

Complaint

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

IN THE MATTER OF

UNION BAG-CAMP PAPER CORPORATION

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF SEC. 7 OF
THE CLAYTON ACT

Docket 7946. Complaint, June 15, 1960¹—Decision, Feb. 12, 1965

Consent order requiring a New York City manufacturer of paper products— with assets exceeding \$102,000,000 prior to merger with Camp Manufacturing Co., Inc., in 1956—to divest itself absolutely within 18 months of the grocers bag and sack plant located at Richmond, Va., which it acquired as a result of the merger between Union Bag & Paper Corp. and Camp Manufacturing Co., Inc., in 1956; to divest itself of the following five corrugated box plants: (1) within 18 months of the plant located at Baltimore, Md., acquired by acquisition of The Eastern Box Co., in 1959, (2) within 30 months of the plant located at Benton Harbor, Mich., acquired by acquisition of River Raisin Paper Co., in 1960, (3) within 36 months of the plant located at Chicago, Ill., Union Bag & Paper Co. owned plant, (4) within 48 months of the plant located at Eaton Rapids, Mich., acquired by acquisition of River Raisin Paper Co., in 1960, (5) within 60 months of the plant located at Washington, Pa., acquired by acquisition of River Raisin Paper Co., in 1960; requiring it to make available and offer for sale to jobbers and other users of paper classified as Census coarse paper, in each of the years 1965–1969 at least 70,000 tons of paper (approximate tonnage sold by Camp Manufacturing Co., Inc., to unaffiliated customers during the year 1955), of which 35,000 tons must be of paper classified by Census Bureau as Census coarse paper (SIC category 26212), and in each of the years 1970–1974 at least 50,000 tons of paper, of which 25,000 tons must be of paper classified as Census coarse paper (as designated above), at prescribed prices, quality, terms, and conditions; and to cease and desist from acquiring any company in the kraft paper and board converting industry for the next ten years without prior approval of the Federal Trade Commission.

COMPLAINT

The Federal Trade Commission, having reason to believe that the party respondent named in the caption hereof, and hereinafter more

¹ Reported as amended on Aug. 3, 1961, by adding paragraphs numbered 36 through 44, entitled Count VI.

particularly designated and described, has violated and is now violating the provision of Section 7 of the Clayton Act (U.S.C. Title 15, Section 18), as amended and approved December 29, 1950, hereby issues its complaint pursuant to Section 11 of the aforesaid Act (U.S.C. Title 15, Sec. 21), stating its charges with respect thereto as follows:

COUNT I

PARAGRAPH 1. Respondent Union Bag-Camp Paper Corporation is a corporation organized, existing and doing business under and by virtue of the laws of the State of Virginia, with its office and principal place of business located at 233 Broadway, New York, New York.

PAR. 2. Prior to and until July 12, 1956, Union Bag & Paper Corporation, sometime hereinafter referred to as Union, was a corporation organized, existing and doing business under and by virtue of the laws of the State of New Jersey.

Union owned or held under lease in excess of 900,000 acres of timberland in Georgia, North Carolina, South Carolina, and Florida.

Union's business operations included the manufacture, sale and distribution of various types of paper bags, shipping sacks, kraft paper, paperboard, board honeycomb, and corrugated shipping containers. Union's principal plant was located at Savannah, Georgia, and various other plants of Union were located in Trenton, New Jersey, Chicago, Illinois, St. Louis, Missouri, and Hudson Falls, New York.

Union's net sales in 1955 exceeded \$123,000,000.

Union's total assets, as of March 31, 1956, exceeded \$102,000,000.

PAR. 3. In the course and conduct of its business, prior to and until July 12, 1956, Union purchased products and materials from sellers located in various States of the United States and caused such products and materials, when purchased, to be transported across state boundaries to the various locations of its plants. Additionally, Union sold the products manufactured at its various plants located in various states to purchasers located in various other States of the United States, and Union caused such products, when sold, to be transported across state boundaries. Union was engaged in commerce, as "commerce" is defined in the Clayton Act.

PAR. 4. Prior to and until July 12, 1956, Camp Manufacturing Company, Incorporated, sometimes hereinafter referred to as Camp, was a corporation organized, existing and doing business under and by virtue of the laws of the State of Virginia.

Camp owned approximately 240,000 acres of timberland in Virginia and North Carolina.

Camp's business operations included the manufacture, sale and distribution of various types of paper bags, sacks, kraft paper and paperboard. Camp's principal plants were located near Franklin, Virginia, and in Richmond, Virginia.

Camp's net sales in 1955 exceeded \$33,000,000.

Camp's total assets, as of March 25, 1956, exceeded \$31,000,000.

PAR. 5. In the course and conduct of its business, prior to and until July 12, 1956, Camp purchased products and materials from sellers located in various States of the United States and caused such products and materials, when purchased, to be transported across state boundaries to its manufacturing facilities located in Virginia. Additionally, Camp sold the products manufactured at its plants located in Virginia to purchasers located in various other States of the United States, and Camp caused such products, when sold, to be transported across state boundaries. Camp was engaged in commerce, as "commerce" is defined in the Clayton Act.

