

Syllabus

IN THE MATTER OF

CZECHO-SLOVAK CRYSTAL IMPORTERS ASSOCIATION,
INC. (IMPORTED CRYSTAL ASSOCIATION, INC.) ET AL.

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

Docket 5988. Complaint, May 12, 1952—Decision, June 25, 1953

While a small percentage of the lighting glass products made for use in the United States is presently manufactured in Japan, Germany, Austria and other foreign countries as well as in the United States, such glass products have generally been deemed to be of inferior quality to Czechoslovakian lighting glass products and have not enjoyed the acceptance in the United States accorded to said Czechoslovakian products.

Where twelve corporations, two partnerships and an individual, which were engaged in importing "lighting glass products"—i. e., glass crystals, prisms, drops, chandeliers, and related products—from Czechoslovakia and other foreign countries for sale and distribution throughout the United States and for use in the manufacture of lighting fixtures for such sale and distribution; would have been in competition with one another, except for the facts below set forth, and were in competition with their customers and with importers who were not members of their association; and for a number of years theretofore imported about 90% of the volume of lighting glass products made in Czechoslovakia for sale and distribution in the United States and thereby dominated and controlled the lighting glass products industry in this country; together with their association, incorporated in 1946 to "advance the business of importers of crystal chandeliers and of all chandelier parts from Czechoslovakia, and to deal with problems concerning or affecting them and of allied and kindred businesses; * * *"—

Cooperated, combined, conspired, agreed, and entered into and carried out an understanding and planned common course of action between and among themselves and others (1) to prevent competing purchasers from importing lighting glass products directly from the suppliers; (2) to fix and establish prices, terms, and conditions of purchase in connection with the importation of such products; and (3) to monopolize within themselves the import, sale and distribution of said products in commerce; and as a part and parcel of said action and practice unlawfully to thwart, hinder, frustrate, and suppress competition—

- (a) Restricted the membership of their association and obtained an agreement from the Czechoslovakian glass import authorities whereby the sale of said products was restricted to members of their association and other importers approved by them;
- (b) Caused said Czechoslovakian glass export authorities to enjoin glass exporters from selling such products to nonmember importers in the United States;

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- (c) Agreed with the Czechoslovak Glass Export Co., Ltd., that that export agency would lower its prices to enable said members to meet the competition of such products of other origin; that the sale of the Czechoslovakian products would be made exclusively to the members and other importers they approved; and that respondents would confine their purchases of such lighting glass products to said export agency to the exclusion of other sources of supply;
- (d) Agreed among themselves and with their source of supply in Czechoslovakia that the purchase price paid by any member of any lighting glass product would be identical with that paid by any other members for the same product; and
- (e) Organized and used their said association as an unlawful medium of effectuating and carrying out such agreement, understanding, and practices; and

Where their aforesaid association—

- (f) Received from the Czechoslovakian government officials their current list of United States lighting glass product importers and also numerous inquiries to such officials from non-member importers in the United States in regard to the purchase of lighting glass products; and advised said officials as to whether or not said non-member importers should be allowed to purchase directly from Czechoslovakia; and
- (g) Kept said government officials apprised of its membership and of competitive activities in the industry; and

Where the aforesaid members during the same period of time—

- (h) Refrained from purchasing lighting glass products from sources outside of Czechoslovakia; and

Where respondents, through the terms of an agreement entered into on or about August 29, 1949, with the Czechoslovak Glass Export Co. Ltd.—

- (i) Further implemented and insured a successful continuation of their unlawful cooperation, planned common course of action, etc. through the terms of said agreement whereby the association members were supplied with new prices and price lists, sales were limited to members with certain approved exceptions, members undertook to purchase exclusively in Czechoslovakia, competitive orders were to be cancelled if possible, and said Export Company undertook to quote competitive prices against all other suppliers, proof of whose lower prices was to be made available by the association; and

Where said respondents and said Glass Export Company, notwithstanding latter's notice in April 1950 that the agreement would not be renewed—

- (j) Continued to adhere to its terms and conditions until on or about October 1951 when circumstances beyond their control precluded respondents' further importation of lighting glass products from said country;

Capacity, tendency, and effect of which agreement, understanding, etc., and of the acts and practices done pursuant thereto were to substantially lessen, restrain, and eliminate competition among and between said respondent members and between them and others in the importation of lighting glass products and in the sale and distribution thereof and of lighting fixtures

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manufactured therefrom in commerce; empower and enable respondent members to control the market for said products and fixtures; enhance prices paid for said products and fixtures by competitors and consumers; and to tend dangerously to create a monopoly in respondent members in the importation of lighting glass products and in the sale and distribution of such products and fixtures in commerce:

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

Before *Mr. James A. Purcell*, hearing examiner.

Mr. Floyd O. Collins and *Mr. J. Wallace Adair* for the Commission.

Davis & Heffner, of New York City, for respondents generally.

Mr. Daniel Schnabel, of Beverly Hills, Calif., for *Lewis J. Smith*.

