for each item of variation where the size, printed matter or other characteristics of the tailor-made or special made tickets deviated from that of the standard ticket, so that the different manufacturers could quote and charge identical and uniform prices.

(f) The respondent manufacturers adopted and put into force a

plan of reporting to the partnership Gooch & Co. all sales below agreed prices, and empowered the respondent Joseph Gooch, Jr. to arbitrate and adjust all disputes between said manufacturers arising or growing out of such sales.

(g) They standardized the products of each of the manufacturers as to size, style, and color of said products, and as to the weight and quality of the paper and cardboard used in manufacturing said products.

(h) They formulated, and the manufacturers used, a code of symbols or identification marks to enable any of the manufacturer members to identify the products of any other competing manufacturer member.

(i) They held meetings of the membership of the respondent associations and of committees acting for the associations and for and on behalf of the members of the associations where prices were discussed and fixed and other action taken to eliminate competition between the respondent manufacturers.

While the record does not show that each of the respondents has participated in all of these activities, each of said respondents did enter into the formation and establishment of the unlawful agreement, understanding, combination and conspiracy, and each has acted in concert and cooperation with the others in carrying out some of the aforesaid acts and practices pursuant to and in furtherance of the understanding or agreement common to them all.

Each of the respondent associations has its own charter, and the income and expenses of each are kept separate and apart from those of the others, but said associations have a community of interest and they have acted concertedly and collectively in employing the partnership Gooch & Co. and the respondent Joseph Gooch, Jr. with the resultant effects as herein described.

PAR. 9. The capacity, tendency and effect of the agreement, understanding, combination and conspiracy entered into and carried out by the respondents named herein, in the manner aforesaid, and the acts and practices done and performed in furtherance thereof and pursuant thereto, as set out herein, are now and have been to substantially lessen, restrict, restrain, and suppress competition between and among the respondent manufacturers in the manufacture and in the sale and distribution of their products in commerce within the intent and meaning of section 5 of the Federal Trade Commission Act; to restrict and prevent price competition between and among said respondent manufacturers in the sale and distribution of said products

in commerce; to empower and enable the respondents to control the market and enhance the prices of said products above the prices which would prevail under a condition of natural, normal, and free competition among the respondent manufacturers; to increase the prices paid by purchasers of said products; and to create a monopoly in the respondent manufacturers in the sale and distribution of said products in interstate commerce.

#### CONCLUSION

The acts and practices of the respondents as herein found are all to the prejudice and injury of the public and of competitors of the respondent manufacturers and constitute unfair methods of competition in commerce within the intent and meaning of section 5 of the Federal Trade Commission Act.

#### ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission and answers thereto filed by all of the respondents except Dasco-Lockstub Corp. and National Theater Supply Co., in which answers said respondents (except American Ticket Corp. and Jack's Letter Service, Inc.) admitted with certain qualifications all of the material allegations of fact set forth in the complaint, waived all hearings as to said facts, and consented that the Commission may, without the taking of evidence and without any further procedure, make and enter its findings as to the facts, inferences drawn therefrom, and conclusions based thereon, and issue and serve upon said respondents an order to cease and desist from any act or practice or method of competition alleged in the complaint to constitute a violation of section 5 of the Federal Trade Commission Act; and the Commission having made its findings as to the facts and its conclusion that said respondents have violated the provisions of the Federal Trade Commission Act:

*It is ordered*, That the corporate respondents, Globe Ticket Co., International Ticket Co., Keller Printing Co., Arcus-Simplex Ticket Co., Inc., Poole Bros., Inc., Ausell-Simplex Ticket Co., Inc., Elliott Ticket Co., the Toledo Ticket Co., Arcus Ticket Co., Inc., McGill-Warner Co., Hancock Bros., Dillingham Printing Co., Inc., National Ticket Co., Premier-Southern Ticket Co., Inc., National Checking Co., Universal Checking System, Inc., Whitney Duplicating Check Co., Gibbs-Inman Co., Rand Avery-Gordon Taylor, Inc., Rand McNally &