PAR. 6. On or about July 12, 1956, Union merged with Camp. In accordance with the terms of the Agreement of Merger between Union and Camp, all of the assets of Union vested in Camp, the surviving corporation, and the surviving corporation, respondent herein, adopted the corporate name "Union Bag-Camp Paper Corporation".

PAR. 7. The effect of respondent's acquisition of the assets of Union, as set forth in Paragraph Six, may be substantially to lessen competition, or to tend to create a monopoly in each and every line of commerce in which, prior to the acquisition, either Union or Camp, or the both of them, were engaged, in each and every section of the country in which either Union or Camp, or the both of them, sold their various products.

Included among the results of the aforesaid acquisition were the following:

In various parts of, and in all of, that area of the country which consists of the States of Maine, Vermont, New Hampshire, Massachusetts, Rhode Island, Connecticut, New York, Pennsylvania, New Jersey, Delaware, Maryland, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, Kentucky, Tennessee, and the District of Columbia, in the manufacture and in the sale of (1) grocery bags and grocery sacks, (2) merchandise bags, (3) shipping sack paper, and (4) bag paper:

- (1) An independent competitive factor has been eliminated;
- (2) Each and every form of actual competition between Union and Camp has been eliminated;

(3) Each and every form of potential competition between Union and Camp has been forestalled;

(4) A concentration of manufacturing facilities and a combination of sales and sales organizations have occurred; and

(5) The actual and potential competitive power of respondent has been enhanced to the detriment of competitors and to the detriment of actual and potential competition.

PAR. 8. The aforesaid merger, with the results and effect as alleged in this Count I, constitutes a violation of Section 7 of the Clayton Act, as amended.

COUNT II

PAR. 9. Respondent Union Bag-Camp Paper Corporation, sometimes hereinafter referred to as Union Bag-Camp, is a corporation organized, existing and doing business under and by virtue of the laws of the State of Virginia, with its office and principal place of business located at 233 Broadway, New York, New York.

PAR. 10. Since July 12, 1956, and continuously thereafter to the present, Union Bag-Camp's business operations included the manufacture, sale and distribution of various types of paper bags, shipping sacks, kraft paper, paperboard, board honeycomb and corrugated shipping containers. Included among its plants and facilities in operation were those formerly operated by Union and by Camp at the locations hereinbefore set forth in paragraphs 2 and 4 of Count I.

PAR. 11. In the course and conduct of its business, since July 12, 1956, and continuously thereafter to the present, Union Bag-Camp purchased products and materials from sellers located in various States of the United States and caused such products and materials, when purchased, to be transported across state boundaries to the various locations of its plants. Additionally, Union Bag-Camp sold the products manufactured at its various plants located in various states to purchasers located in various other States of the United States, and Union Bag-Camp caused such products, when sold, to be transported across state boundaries. Union Bag-Camp was engaged in commerce, as "commerce" is defined in the Clayton Act.

PAR. 12. Prior to and until October 31, 1958, Universal Paper Bag Company, sometimes hereinafter referred to as Universal, was a corporation organized, existing and doing business under and by virtue of the laws of the State of Pennsylvania.

Universal's business operations included the manufacture, sale and distribution of various types of shipping sacks. Universal's plant was located at New Hope, Pennsylvania.

Universal's net sales in 1957 exceeded \$2,000,000.

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Universal's total assets, as of June 30, 1958, exceeded \$1,000,000.

PAR. 13. In the course and conduct of its business, prior to and until October 31, 1958, Universal purchased products and materials from sellers located in various States of the United States and caused such products and materials, when purchased, to be transported across state boundaries to the location of its plant in Pennsylvania. Additionally, Universal sold the products manufactured at its plant located in Pennsylvania to purchasers located in various States of the United States, and Universal caused such products, when sold, to be transported across state boundaries. Universal was engaged in commerce, as "commerce" is defined in the Clayton Act.

PAR. 14. On or about October 31, 1958, Union Bag-Camp acquired all of the outstanding stock of Universal.

PAR. 15. The effect of Union Bag-Camp's acquisition of the stock of Universal may be substantially to lessen competition, or to tend to create a monopoly in each and every line of commerce in which, prior to the acquisition, either Union Bag-Camp or Universal, or the both of them, were engaged, in each and every section of the country in which either Union Bag-Camp or Universal, or the both of them, sold their various products.

Included among the results of the aforesaid acquisition were the following:

In various parts of, and in all of, that area of the country which consists of the States of Maine, Vermont, New Hampshire, Massachusetts, Rhode Island, Connecticut, New York, Pennsylvania, New Jersey, Maryland, Delaware, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, Kentucky, Tennessee, Alabama, Mississippi, Louisiana, and the District of Columbia, in the manufacture and in the sale of shipping sacks:

- (1) An independent competitive factor has been eliminated;
- (2) Each and every form of actual competition between Union Bag-Camp and Universal has been eliminated;
- (3) Each and every form of potential competition between Union Bag-Camp and Universal has been forestalled;
- (4) A concentration of manufacturing facilities and a combination of sales and sales organizations have occurred; and
- (5) The actual and potential competitive power of respondent has been enhanced to the detriment of competitors and to the detriment of actual and potential competition.