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 parties named in the caption hereof and more particularly described and referred to hereinafter as respondents, have violated Section 5 of the Federal Trade Commission Act (U. S. C. Title 15, Section 45), 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. The respondent, Czecho-Slovak Crystal Importers Association, Inc., hereinafter referred to as respondent "Association", is a New York corporation, incorporated in 1946, with its principal office and place of business presently located at 48 West 37th Street, New York, New York, which is the business office of its Secretary, Irvin G. Nelson. The membership of the respondent Association is composed of corporations and individuals trading as partnerships or sole proprietors who are generally engaged in the business of importing glass crystals, prisms, drops, chandeliers and other similar or related products (sometimes hereinafter referred to as "lighting glass products") for sale and distribution in commerce and for use in the construction of lighting fixtures for sale and distribution in commerce among and between the various states of the United States.

The constitution and by-laws of the respondent Association declares its purpose to be:

ARTICLE II—PURPOSES

Section 1. The general purposes of the Association shall be to foster, encourage and generally to advance the business of importers of crystal chandeliers

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and of all chandelier parts from Czechoslovakia, and to deal with problems concerning or affecting them and of allied and kindred businesses; to secure freedom from unjust and unlawful exactions; to unite for appropriate study and action, the said importers and allied or kindred businesses who are interested in the tariff law and in the administration of the Customs in general; to secure for said businesses the fair and administrative treatment to which they are entitled and to discourage ill-considered tariff legislation which might result not only in unfair discrimination in the United States but also in adverse effects on our international trade in general; to reform abuses relating to said businesses, and to promote and encourage sound, ethical and progressive business methods among them; to collect and disseminate accurate and reliable information relating to matters of said businesses and also the standing of persons and corporations engaged therein; to procure uniformity and certainty of practices and usages of said businesses; to settle differences between its members and those with whom they do business; to insure united action wherever else the interests of its members are concerned; and to do all such things as may be necessary and proper for the carrying out of the foregoing purposes.

ARTICLE IV—MEMBERSHIP, DUES, VOTING, COMPLAINTS

Section 1. Any American citizen or a partnership, or a corporation, consisting of American citizens, or of whom American citizens shall be controlling or managing members or directors, who import merchandise into the United States or its territories, or who deal in imported merchandise or who are interested in the tariff laws, shall be eligible to membership in the Association.

PAR. 2. The following is a description of the corporate and individual respondents (sometimes hereinafter referred to as "respondent members"), all of whom are members of respondent Association:

Bohemia Import Co., Inc., is a New York corporation, incorporated in 1946, with its principal office and place of business located at 39 West 23rd Street, New York, New York.

Crystal Mart, Incorporated, is a New York corporation, incorporated in 1946, with its principal office and place of business located at 31 East 27th Street, New York, New York.

Elite Glass Co., Inc., is a New York corporation, incorporated in 1926, with its principal office and place of business located at 111 West 22nd Street, New York, New York.

Nelson Bead Co., Inc., is a New York corporation, incorporated in 1946, with its principal office and place of business located at 48 West 37th Street, New York, New York.

Weiss & Biheller Merchandise Corporation is a New York corporation, incorporated in 1934, with its principal office and place of business located at 584 Broadway, New York, New York.

Lightolier Co., Inc., is a New York corporation, incorporated in 1904, with its principal office and place of business located at 346 Claremont Avenue, Jersey City, New Jersey.

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Rialto Import Corporation is a New York corporation, incorporated in 1925, with its principal office and place of business located at 135 West 44th Street, New York, New York.

Gregory Sales Company, Inc., is a New York corporation, incorporated in 1938, with its principal office and place of business located at 232 East 59th Street, New York, New York.

Charles J. Winston & Co., Inc., is a New York corporation, incorporated in 1940, with its principal office and place of business located at 515 Madison Avenue, New York, New York.

Lawson Crystal, Inc., is a Missouri corporation, incorporated in 1947, with its principal office and place of business located at 4453a Olive Street, St. Louis, Missouri.

Sol Horn, Inc., is a New York corporation, incorporated in 1946, with its principal office and place of business located at 236 Fifth Avenue, New York, New York.

Warren Kessler, Inc., is a New York corporation, incorporated in 1929, with its principal office and place of business located at 220 Fifth Avenue, New York, New York.

Isaac Albert, Louis Albert, and Charles Albert are individuals and co-partners, trading and doing business under the partnership name and style of I. Albert Co., with their principal office and place of business located at 232 East 59th Street, New York, New York.

Sol Goodman and Edith Goodman are individuals and copartners, trading and doing business under the partnership name and style of Goody Lamp Co., with their principal office and place of business located at 40 West 27th Street, New York, New York.

Lewis J. Smith is an individual trading and doing business under the firm name and style of Crystal Import Co., with his principal office and place of business located at 7201 Melrose Avenue, Los Angeles, California.