Co., Southern Coupon Co., the Baltimore Ticket Printing & Envelope Co., the A. H. Pugh Printing Co., Allen, Lane & Scott, Buxton & Skinner Printing & Stationery Co., Con. P. Curran Printing Co., Hedstrom-Barry Co., Allison Coupon Co., and Weldon, Williams & Lick, Inc., and their officers, and Edwin L. Gosnell and Charles Edward Oster, individually and as copartners trading as Specialty Printing Co., Edgar H. Perry, Sr., Edgar H. Perry, Jr., Edgar H. Perry, III, and Thomas A. Harris, individually and as copartners trading as Southwest Tablet Manufacturing Co., Charles J. Stromberg, Herbert L. Greaves and Charles S. Greaves, individually and as copartners trading as Stromberg Allen & Co., and Frank McCaffrey, an individual trading as Frank McCaffrey's Acme Press of Seattle, and said respondents' respective 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 numbered tickets, namely, coupon books, amusement tickets, restaurant checks, clothing tickets, transit tickets, and railroad tickets, all hereinafter referred to as "numbered tickets," 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 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 perform any of the following acts, practices or things:

1. Establishing, fixing, or maintaining prices, terms or conditions of sale for numbered tickets, or adhering to or promising to adhere to any prices, terms or conditions of sale so established, fixed or maintained.

2. Employing or utilizing any of the respondent associations, or any agent, representative or employee of a respondent or respondents, or any other medium or central agency, to aid or assist in formulating plans for fixing or maintaining prices or performing or carrying out any of the acts or practices prohibited by this order.

3. Exchanging, distributing, or relaying among the respondent manufacturers, or any of them, through or with the assistance of any of the respondent associations, or any agent, representative or employee of a respondent or respondents, or otherwise price lists or schedules, or other information as to current prices or prices to be charged in the future, or any formula by which the current or future prices of any respondent manufacturer may be ascertained by a competitor, for the purpose or with the effect of fixing or maintaining

prices for numbered tickets produced and sold by any of the respondent manufacturers.

4. Exchanging, distributing, or relaying among the respondent manufacturers, or any of them, through any of the respondent associations, or any agent, representative or employee of a respondent or respondents, or otherwise, information concerning prices charged or to be charged for numbered tickets known in the trade as "tailor-made" or "special made" tickets, or for particular items or characteristics entering into the manufacture of such "tailor-made" or "special made" tickets, which has the tendency or capacity of enabling the different respondent manufacturers to quote and charge identical or uniform prices for such tickets or for particular items thereof.

5. Exchanging, distributing, or relaying among the respondent manufacturers, or any of them, or to or through any of the respondent associations, or any agent, representative or employee of a respondent or respondents, or otherwise, information concerning prices charged particular customers, or information concerning sales or shipments of numbered tickets, when the identity of the manufacturer, seller, or purchaser is disclosed or may be determined through such information and which has the tendency or capacity of enabling any of the respondent manufacturers to quote and sell numbered tickets at the same price or upon the same terms or conditions as any of the other respondent manufacturers.

6. Directly or indirectly participating in or carrying out any agreement or understanding to establish or maintain any plan for the purpose or with the effect of informing or advising any of the manufacturing respondents, or any other manufacturer of numbered tickets, as to the price, terms, or conditions of sale at or upon which any manufacturing respondent, or other seller of numbered tickets, expects to make a sale or sales of numbered tickets.

7. Formulating or using any code of symbols or identification marks, or filing with or making known to any of the respondent associations, or any other medium or central agency, any such symbols or identification marks, which has the capacity of enabling any of the respondent associations, or any agent, representative or employee of a respondent or respondents, to identify the numbered tickets produced and sold by any respondent manufacturer, for the purpose or with the effect of fixing or maintaining, or assisting in the fixing or maintaining, of prices for numbered tickets.