PAR. 16. The acquisition of the stock of Universal, with the results and effect as alleged in this Count II, constitutes a violation of Section 7 of the Clayton Act, as amended.

COUNT III

PAR. 17. The allegations of Paragraphs Nine, Ten and Eleven of Count II are made a part of this Count III and incorporated by reference as if fully rewritten herein.

PAR. 18. Prior to and until March 2, 1959, Highland Container Company, sometimes hereinafter referred to as Highland, was a corporation organized, existing and doing business under and by virtue of the laws of the State of North Carolina.

Highland's business operations included the purchase of liner board and corrugating material and the manufacture, sale and distribution of corrugated sheets and corrugated shipping containers. Highland's plant was located at Jamestown, North Carolina.

Highland's net sales in 1958 exceeded \$3,900,000.

Highland's total assets, as of September 30, 1958, exceeded \$1,600,000.

PAR. 19. In the course and conduct of its business, prior to and until March 2, 1959, Highland purchased products and materials from sellers located in various States of the United States and caused such products and materials, when purchased, to be transported across state boundaries to the location of its plant in North Carolina. Additionally, Highland sold the products manufactured at its plant located in North Carolina to purchasers located in various other States of the United States, and Highland caused such products, when sold, to be transported across state boundaries. Highland was engaged in commerce, as "commerce" is defined in the Clayton Act.

PAR. 20. On or about March 2, 1959, Union Bag-Camp acquired approximately 51½ percent of the stock of Highland.

PAR. 21. The effect of Union Bag-Camp's acquisition of the aforesaid stock of Highland may be substantially to lessen competition, or to tend to create a monopoly in each and every line of commerce in which, prior to the acquisition, either Union Bag-Camp or Highland, or the both of them, were engaged, in each and every section of the country in which either Union Bag-Camp or Highland, or the both of them, sold their various products.

Included among the results of the aforesaid acquisition were the following:

In various parts of, and in all of, that area of the country which consists of the southwestern part of the State of Virginia and the western part of the State of North Carolina, in the manufacture and in the sale of corrugated shipping containers:

- (1) An independent competitive factor has been eliminated;

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- (2) Each and every form of actual competition between Union Bag-Camp and Highland has been eliminated;
- (3) Each and every form of potential competition between Union Bag-Camp and Highland has been forestalled;
- (4) A concentration of manufacturing facilities and a combination of sales and sales organizations have occurred; and
- (5) The actual and potential competitive power of respondent has been enhanced to the detriment of competitors and to the detriment of actual and potential competition.

PAR. 22. The acquisition of the aforesaid stock of Highland, with the results and effect as alleged in this Count III, constitutes a violation of Section 7 of the Clayton Act, as amended.

COUNT IV

PAR. 23. The allegations of Paragraphs Nine, Ten and Eleven of Count II are made a part of this Count IV and incorporated by reference as if fully rewritten herein.

PAR. 24. Prior to and until April 9, 1959, The Eastern Box Company, sometimes hereinafter referred to as Eastern, was a corporation organized, existing and doing business under and by virtue of the laws of the State of Maryland.

Eastern's business operations included the purchase of liner board and corrugating material and the manufacture, distribution and sale of corrugated shipping containers. Eastern's plant was located in Baltimore, Maryland.

Eastern's net sales in 1958 exceeded \$6,000,000.

Eastern's total assets, as of December 31, 1958, exceeded \$1,700,000.

PAR. 25. In the course and conduct of its business, prior to and until April 9, 1959, Eastern purchased products and materials from sellers located in various States of the United States and caused such products and materials, when purchased, to be transported across state boundaries to the location of its plant in Maryland. Additionally, Eastern sold the products manufactured at its plant in Maryland to purchasers located in various other States of the United States, and Eastern caused such products, when sold, to be transported across state boundaries. Eastern was engaged in commerce, as "commerce" is defined in the Clayton Act.

PAR. 26. On or about April 9, 1959, Union Bag-Camp acquired a majority of the stock of Eastern.

PAR. 27. The effect of Union Bag-Camp's acquisition of the aforesaid stock of Eastern may be substantially to lessen competition, or to tend to create a monopoly in each and every line of commerce in

which, prior to the acquisition, either Union Bag-Camp or Eastern, or the both of them, were engaged, in each and every section of the country in which either Union Bag-Camp or Eastern, or the both of them, sold their various products.