PAR. 3. The respondent Association is not engaged in the business of importing, selling, or distributing lighting glass products as herein described, but said respondent has aided, abetted, guided, and assisted its respondent members in the performance of unlawful acts and practices hereinafter alleged.

PAR. 4. The respondent members are now, and since October 1946 have been, engaged in the business of importing lighting glass products from Czechoslovakia and other foreign countries for sale and distribution throughout the United States and for use in the manufacture of lighting fixtures for sale and distribution throughout the United States. Said respondents cause such products, when sold, to be shipped to purchasers thereof, many of whom are located in the

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several states of the United States other than the states of origin of said shipments and in the District of Columbia; and there has been, and now is, a constant current and course of trade in said lighting glass products and lighting fixtures in commerce, as "commerce" is defined in the Federal Trade Commission Act, among and between the several states of the United States and in the District of Columbia.

PAR. 5. Except for the unlawful cooperation, planned common course of action, understanding, agreement, combination and conspiracy hereinafter alleged, respondent members would be in competition with one another in the import of lighting glass products. Said respondent members have been, and are now, in competition with others engaged in the import of lighting glass products. Said respondents are also in competition with their customers and with importers who are not members of respondent Association in the offering for sale, sale and distribution of lighting glass products and lighting fixtures manufactured from such products throughout the several states of the United States and in the District of Columbia.

PAR. 6. Prior to World War II, and for several years thereafter, substantially all of the lighting glass products used in the United States in the manufacture of chandeliers and other similar or related lighting fixtures were obtainable only from Czechoslovakia. A small percentage of the lighting glass products manufactured for use in the United States is presently manufactured in Japan, Germany, Austria, and other foreign countries as well as in the United States. Such glass products have generally been deemed to be of inferior quality to Czechoslovakian lighting glass products and have not enjoyed the acceptance in the United States accorded to said Czechoslovakian glass products. Respondent members have for several years past imported, and still do import, approximately 90 percent of the volume of lighting glass products manufactured in Czechoslovakia for sale and distribution in the United States, and by reason of this fact possess the ability and the means of dominating and controlling, and have actually, for several years past, dominated and controlled the lighting glass products industry in the United States.

PAR. 7. For more than five years last past, the respondent members, together with the respondent Association, have been and are engaged in unfair methods of competition and unfair acts and practices in commerce, as "commerce" is defined in the Federal Trade Commission Act, in that they have acted and are still acting unlawfully to thwart, hinder, frustrate and suppress competition by cooperating, combining, conspiring, agreeing and entering into and car-

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rying out an understanding and planned common course of action between and among themselves and others to prevent competing purchasers from importing lighting glass products directly from the suppliers thereof; to fix and establish prices, terms and conditions of purchase in connection with the purchase and importation of lighting glass products; and to monopolize within themselves the import, sale, and distribution of said products in said commerce. As a part and parcel thereof they have committed acts and promulgated and used policies, methods and practices hereinafter more particularly set forth in subparagraphs 1 to 7, inclusive, of this Paragraph 7:

1. Respondents restricted the membership of respondent Association and obtained an agreement or understanding from the Czechoslovakian glass export authorities, which were in control of the shipment of lighting glass products from Czechoslovakia, whereby the sale of said lighting glass products was restricted to respondent members and other importers approved by respondents.

2. Respondents caused the Czechoslovakian glass export authorities to enjoin glass exporters from selling lighting glass products to importers in the United States who were not members of respondent Association.

3. Respondents agreed with Czechoslovak Glass Export Co., Ltd. that that export agency would lower its price to enable respondent members to meet the competition of lighting glass products of other origin; that the sale of Czechoslovakian lighting glass products would be made exclusively to the respondent members and other importers approved by respondents; and that respondents would confine their purchases of such lighting glass products to the said export agency to the exclusion of other sources of supply.

4. Respondents agreed among themselves and with their source of supply in Czechoslovakia that the purchase price paid by any respondent member for any lighting glass product would be identical to that paid by any other respondent member for the same product.

5. Respondents organized and used, and are now using, respondent Association as an unlawful medium of effectuating and carrying out the agreement, understanding, and practices herein alleged.

6. In compliance with the aforesaid cooperation and planned common course of action, understanding or agreement, the Czechoslovakian government officials transmitted its current list of United States lighting glass product importers to the respondent Association for its approval. Since 1946, said Czechoslovakian officials have received numerous inquiries from importers located in the United States who were not members of respondent Association in regard to the pur-

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chase of lighting glass products. These inquiries have been consistently referred to respondent Association which, acting through its members, have advised said Czechoslovakian officials as to whether or not said importers should be allowed to purchase said products directly from Czechoslovakia. Respondent Association has also kept the Czechoslovakian government officials apprised of its membership and of competitive activities in the industry. During the same period of time respondent members have refrained from purchasing lighting glass products from sources outside of Czechoslovakia.

7. Respondents further implemented and insured a successful continuation of the unlawful cooperation, planned common course of action, combination and conspiracy, through an agreement entered into on or about August 29, 1949, with the Czechoslovak Glass Export Co. Ltd., in the following terms:

"(1) New prices of Chandelier Trimmings will be put into force as of August 1st 1949 as per the Price List attached.