8. Adopting or maintaining uniform standards governing style, size or color of tickets produced and sold by the respondent manufac-

turers, or the weight and quality of the paper or cardboard out of which said tickets are made, with the purpose or effect of establishing, maintaining, or assisting in the establishing or maintaining, of uniform prices for numbered tickets.

9. Holding or participating in any meeting or exchange of information among themselves, or under the auspices of any of the respondent associations or committees of said associations, or any other medium or central agency, at which proposed or future prices, terms, or conditions of sale of numbered tickets are discussed, or at which any other action is taken for the purpose or with the effect of eliminating competition in price, between and among the respondent manufacturers.

10. Engaging in any act or practice substantially similar to those prohibited in this order with the purpose or effect of establishing or maintaining uniform prices for numbered tickets.

*It is further ordered*, That the corporate respondents, Amusement Ticket Manufacturers Association, Restaurant Check Manufacturers Association, Association of Coupon Book Manufacturers, Clothing Ticket Manufacturers Association, Transit Ticket Manufacturers Association, and Licensed Railroad Ticket Manufacturers Association, and their officers, and respondents, Joseph Gooch, Jr., and Edith A. Gooch, individually and as copartners trading as Gooch & Co., and said respondents' respective agents, representatives and employees, do forthwith cease and desist from knowingly aiding, assisting, advising, or cooperating with the aforesaid respondents, or any of them, in performing any of the acts or practices or doing any of the things prohibited in the paragraphs numbered 1 to 10, inclusive, of this order.

*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 the respondents Dasco-Lockstub Corp., Jack's Letter Service, Inc., National Theater Supply Co., and American Ticket Corp.

*It is further ordered*, That each of the respondents against which this order is directed shall, within 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.

IN THE MATTER OF  
PRACTICAL NURSES' GUILD, 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 5323. Complaint, May 22, 1945—Decision, Sept. 23, 1948*

The use of the word "guild" in a corporate or trade name conveys the meaning of an association or group of persons belonging to the same class or engaged in kindred pursuits, with certain common interests or aims, formed for mutual aid and protection.

Where a corporation engaged in the interstate sale and distribution of a correspondence course of study and instruction in practical nursing; in advertising the same in newspapers, circulars, letters and other advertising materials; and its president, who controlled and directed its activities—

- (a) Falsely represented and implied through use of the word "guild" in the corporate name of said company and through statements in advertising, that their business was a group or association of practical nurses formed for mutual aid or the protection of their common interests;
- (b) Represented further that said business was such an association or guild, located throughout the United States, formed on a Nation-wide basis;
- (c) Represented further that upon enrollment in said course of study, the purchaser became a member of the guild with all the rights and privileges pertaining thereto, that upon successful completion of the course, the Board of Managers would issue its certificate of award to students, and that possession thereof assured employment because of the preference shown for such persons;

The facts being said company was not such an association or guild, but a corporation conducted for private profit, the business of which consisted in the sale of courses of study and the maintenance of a register of students to aid and assist purchasers of its courses in securing employment; the business was principally in Iowa and a few surrounding states; a purchaser secured only the course of study and such assistance in obtaining employment as might be afforded through said register and by the corporation and the aforesaid individual; the so-called "Board of Managers" was fictitious, the business being conducted principally by said individual with the occasional assistance of his daughter; and the certificates or awards were not recognized by hospitals and institutions which might employ practical nurses for limited duties, and did not secure their holders preferential employment;

- (d) Misleadingly represented that the cost of said course of study was \$67.50, and that after an initial payment of \$10 for the first five lessons, the remaining thirty-five might be procured and paid for as desired, one or more lessons at a time at the convenience of the student; the facts being there was a minimum requirement that students purchase and pay for at least one lesson a month and that in the event of a default for a period of four months, the unpaid balance of the \$67.50 became due and payable;