Included among the results of the aforesaid acquisition were the following:

In various parts of, and in all of, that area of the country which consists of the State of Delaware, the Counties of Salem and Cumberland, in the State of New Jersey, the city of Baltimore, Maryland, the Eastern Shore of Maryland, the the Counties of Baltimore, Hartford and Cecil, in the State of Maryland, in the manufacture and in the sale of corrugated shipping containers:

- (1) An independent competitive factor has been eliminated;
- (2) Each and every form of actual competition between Union Bag-Camp and Eastern has been eliminated;
- (3) Each and every form of potential competition between Union Bag-Camp and Eastern has been forestalled;
- (4) A concentration of manufacturing facilities and a combination of sales and sales organizations have occurred; and
- (5) The actual and potential competitive power of respondent has been enhanced to the detriment of competitors and to the detriment of actual and potential competition.

PAR. 28. The acquisition of the aforesaid stock of Eastern, with the results and effect as alleged in this Count IV, constitutes a violation of Section 7 of the Clayton Act, as amended.

COUNT V

PAR. 29. The allegations of Paragraphs Nine, Ten and Eleven of Count II are made a part of this Count V and incorporated by reference as if fully rewritten herein.

PAR. 30. Prior to and until January 10, 1957, Allied Container Corporation, sometimes hereinafter referred to as Allied, was a corporation organized, existing and doing business under and by virtue of the laws of the State of New Jersey.

Allied's business operations included the purchase of liner board and corrugating material and the manufacture, sale and distribution of corrugated shipping containers. Allied's principal plant was located at Hyde Park, Massachusetts.

Allied's net sales in 1956 exceeded \$7,000,000.

PAR. 31. In the course and conduct of its business, prior to and until January 10, 1957, Allied purchased products and materials from sellers located in various States of the United States and caused such

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products and materials, when purchased, to be transported across state boundaries to the location of its plant in Massachusetts. Additionally, Allied sold the products manufactured at its plant located in Massachusetts to purchasers located in various other States of the United States, and Allied caused such products, when sold, to be transported across state boundaries. Allied was engaged in commerce, as "commerce" is defined in the Clayton Act.

PAR. 32. On or about January 10, 1957, Union Bag-Camp acquired, through its wholly owned subsidiary, Allied Container Company, Inc., all of the outstanding stock of Allied.

PAR. 33. The allegations of Paragraphs Eighteen, Nineteen and Twenty of Count III and the allegations of Paragraphs Twenty-Four, Twenty-Five and Twenty-Six of Count IV are made a part of this Count V and incorporated by reference as if fully rewritten herein.

PAR. 34. Both the effect of Union Bag-Camp's acquisition of the stock of Allied and the cumulative effect of Union Bag-Camp's acquisitions of the stock of Allied, Highland and Eastern, or of any two of them, may be substantially to lessen competition, or to tend to create a monopoly in various parts of, and in all of, that area of the country which consists of the States of Maine, Vermont, New Hampshire, Massachusetts, Rhode Island, Connecticut, New York, Pennsylvania, New Jersey, Delaware, Maryland, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, Kentucky, Tennessee, Alabama, Mississippi, and the District of Columbia.

Included among the results of the aforesaid acquisition of Allied, and included among the cumulative results of the aforesaid acquisitions of Allied, Highland and Eastern, or of any two of them, were the following:

In the aforesaid areas, in the manufacture and in the sale of linerboard and corrugating material:

- (1) Independent purchasers of linerboard and corrugating material have been eliminated;
- (2) Union Bag-Camp has obtained outlets for its linerboard and corrugating material;
- (3) Competitors of Union Bag-Camp in the sale of linerboard and corrugating material have been deprived of independent outlets for their products;
- (4) Actual competition between Allied, Highland and Eastern, or between any of them, in the purchase of linerboard and corrugating material has been eliminated;

(5) Potential competition in the purchase of linerboard and corrugating material has been forestalled;

(6) Actual competition between Union Bag-Camp and other sellers of linerboard and corrugating material has been eliminated or restricted;

(7) Potential competition between Union Bag-Camp and other sellers of linerboard and corrugating material has been forestalled; and

(8) The actual and potential competitive power of respondent has been enhanced to the detriment of competitors and to the detriment of actual and potential competition.

PAR. 35. Both the acquisition of the aforesaid stock of Allied, with the results and effect as alleged in this Count V, and the acquisitions of the aforesaid stock of Allied, Highland and Eastern, or of any two of them, with the cumulative results and effect as alleged in this Count V, constitute violations of Section 7 of the Clayton Act, as amended.

COUNT VI²

PAR. 36. The allegations of Paragraphs Nine, Ten and Eleven of Count II are made a part of Count VI and incorporated by reference, as if fully rewritten herein.

PAR. 37. Prior to and until April 12, 1960, River Raisin Paper Company, sometimes referred to hereinafter as River Raisin, was a corporation organized, existing and doing business under and by virtue of the laws of the State of Michigan.

River Raisin's business operations included the manufacture, purchase and sale of linerboard, corrugating material and chip and filler board, and the manufacture, sale and distribution of corrugated shipping containers and solid fiber shipping containers. River Raisin's principal plant was located at Monroe, Michigan, and various other plants of River Raisin were located at Benton Harbor and Eaton Rapids, Michigan; Washington and Lancaster, Pennsylvania; and Cleveland and Sharonville, Ohio.