"(2) New Price-Lists for Chandeliers are to be in force as of August 1st and the members of the Association will receive their new prices promptly.

"(3) The sales of Trimmings and complete Crystal Chandeliers Crystal Breakets, Baskets and Ceiling Pieces will be sold only to the members of the Association and in addition to the following firms:

Halcolite, Brooklyn,
Crystal Import, Los Angeles,
Lawson, St. Louis,
Sol Horn Inc., New York 1.

"(4) As stated before, this selling policy will concern complete Crystal Chandeliers, Crystal Breakets, Baskets and Ceiling pieces. Regarding Chandeliers Glass Parts for the purpose of making Chandeliers except Chandelier Trimmings it has been agreed that the selling policy for these items will be discussed and organized at a later date.

"(5) Mr. Sanford on behalf of the Association agreed we supply Chandelier Trimmings a. Crystal Chandeliers to the following clients:

Halcolite, Brooklyn,
Crystal Import, Los Angeles,
Lawson, St. Louis,
Sol Horn, Inc. New York 1.

"(6) All members of the Association as well as the clients as per Par. (5) will buy Chandelier Trimmings and Crystal Chandeliers exclusively in Czechoslovakia. All orders placed with our competitors

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prior to this agreement are to be cancelled if possible and on the other side all orders of non-members of the Association accepted and confirmed by the Czechoslovak Glass Export Co. Ltd. prior to this agreement will be delivered under the old conditions and prices. Such orders are not in excess of \$10,000.00 and will be shipped before October 1st 1949.

"(7) Czechoslovak Glass Export Co. Ltd. is at all times prepared to quote competitive prices against all other suppliers. The Importers Association agree to make available proof of lower prices being quoted by competitors and engage themselves to cooperate closely in this regards with Centroglass.

"(8) The Glassexport expects in view of the lower prices and of this agreement that the members will support them promptly with substantial orders.

"(9) This agreement will be in force until July 1st 1950 and will be renewed automatically for a further year unless either party has given two months written notice that they desire to renegotiate a new contract."

At a later date the last three named firms in paragraph three of said agreement were admitted into membership in respondent Association.

Notwithstanding the fact that Czechoslovak Glass Export Co., Ltd. in April 1950 notified the respondents that the foregoing agreement would not be renewed respondents and Czechoslovak Glass Export Co., Ltd. still adhere to its terms.

PAR. 8. The capacity, tendency, and effect of the aforesaid agreement, understanding, combination, and conspiracy hereinbefore described and the acts and practices of the respondents, and each of them, done and performed pursuant thereto and in furtherance thereof, are now and have been to substantially lessen, restrain and eliminate competition among and between said respondent members and between said members and others in the importation of lighting glass products and in the sale and distribution of said products and lighting fixtures manufactured therefrom in commerce; have empowered and enabled the respondent members to control the market for said products and fixtures; have enhanced the prices paid for said products and fixtures by competitors and consumers; have a dangerous tendency to create a monopoly in respondent members in the importation of lighting glass products and in the sale and distribution of said products and fixtures in commerce; and are, and have been, all to the injury and prejudice of the public and competitors of respondent mem-

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bers, and constitute unfair methods of competition in commerce within the intent and meaning of Section 5 of the Federal Trade Commission Act.

CONSENT SETTLEMENT ¹

Pursuant to the provisions of the Federal Trade Commission Act (15 U. S. C. A., Sec. 45), the Federal Trade Commission on May 12, 1952, issued and subsequently served its complaint on the respondents named in the caption hereof, charging them with the use of unfair methods of competition in commerce in violation of the provisions of said Federal Trade Commission Act.

The respondents, desiring that this proceeding be disposed of by the consent settlement procedure provided for in Rule V of the Commission's Rules of Practice, solely for the purposes of this proceeding, any review thereof, and the enforcement of the order consented to, and conditioned upon the Commission's acceptance of the consent settlement hereinafter set forth, and in lieu of the answer to said complaint heretofore filed by Lewis J. Smith, an individual, and which, upon acceptance by the Commission of this settlement, shall be deemed to have been withdrawn from the record, and in lieu of answers to said complaint by all other respondents herein, hereby:

1. Admit all the jurisdictional allegations set forth in the complaint, and state that the name of the respondent Czecho-Slovak Crystal Importers Association, Inc., a corporation, was officially changed in accordance with the laws of the State of New York to Imported Crystal Association, Inc., a corporation, as of May 19, 1952.

2. Consent that the Commission may enter the matters hereinafter set forth as its findings as to the facts, conclusion, and order to cease and desist. It is understood that the respondents, in consenting to the Commission's entry of said findings as to the facts, conclusion, and order to cease and desist, specially refrain from admitting or denying that they have engaged in any of the acts or practices stated therein to be in violation of law.