River Raisin's net sales in 1959 exceeded \$22,000,000 and its total assets, as of December 31, 1959, exceeded \$13,000,000.

PAR. 38. In the course and conduct of its business prior to and until April 12, 1960, River Raisin purchased products and materials from sellers located in various States of the United States, and caused such products and materials, when purchased, to be transported across state boundaries to the various locations of its plants. Additionally,

² Paragraphs 36 through 44 added by order of hearing examiner of Aug. 3, 1961.

River Raisin sold the products manufactured at its various plants located in various states to purchasers located in various other States of the United States, and River Raisin caused such products, when sold, to be transported across state boundaries. River Raisin was engaged in commerce, as "commerce" is defined in the Clayton Act.

PAR. 39. On or about April 12, 1960, Union Bag-Camp acquired all of the outstanding stock of River Raisin.

PAR. 40. The effect of Union Bag-Camp's acquisition of the stock of River Raisin may be to substantially lessen competition, or to tend to create a monopoly in each and every line of commerce in which, prior to the acquisition, either Union Bag-Camp or River Raisin, or both of them, were engaged, in each and every section of the country in which either Union Bag-Camp or River Raisin, or both of them, sold their various products.

Included among the results of the aforesaid acquisition of River Raisin were the following:

In the United States as a whole, and in various parts of, and in all of, that area of the country which consists of all of the States of the United States except the States of Washington, Oregon, California, Idaho, Alaska, and Hawaii, in the manufacture and in the sale of linerboard, corrugating material and container chip and filler board:

- (1) An independent competitive factor has been eliminated;
- (2) An independent producer of container board has been eliminated;
- (3) Each and every form of actual competition between Union Bag-Camp and River Raisin has been eliminated;
- (4) Each and every form of potential competition between Union Bag-Camp and River Raisin has been forestalled;
- (5) A concentration of manufacturing facilities and a combination of sales organizations have occurred; and
- (6) The actual and potential competitive power of respondent has been enhanced to the detriment of competitors and to the detriment of actual and potential competition.

PAR. 41. Also included among the results of the aforesaid acquisition of River Raisin by Union Bag-Camp were the following:

In various parts of, and in all of, that area consisting of the States of Illinois, Indiana, Michigan, Ohio, Kentucky, Tennessee, West Virginia, Pennsylvania, Maryland, Delaware, New York, and New Jersey, in the manufacture and in the sale of corrugated shipping containers and solid fiber shipping containers:

- (1) An independent competitive factor has been eliminated;

(2) Each and every form of actual competition between Union Bag-Camp and River Raisin has been eliminated;

(3) Each and every form of potential competition between Union Bag-Camp and River Raisin has been forestalled;

(4) A concentration of manufacturing facilities and a combination of sales and sales organizations have occurred; and

(5) The actual and potential competitive power of respondent has been enhanced to the detriment of competitors and to the detriment of actual and potential competition.

PAR. 42. The allegations of Paragraphs Eighteen, Nineteen, and Twenty of Count III, the allegations of Paragraphs Twenty-Four, Twenty-Five and Twenty-Six of Count IV, and the allegations of Paragraphs Thirty, Thirty-One and Thirty-Two of Count V are incorporated by reference, as if fully rewritten herein.

PAR. 43. Both the effect of Union Bag-Camp's acquisition of the stock of River Raisin and the cumulative effect of Union Bag-Camp's acquisition of the stock of River Raisin, Allied, Highland, and Eastern, or any two of them, or any three of them, may be substantially to lessen competition or to tend to create a monopoly in various parts of, or in all of, the United States.

Included among the results of the aforesaid acquisition of River Raisin, and included among the cumulative results of the aforesaid acquisitions of River Raisin, Allied, Highland and Eastern, or any two of them, or any three of them, were the following:

In the United States as a whole, and in various parts of, and in all of, that area of the country which consists of all of the States of the United States except the States of Washington, Oregon, California, Idaho, Alaska and Hawaii, in the manufacture and in the sale of linerboard, corrugating material and container chip and filler board:

(1) Independent purchasers of linerboard, corrugating material, and container chip and filler board have been eliminated;

(2) Union Bag-Camp has obtained outlets for its linerboard and corrugating material;

(3) Competitors of Union Bag-Camp in the sale of linerboard, corrugating material, and container chip and filler board have been deprived of independent outlets for their products;

(4) Actual competition between River Raisin, Allied, Highland and Eastern, or between any of them, in the purchase of linerboard, corrugating material, and container chip and filler board has been eliminated;

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(5) Potential competition in the purchase of linerboard, corrugating material, and container chip and filler board has been forestalled;

(6) Actual competition between Union Bag-Camp and other sellers of linerboard, corrugating material, and container chip and filler board has been eliminated or restricted;

(7) Potential competition between Union Bag-Camp and other sellers of linerboard, corrugating material, and container chip and filler board has been forestalled; and

(8) The actual and potential competitive power of respondent has been enhanced to the detriment of competitors and to the detriment of actual and potential competition.

PAR. 44. Both the acquisition of the aforesaid stock of River Raisin, with the results and effect as alleged in this Count VI, and the acquisitions of the aforesaid stock of River Raisin, Allied, Highland and Eastern, or of any two of them, or of any three of them, with the cumulative results and effect as alleged in this Count VI, constitute violations of Section 7 of the Clayton Act, as amended.

DECISION AND ORDER WAIVING NOTICE AND ACCEPTING AGREEMENT
CONTAINING ORDER TO CEASE AND DESIST

The hearing examiner in the above-captioned proceeding having certified to the Commission the question whether the requirement of the Commission's Notice of July 14, 1961, requiring the filing of notice of intent to enter into a consent agreement should be waived; and it appearing that respondent's failure to file such notice was not for purposes of delay and that, in the circumstances, the requirement should be waived:

It is ordered, That the filing of notice by the parties as prescribed by the Commission's Notice of July 14, 1961, be, and it hereby is, waived.

And it further appearing that the agreement that has been entered into affords an adequate basis for appropriate disposition of this proceeding and should be accepted, and that the Commission itself should initially decide this matter, and forthwith issue its decision and order:

The agreement is hereby accepted, the following jurisdictional findings are made, and the following order is entered:

1. Respondent is a corporation existing and doing business under and by virtue of the laws of the State of Virginia, with its office and principal place of business located at 233 Broadway, New York, New York.

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2. The Federal Trade Commission has jurisdiction over the subject-matter of this proceeding and of the respondent.

ORDER

I

a. *It is ordered*, That Union Bag-Camp Paper Corporation shall divest itself within a period not exceeding eighteen (18) months after the service upon it of this order, absolutely and in good faith, subject to the prior approval of the Commission, of the grocers bag and sack plant, located at Foot of Thirteenth Street, Richmond, Virginia, which was acquired by respondent as a result of the merger in 1956 of Union Bag & Paper Corporation with Camp Manufacturing Company, Inc., including all assets, properties, rights and privileges, tangible or intangible, acquired by respondent as a result of said merger, which are now located at said plant and used in the manufacture of grocers bags and sacks, together with such machinery and equipment as has been added to or placed on the premises of the said plant and are now used in the manufacture of grocers bags and sacks, in a manner contemplating the operation of this plant, by the purchaser, as a going concern in the manufacture and sale of grocers bags and sacks.

b. If at the expiration of five (5) years from the date of service upon it of this order, respondent has exhausted its good faith efforts to find a purchaser willing and able to operate this plant as a going concern, and has been unable to find such a purchaser, then respondent shall be allowed to sell this plant in any manner, and to any purchaser available to it.

II

It is further ordered, That Union Bag-Camp Paper Corporation shall divest itself within a period not exceeding eighteen (18) months after the service upon it of this order, absolutely and in good faith, subject to the prior approval of the Commission, of the corrugated box plant located at Wagner's Point, Baltimore, Maryland, which was acquired by respondent as a result of its acquisition of The Eastern Box Company, including all assets, properties, rights and privileges, tangible or intangible, acquired by respondent as a result of said acquisition, which are now located at said plant and used in the manufacture of corrugated shipping containers, together with such machinery and equipment as has been added to or placed on the premises of the said corrugated box plant and are now used in the manu-

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facture of corrugated shipping containers, in a manner contemplating the operation of this plant, by the purchaser, as a going concern in the manufacture and sale of corrugated shipping containers.

III

It is further ordered, That Union Bag-Camp Paper Corporation shall divest itself within a period not exceeding thirty (30) months after the service upon it of this order, absolutely and in good faith, subject to the prior approval of the Commission, of the corrugated box plant located at Eleventh Street and Britain Avenue, Benton Harbor, Michigan, which was acquired by respondent as a result of its acquisition of River Raisin Paper Company, including all assets, properties, rights and privileges, tangible or intangible, acquired by respondent as a result of said acquisition, which are now located at said plant and used in the manufacture of corrugated shipping containers, together with such machinery and equipment as has been added to or placed on the premises of the said corrugated box plant and are now used in the manufacture of corrugated shipping containers, in a manner contemplating the operation of this plant, by the purchaser, as a going concern in the manufacture and sale of corrugated shipping containers.

IV

It is further ordered, That Union Bag-Camp Paper Corporation shall divest itself, within a period not exceeding thirty-six (36) months after the service upon it of this order, absolutely and in good faith, subject to the prior approval of the Commission, of its corrugated box plant located at 4545 West Palmer Street, Chicago, Illinois, including all assets, properties, rights and privileges, tangible or intangible, which are now located at said corrugated box plant and used in the manufacture of corrugated shipping containers, in a manner contemplating the operation of this plant, by the purchaser, as a going concern in the manufacture and sale of corrugated shipping containers.