3. Agree that this consent settlement may be set aside in whole or in part under the conditions and in the manner provided in paragraph (f) of Rule V of the Commission's Rules of Practice.

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

The consent settlement tendered by the parties in this proceeding, a copy of which is served herewith, was accepted by the Commission on June 25, 1953, and ordered entered of record as the Commission's findings as to the facts, conclusion, and order in disposition of this proceeding.

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

The admitted jurisdictional facts, the statement of the acts and practices which the Commission had reason to believe were unlawful, the conclusion based thereon, and the order to cease and desist, all of which the respondents consent may be entered herein in final disposition of this proceeding, are as follows:

FINDINGS AS TO THE FACTS

PARAGRAPH 1. The respondent, Imported Crystal Association, Inc., (formerly Czecho-Slovak Crystal Importers Association, Inc.), hereinafter referred to as respondent "Association," is a New York corporation, incorporated in 1946, with its principal office and place of business presently located at 48 West 37th Street, New York, New York, which is the business office of its Secretary, Irvin G. Nelson. The membership of the respondent Association is composed of corporations and individuals trading as partnerships or sole proprietors who are generally engaged in the business of importing glass crystals, prisms, drops, chandeliers and other similar or related products (sometimes hereinafter referred to as "lighting glass products") for sale and distribution in commerce and for use in the construction of lighting fixtures for sale and distribution in commerce among and between the various States of the United States.

The constitution and by-laws of the respondent Association declares its purpose to be:

ARTICLE II—PURPOSES

Section 1. The general purposes of the Association shall be to foster, encourage and generally to advance the business of importers of crystal chandeliers and of all chandelier parts from Czechoslovakia, and to deal with problems concerning or affecting them and of allied and kindred businesses; to secure freedom from unjust and unlawful exactions; to unite for appropriate study and action, the said importers and allied or kindred businesses who are interested in the tariff law and in the administration of the Customs in general; to secure for said businesses the fair and administrative treatment to which they are entitled and to discourage ill-considered tariff legislation which might result not only in unfair discrimination in the United States but also in adverse effects on our international trade in general; to reform abuses relating to said businesses, and to promote and encourage sound, ethical and progressive business methods among them; to collect and disseminate accurate and reliable information relating to matters of said businesses and also the standing of persons and corporations engaged therein; to procure uniformity and certainty of practices and usages of said businesses; to settle differences between its members and those with whom they do business; to insure united action wherever else the interests of its members are concerned; and to do all such things as may be necessary and proper for the carrying out of the foregoing purposes.

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ARTICLE IV—MEMBERSHIP, DUES, VOTING, COMPLAINTS

Section 1. Any American citizen or a partnership, or a corporation, consisting of American citizens, or of whom American citizens shall be controlling or managing members or directors, who import merchandise into the United States or its territories, or who deal in imported merchandise or who are interested in the tariff laws, shall be eligible to membership in the Association.

PAR. 2. The following is a description of the corporate and individual respondents (sometimes hereinafter referred to as "respondent members"), all of whom are members of respondent Association:

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Isaac Albert, Louis Albert, and Charles Albert are individuals and copartners, trading and doing business under the partnership name and style of I. Albert Co., with their principal office and place of business located at 232 East 59th Street, New York, New York.

Sol Goodman and Edith Goodman are individuals and copartners, trading and doing business under the partnership name and style of Goody Lamp Co., with their principal office and place of business located at 40 West 27th Street, New York, New York.

Lewis J. Smith is an individual trading and doing business under the firm name and style of Crystal Import Co., with his principal office and place of business located at 7201 Melrose Avenue, Los Angeles, California.

PAR. 3. The respondent Association is not engaged in the business of importing, selling, or distributing lighting glass products, as herein described, but said respondent has aided, abetted, guided, and assisted its respondent members in the performance of unlawful acts and practices hereinafter set forth.

PAR. 4. The respondent members are now, and since October 1946 have been, engaged in the business of importing lighting glass products from Czechoslovakia and other foreign countries for sale and distribution throughout the United States and for use in the manufacture of lighting fixtures for sale and distribution throughout the United States. Said respondents cause such products, when sold, to be shipped to purchasers thereof, many of whom are located in the several States of the United States other than the States of origin of said shipments and in the District of Columbia; and there has been, and now is, a constant current and course of trade in said lighting glass products and lighting fixtures in commerce, as "commerce" is defined in the Federal Trade Commission Act, among and between the several States of the United States and in the District of Columbia.

PAR. 5. Except for the unlawful cooperation, planned common course of action, understanding, agreement, combination and conspiracy hereinafter alleged, respondent members would be in competition with one another in the import of lighting glass products. Said re-

spondent members have been, and are now, in competition with others engaged in the import of lighting glass products. Said respondents are also in competition with their customers and with importers who are not members of respondent Association in the offering for sale, sale and distribution of lighting glass products and lighting fixtures manufactured from such products throughout the several States of the United States and in the District of Columbia.