V

It is further ordered, That Union Bag-Camp Paper Corporation shall divest itself within a period not exceeding forty-eight (48) months after the service upon it of this order, absolutely and in good faith, subject to the prior approval of the Commission, of the corrugated box plant located at Eaton Rapids, Michigan, which was ac-

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quired by respondent as a result of its acquisition of River Raisin Paper Company, including all assets, properties, rights and privileges, tangible or intangible, acquired by respondent as a result of said acquisition, which are now located at said plant and used in the manufacture of corrugated shipping containers, together with such machinery and equipment as has been added to or placed on the premises of the said corrugated box plant and are now used in the manufacture of corrugated shipping containers, in a manner contemplating the operation of this plant, by the purchaser, as a going concern in the manufacture and sale of corrugated shipping containers.

VI

It is further ordered, That Union Bag-Camp Paper Corporation shall divest itself within a period not exceeding sixty (60) months after the service upon it of this order, absolutely and in good faith, subject to the prior approval of the Commission, of the corrugated box plant located at Washington, Pennsylvania, which was acquired by respondent as a result of its acquisition of River Raisin Paper Company, including all assets, properties, rights and privileges, tangible or intangible, acquired by respondent as a result of said acquisition, which are now located at said plant and used in the manufacture of corrugated shipping containers, together with such machinery and equipment as has been added to or placed on the premises of the said corrugated box plant and are now used in the manufacture of corrugated shipping containers, in a manner contemplating the operation of this plant, by the purchaser, as a going concern in the manufacture and sale of corrugated shipping containers.

VII

It is further ordered, That pending divestiture, respondent shall not make any change in the plant, machinery, buildings, equipment, or other property of whatever description, which might impair the present capacity of the aforementioned Richmond bag plant for the production of grocers bags and sacks, or which might impair the present capacity of the aforementioned Baltimore, Benton Harbor, Chicago, Eaton Rapids and Washington plants for the production of corrugated shipping containers, unless such capacity is restored prior to divestiture.

VIII

It is further ordered, That none of the assets, properties, rights or privileges, described in Paragraphs I, II, III, IV, V and VI of this

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order, shall be divested, sold or transferred, directly or indirectly, to any person who is immediately following the divestiture, an officer, director, employee, or agent of, or under the control or direction of respondent or any of respondents' subsidiary or affiliated corporations, or who owns or controls, directly or indirectly, one (1) percent of the outstanding shares of common stock of Union Bag-Camp Paper Corporation, or to any purchaser who is not approved in advance by the Federal Trade Commission.

As used in the order, the word person shall include all members of the immediate family of the individuals specified and shall include corporations, partnerships, associations and other legal entities, as well as natural persons.

The divestitures herein ordered shall be made by Union Bag-Camp Paper Corporation in good faith to persons who, insofar as Union Bag-Camp Paper Corporation can reasonably determine, intend to and will operate said properties for the production of corrugated shipping containers or grocers bags and sacks, respectively, except as otherwise provided in Paragraph I(b) of this order.

IX

If any of the properties described in Paragraphs I, II, III, IV, V and VI are not sold or disposed of entirely for cash, nothing in this order shall be deemed to prohibit respondent from retaining, accepting and enforcing a lien, mortgage, deed of trust or other security interest in or to any of the aforesaid properties for the purpose of securing to respondent full payment of the prices, with interest, at which any of said properties are sold or disposed of; but if after bona fide disposal of any of the aforesaid properties in accordance with the provisions of this order, respondent, by enforcement of such security interest regains ownership or control of any such properties, said properties regained shall be redivested, subject to the provisions of this order, within six (6) months from the time of said reacquisition.

X

It is further ordered, That, for a period ending December 31, 1974, respondent shall, in good faith, make available and affirmatively offer to sell, and to the extent such offers are accepted, sell: (i) in each of the years 1965-1969, inclusive, at least 70,000 tons of paper (which is the approximate tonnage of paper sold by Camp Manufacturing Company, Inc., to unaffiliated customers during the calendar year 1955), of which 35,000 tons shall be of paper classified as

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census coarse paper (SIC category 26216), which shall be sold or offered for sale to jobbers, distributors, users and converters of such census coarse paper, and (ii) in each of the calendar years 1970-1974, inclusive, at least 50,000 tons of paper, of which 25,000 tons shall be of paper classified as census coarse paper (SIC category 26216), which shall be sold or offered for sale to jobbers, distributors, users and converters of such census coarse paper. The paper classified as census coarse paper which must, under the terms of this provision, be offered, and to the extent such offers are accepted, sold, shall be made available and offered for sale by respondent, at prices no higher than respondent's published list prices for such paper, and such sales shall be subject to respondent's standard credit requirements, and shall be made at respondent's standard terms and conditions, and shall be of grades, weights, finishes and sizes regularly made by respondent.

XI

It is further ordered, That for a period of ten years after the service upon it of this order, respondent shall cease and desist from acquiring, directly or indirectly, through subsidiaries, or otherwise, the whole or any part of the share capital, or assets (other than products sold or purchased in the course of business) of, or any other interest in, any domestic concern, corporate or noncorporate, engaged principally or as one of its major commodity lines at the time of such acquisition, in any state of the United States or the District of Columbia, in the business of manufacturing coarse paper, containerboard, special food board or bleached folding box board, in the business of converting coarse paper into grocers bags and sacks, in the business of converting coarse paper into multiwall shipping sacks, or in the business of converting containerboard into corrugated or solid fibre sheets or shipping containers, without the prior approval of the Federal Trade Commission: *Provided*, That nothing contained herein shall prohibit the purchase by respondent, in the ordinary course of business, of coarse paper, containerboard, special food board, bleached folding box board, or finished products converted from coarse paper or containerboard, or of secondhand machinery or equipment, used or useful in the manufacture or conversion of any of such products, if such machinery or equipment does not constitute a major part of the assets of the seller: *And provided further*, That the prohibitions of this paragraph shall not apply to the acquisition of share capital or assets of any company which is already a subsidiary of Union Bag-Camp Paper Corporation on the date of this order. The term subsidiary as used herein shall mean any

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company in which Union Bag-Camp Paper Corporation owns in excess of 50% of the capital stock.

XII

Jurisdiction shall be retained by the Commission so that respondent may at any time hereinafter petition the Commission for construction or modification of this order, including particularly, but without limitation, Paragraph X, which the Commission will consider, and, on proper showing by respondent, allow to the extent it finds such constructions or modifications to be warranted and consistent with Section 7 of the Clayton Act, as amended.

XIII

Nothing contained in this order shall be considered to have been violated by any action or inaction over which respondent shall have no control, where such action or inaction shall have been occasioned by war, civil insurrection, strikes, embargoes, catastrophies, eminent domain, acts of the sovereign, or acts of God.

XIV

a. *It is further ordered*, That respondent shall within sixty (60) days of the service upon it of this order, submit in writing to the Federal Trade Commission its plan for complying with the provisions of this order, other than Paragraph X, and shall every ninety (90) days thereafter, until the last of the divestitures covered by Paragraphs I, II, III, IV, V and VI herein shall have been completed, submit to the Federal Trade Commission a report, in writing, setting forth in detail the actions taken by respondent in compliance with the terms of this order. There shall be included in such reports a summary, including indications of the identities of prospective purchasers, of contacts and negotiations of representatives of respondent authorized to negotiate with potential purchasers or their representatives, relating to the sale of such assets, and, subject to any legally recognized privilege, copies of all written communications pertaining to negotiations, offers to buy, or indications of interest in the acquisition of the whole or a part of the assets in question.

b. *It is further ordered*, That, commencing June 30, 1965, and every six (6) months thereafter until December 31, 1974, respondent shall submit to the Federal Trade Commission a report in writing, setting forth the actions taken by respondent in compliance with the terms of Paragraph X of this order.

Complaint

IN THE MATTER OF

THE MEAD CORPORATION

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF
SEC. 7 OF THE CLAYTON ACT*Docket C-880. Complaint, Feb. 12, 1965—Decision, Feb. 12, 1965*

Consent order requiring one of the five largest paper and paperboard companies in the United States, to divest itself absolutely, within five years, of the following seven corrugated box converting plants which it acquired since 1956: (1) corrugator plant located at York, Pa., acquired from York Container Corp., in December 1956; (2) corrugator plant located at Chicago, Ill., acquired from Industrial Container and Paper Corp., in June 1957; (3) corrugator plant located at Grand Rapids, Mich., acquired from Grand Rapids Container Co., Inc., in June 1958, and must install a corrugator machine as specified; (4) corrugator plant located at Baltimore, Md., acquired from Industrial Container Corp., in January 1959; (5) corrugator plant located at North Bergen, N.J., acquired from Gibraltar Corrugated Paper Co., Inc., in March 1959; (6) sheet plant located at Elizabeth, N.J., acquired from Gibraltar Corrugated Paper Co., Inc., in March 1959, which must be reestablished and divested as specified; (7) corrugator plant located at East St. Louis, Ill., acquired from Taylor Container Corp., in March 1964; prohibiting for the next ten years any further acquisitions by respondent in the container board manufacturing or converting industries, without prior approval of the Federal Trade Commission, and to comply with other requirements of the order of divestiture as set forth below.

COMPLAINT

The Federal Trade Commission, having reason to believe that the party respondent named above, as hereinafter more particularly designated and described, has violated and is now violating the provisions of Section 7 of the Clayton Act as amended (U.S.C., Title 15, Sec. 18), through the acquisition of the stock and assets of 22 corporations, hereinafter more particularly designated and described, hereby issues its complaint pursuant to Section 11 of the aforesaid Act (U.S.C., Title 15, Sec. 21) charging as follows:

I

Definitions

1. For the purposes of this complaint, the following definitions shall apply:

(a) *Paperboard*—a general term descriptive of a sheet made of fibrous material on a paper machine. Paperboard is commonly made from wood pulp, straw, or waste papers, or any combination thereof.