PAR. 6. Prior to World War II, and for several years thereafter, substantially all of the lighting glass products used in the United States in the manufacture of chandeliers and other similar or related lighting fixtures were obtainable only from Czechoslovakia. A small percentage of the lighting glass products manufactured for use in the United States is presently manufactured in Japan, Germany, Austria, and other foreign countries as well as in the United States. Such glass products have generally been deemed to be of inferior quality to Czechoslovakian lighting glass products and have not enjoyed the acceptance in the United States accorded to said Czechoslovakian glass products. Respondent members have for several years past imported, and still do import, approximately 90 percent of the volume of lighting glass products manufactured in Czechoslovakia for sale and distribution in the United States, and by reason of this fact possess the ability and the means of dominating and controlling, and have actually, for several years past, dominated and controlled, the lighting glass products industry in the United States.

PAR. 7. For more than five years last past, the respondent members, together with the respondent Association, have been and are engaged in unfair methods of competition and unfair acts and practices in commerce, as "commerce" is defined in the Federal Trade Commission Act, in that they have acted and are still acting unlawfully to thwart, hinder, frustrate and suppress competition by cooperating, combining, conspiring, agreeing and entering into and carrying out an understanding and planned common course of action between and among themselves and others to prevent competing purchasers from importing lighting glass products directly from the suppliers thereof; to fix and establish prices, terms and conditions of purchase in connection with the purchase and importation of lighting glass products; and to monopolize within themselves the import, sale, and distribution of said products in said commerce. As a part and parcel thereof they have committed acts and promulgated used policies, methods and practices hereinafter more particularly set forth in subparagraphs 1 to 7, inclusive, of this Paragraph 7:

1. Respondents restricted the membership of respondent Association and obtained an agreement or understanding from the Czechoslovakian glass export authorities, which were in control of the shipment of lighting glass products from Czechoslovakia, whereby the sale of said lighting glass products was restricted to respondent members and other importers approved by respondents.

2. Respondents caused the Czechoslovakian glass export authorities to enjoin glass exporters from selling lighting glass products to importers in the United States who were not members of respondent association.

3. Respondents agreed with Czechoslovak Glass Export Co., Ltd. that that export agency would lower its price to enable respondent members to meet the competition of lighting glass products of other origin; that the sale of Czechoslovakian lighting glass products would be made exclusively to the respondent members and other importers approved by respondents; and that respondents would confine their purchases of such lighting glass products to the said export agency to the exclusion of other sources of supply.

4. Respondents agreed among themselves and with their source of supply in Czechoslovakia that the purchase price paid by any respondent member for any lighting glass product would be identical to that paid by any other respondent member for the same product.

5. Respondents organized and used, and are now using, respondent Association as an unlawful medium of effectuating and carrying out the agreement, understanding, and practices herein alleged.

6. In compliance with the aforesaid cooperation and planned common course of action, understanding or agreement, the Czechoslovakian government officials transmitted its current list of United States lighting glass product importers to the respondent Association for its approval. Since 1946, said Czechoslovakian officials have received numerous inquiries from importers located in the United States who were not members of respondent Association in regard to the purchase of lighting glass products. These inquiries have been consistently referred to respondent Association which, acting through its members, have advised said Czechoslovakian officials as to whether or not said importers should be allowed to purchase said products directly from Czechoslovakia. Respondent Association has also kept the Czechoslovakian government officials apprised of its membership and of competitive activities in the industry. During the same period of time respondent members have refrained from purchasing lighting glass products from sources outside of Czechoslovakia.

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7. Respondents further implemented and insured a successful continuation of the unlawful cooperation, planned common course of action, combination and conspiracy, through an agreement entered into on or about August 29, 1949, with the Czechoslovak Glass Export Co. Ltd., in the following terms:

"(1) New prices of Chandelier Trimmings will be put into force as of August 1st 1949 as per the Price List attached.

(2) New Price-Lists for Chandeliers are to be in force as of August 1st and the members of the Association will receive their new prices promptly.

(3) The sales of Trimmings and complete Crystal Chandeliers Crystal, Breakets, Baskets and Ceiling Pieces will be sold only to the members of the Association and in addition to the following firms:

Halcolite, Brooklyn,
Crystal Import, Los Angeles,
Lawson, St. Louis,
Sol Horn Inc., New York 1.

(4) As stated before, this selling policy will concern complete Crystal Chandeliers, Crystal Breakets, Baskets and Ceiling pieces. Regarding Chandeliers Glass Parts for the purpose of making Chandeliers except Chandelier Trimmings it has been agreed that the selling policy for these items will be discussed and organized at a later date.

(5) Mr. Sanford on behalf of the Association agreed we supply Chandelier Trimmings a. Crystal Chandeliers to the following clients:

Halcolite, Brooklyn,
Crystal Import, Los Angeles,
Lawson, St. Louis,
Sol Horn, Inc., New York 1.

(6) All members of the Association as well as the clients as per Par. (5) will buy Chandelier Trimmings and Crystal Chandeliers exclusively in Czechoslovakia. All orders placed with our competitors prior to this agreement are to be cancelled if possible and on the other side all orders of non-members of the Association accepted and confirmed by the Czechoslovak Glass Export Co. Ltd. prior to this agreement will be delivered under the old conditions and prices. Such orders are not in excess of \$10,000.00 and will be shipped before October 1st 1949.

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Findings

(7) Czechoslovak Glass Export Co. Ltd. is at all times prepared to quote competitive prices against all other suppliers. The Importers Association agree to make available proof of lower prices being quoted by competitors and engage themselves to cooperate closely in this regards with Centroglass.

(8) The Glassexport expects in view of the lower prices and of this agreement that the members will support them promptly with substantial orders.

(9) This agreement will be in force until July 1st 1950 and will be renewed automatically for a further year unless either party has given two months written notice that they desire to renegotiate a new contract."

At a later date the last three named firms in paragraph three of said agreement were admitted into membership in respondent Association.

Notwithstanding the fact that Czechoslovak Glass Export Co., Ltd. in April 1950 notified the respondents that the foregoing agreement would not be renewed respondents and Czechoslovak Glass Export Co., Ltd. continued to adhere to its terms and conditions until on or about October 1951 when circumstances beyond their control precluded respondents' further importation of lighting glass products from Czechoslovakia.

PAR. 8. The capacity, tendency, and effect of the aforesaid agreement, understanding, combination, and conspiracy hereinbefore described and the acts and practices of the respondents, and each of them, done and performed pursuant thereto and in furtherance thereof, are now and have been to substantially lessen, restrain and eliminate competition among and between said respondent members and between said members and others in the importation of lighting glass products and in the sale and distribution of said products and lighting fixtures manufactured therefrom in commerce; have empowered and enabled the respondent members to control the market for said products and fixtures; have enhanced the prices paid for said products and fixtures by competitors and consumers; have a dangerous tendency to create a monopoly in respondent members in the importation of lighting glass products and in the sale and distribution of said products and fixtures in commerce; and are, and have been, all to the injury and prejudice of the public and competitors of respondent members, and constitute unfair methods of competition in commerce within the intent and meaning of Section 5 of the Federal Trade Commission Act.

Order

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CONCLUSION

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

ORDER TO CEASE AND DESIST

It is ordered, That respondents Imported Crystal Association, Inc. (formerly Czecho-Slovak Crystal Importers Association, Inc.); Bohemia Import Co., Inc.; Crystal Mart, Incorporated; Elite Glass Co., Inc.; Nelson Bead Co., Inc.; Weiss & Biheller Merchandise Corporation; Lightolier Co., Inc.; Rialto Import Corporation; Gregory Sales Company, Inc.; Charles J. Winston & Co., Inc.; Lawson Crystal, Inc.; Sol Horn, Inc.; and Warren Kessler, Inc.; corporations, their officers, agents, representatives and employees; Isaac Albert, Louis Albert, and Charles Albert, as individuals and copartners trading under the name and style of I. Albert Co.; Sol Goodman and Edith Goodman, as individuals and copartners trading under the name and style of Goody Lamp Co.; and Lewis J. Smith, as an individual trading under the name and style of Crystal Import Co., directly or through any corporate or other device, in connection with the purchase, sale or distribution of lighting glass products or lighting fixtures in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from entering into, continuing, cooperating in, or carrying out any planned common course of action, understanding, agreement, combination, or conspiracy between any two or more of said respondents, or between any one or more of said respondents and others not parties hereto engaged in competition with any of said respondents, to do or perform any of the following things:

1. Inducing, coercing, compelling, or attempting to induce, coerce, or compel manufacturers of Czechoslovakian lighting glass products or any other manufacturers or suppliers of lighting glass products to restrict their sales of such products only to respondents.

2. Hindering, preventing, or attempting to hinder or prevent purchasers, or potential purchasers, of lighting glass products who are not members of the Czecho-Slovak Crystal Importers Association, Inc., from obtaining such products from Czechoslovakia or any other source of supply.

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Order

3. Fixing or attempting to fix prices, discounts, terms or conditions of purchase of lighting glass products from Czechoslovakia or any other source of supply or maintaining any prices, terms or condition of sales so fixed.

4. Confining, restricting, limiting, or attempting to confine, restrict, or limit their purchases of lighting glass products to Czechoslovak Glass Export Co., Ltd., or any other source or sources of supply.

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

IMPORTED CRYSTAL ASSOCIATION, NELSON BEAD CO., INC.

Inc., Nelson Bead Co., Inc.

Imported Crystal Association, By [S] HERMAN NELSON

Inc., Title, President

(formerly Czecho - Slovak Date: Sept. 17, 1952

Crystal Importers Associa-
tion, Inc.)

WEISS & BHELLER MERCHANDISE
CORP.

By [S] GORDON W. SANFORD

Title, President

Date: Sept. 17, 1952

Weiss & Biheller Merchandise
Corp.

By [S] GORDON W. SANFORD

Title, Secretary-treasurer

Date: Sept. 17, 1952

BOHEMIA IMPORT CO., INC.

Bohemia Import Co., Inc.

By [S] JOSEPH GUTTMANN

Title, Vice President

Date: Sept. 16, 1952

LIGHTOLIER CO., INC.

Lightolier Co., Inc.

By [S] M. PHURNAUER

Title, Secretary

Date: Sept. 24, 1952

CRYSTAL MART INCORPORATED

Crystal Mart, Incorporated

By [S] CHARLES GOTTESMAN

Title, President

Date: Sept. 17, 1952

RIALTO IMPORT CORPORATION

Rialto Import Corporation

By [S] JOSEPH L. WEISS

Title, President

Date: Sept. 22, 1952

ELITE GLASS CO., INC.

Elite Glass Co., Inc.

By [S] IRVING LEVIN

Title, President

Date: Sept. 17, 1952

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GREGORY SALES COMPANY, INC.

Gregory Sales Company, Inc.

By [S] CHARLES ALBERT

Title, President

Date: Sept. 19, 1952

CHARLES J. WINSTON & Co., INC.

Charles J. Winston & Co., Inc.

By [S] STANLEY WINSTON

Title, President

Date: Sept. 24, 1952

LAWSON CRYSTAL, INC.

Lawson Crystal, Inc.

By [S] PAUL S. LANSMAN

Title, President

Date: Sept. 18, 1952

SOL HORN, INC.

Sol Horn, Inc.

By [S] SOL HORN

Title, President

Date: Sept. 23, 1952

WARREN KESSLER, INC.

Warren Kessler, Inc.

By [S] WARREN L. KESSLER

Title, President

Date: Sept. 22, 1952

ISAAC ALBERT

Isaac Albert (one of three partners
trading as I. Albert Co.)

By [S] ISAAC ALBERT

Title, Partner Per I. A.

Date: Sept. 19, 1952

LOUIS ALBERT

Louis Albert (one of three partners
trading as I. Albert Co.)

By [S] LOUIS ALBERT

Title, Partner

Date: Sept. 19, 1952

CHARLES ALBERT

Charles Albert (one of three partners
trading as I. Albert Co.)

By [S] CHARLES ALBERT

Title, Partner

Date: Sept. 19, 1952

SOL GOODMAN

Sol Goodman (one of two partners
trading as Goody Lamp Co.)

By [S] SOL GOODMAN

Title, Partner

Date: Sept. 24, 1952

EDITH GOODMAN

Edith Goodman (one of two partners
trading as Goody Lamp Co.)

By [S] EDITH GOODMAN

Title, Partner

Date: Sept. 24, 1952

LEWIS J. SMITH

Lewis J. Smith (an individual trad-
ing as Crystal Import Co.)

By [S] L. J. SMITH

Title, Owner

Date: 9/19/52

The foregoing Consent Settlement is hereby accepted by the Federal Trade Commission and ordered entered of record on this the 25th day of June, 1953.

Complaint

IN THE MATTER OF

JAN-WARREN CORPORATION ET AL.

COMPLAINT, SETTLEMENT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION OF SUBSEC. (c) OF SEC. 2 OF AN ACT OF CONGRESS APPROVED OCT. 15, 1914, AS AMENDED BY AN ACT OF CONGRESS APPROVED JUNE 19, 1936

Docket 6073. Complaint, Dec. 15, 1952—Decision, June 25, 1953

Where three corporations with a common address and the four individuals who were their officers and owned their outstanding stock, engaged in the purchase, sale, and distribution of frozen food, frozen juices, and other food products—

- (a) Received and accepted, directly and indirectly, commissions, brokerage, or allowances, or discounts in lieu thereof, in substantial amounts from interstate sellers on purchases made by the aforesaid corporations, and by said individuals through said corporations, on food products purchased for their respective accounts for resale; and

Where said corporations and individuals—

- (b) Received and accepted directly or indirectly commissions, brokerage, or allowances or discounts in lieu thereof in substantial amounts from interstate sellers on food products purchased by said individuals and one of said corporations for the account of the other two for resale:

Held, That such acts and practices of said corporations and individuals, and each of them, individually and collectively, in receiving and accepting commissions, broker's fees, or other compensation, allowances, or discounts in lieu thereof on purchases of food products in commerce made directly or indirectly for their own accounts were in violation of subsec. (c) of Sec. 2 of the Clayton Act as amended.

Before *Mr. John Lewis*, hearing examiner.

Mr. Austin H. Forkner and *Mr. Edward S. Ragsdale* for the Commission.

Abelove, Myers & Rosenblum, of Utica, N. Y., for respondents.

COMPLAINT

The Federal Trade Commission, having reason to believe that the corporations and individuals named in the caption hereof (hereinafter designated respondents, and more particularly described), individually and collectively, since June 19, 1936 have violated and are now violating the provisions of subsection (c) of Section 2 of the Clayton Act (U. S. C. Title 15, Sec. 13) as amended by the Robin-