

percent of the portland cement purchased by the purchaser of said assets for consumption in ready-mix concrete producing facilities divested hereunder.

IN THE MATTER OF
GENERAL ELECTRIC COMPANY
CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATIONS
OF THE FEDERAL TRADE COMMISSION ACT AND SECTION 8 OF THE
CLAYTON ACT

Docket C-2477. Complaint, Nov. 26, 1973—Decision, Nov. 26, 1973

Consent order requiring a New York City manufacturer and seller of residential and commercial air conditioners, among other things to cease interlocking from directors with Chrysler Corporation so long as they compete in the manufacture and sale of any product.

Appearances

For the Commission: *Jonathan Gaines* and *Allee A. Ramadhan*.
For the respondent: *Weil, Gotshal & Manges*, New York City.

COMPLAINT

The Federal Trade Commission, having reason to believe that the above named respondent has violated the provisions of Section 8 of the Clayton Act, as amended, and Section 5 of the Federal Trade Commission Act, and that a proceeding in respect thereof would be in the interest of the public, issues this complaint, stating its charges as follows:

PARAGRAPH 1. Respondent General Electric Company (General Electric) is a corporation organized and existing under and by virtue of the laws of the State of New York, maintaining its principal place of business at 570 Lexington Avenue, New York, N. Y. At all times relevant to this complaint, General Electric had capital, surplus, and undivided profits aggregating in excess of 2 billion dollars. In 1971 General Electric had revenues of approximately 9.4 billion dollars.

PAR. 2. Chrysler Corporation (Chrysler) is a corporation organized and existing under and by virtue of the laws of the State of Delaware, maintaining its principal place of business at Detroit, Mich. At all times relevant to this complaint, Chrysler had capital, surplus, and undivided profits aggregating in excess of 1 billion dollars. In 1971 it had revenues of approximately 8 billion dollars.

PAR. 3. Mr. Edmund W. Littlefield is a resident of the State of California. In 1964 he was elected to the board of directors of General Electric and has served in that capacity from the time of his election to

and including the date of this complaint. In 1969 he was elected to the board of directors of Chrysler, and he was a director of Chrysler from that time until Mar. 22, 1973. He resigned from Chrysler's board of directors after having been notified of the Commission's intention to issue a complaint in this matter.

PAR. 4. General Electric's and Chrysler's respective businesses each encompasses the manufacture and sale of residential and commercial air conditioners.

PAR. 5. (a) General Electric and Chrysler by the nature of their business and location of operations are competitors of each other with respect to residential and commercial air conditioners.

(b) The elimination of competition by agreement between General Electric and Chrysler would hinder, foreclose, and restrain competition or tend to create a monopoly in the residential and commercial air conditioner markets.

PAR. 6. (a) The products referred to in Paragraph Four are sold and distributed by General Electric and Chrysler from locations in various States of the United States to purchasers located in many other States of the United States.

(b) General Electric and Chrysler each engages in commerce as that term is defined in the Clayton Act and Federal Trade Commission Act.

PAR. 7. The director interlock, as hereinabove alleged, constitutes a violation of Section 8 of the Clayton Act and Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondent named in the caption hereto with violation of the Federal Trade Commission Act, and the respondent having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondent and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondent of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondent that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's rules; and

The Commission having considered the agreement and having provisionally accepted same, and the agreement containing consent order having thereupon been placed on the public record for a period of thirty

(30) days, and having duly considered the comment filed thereafter pursuant to Section 2.34 (b) of its rules, now in further conformity with the procedure prescribed in Section 2.34 (b) of its rules, the Commission hereby issues its complaint, in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent General Electric is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at 570 Lexington Avenue, New York, N.Y.

2. The Federal Trade Commission had jurisdiction of the subject matter of this proceeding and of the respondent, and the proceeding is in the public interest.

ORDER

I

It is ordered, That respondent General Electric Company (General Electric), a corporation, its successors and assigns, do forthwith cease and desist from interlocking the directors of said respondent with Chrysler Corporation (Chrysler) through Edmund W. Littlefield, or any other individual, so long as said respondent and Chrysler, by virtue of their business and location of operation, compete in the manufacture and sale of any product.

II

It is further ordered, That respondent, for a period ending five years from the date of this order shall, within 30 days after the service upon it of this order and prior to the election of any director to its board, transmit to each such candidate or director a copy of this complaint and order together with a request that said director identify in writing to respondent the principal product or products manufactured and sold by each other corporation having capital, surplus, and undivided profits in excess of \$1,000,000 on whose board of directors he/she also serves.

III

It is further ordered, That for a period ending five years from the date of this order, if any director or any candidate for director of respondent shall fail to respond to respondent's request pursuant to Paragraph II above, respondent shall not permit said director or candidate to serve on its board of directors; or if any director or any candidate shall pursuant to Paragraph II above identify as a principal product of such corporation on whose board he/she also serves, a product which is also a principal product of respondent, respondent shall not permit said director or candidate to serve on its board of directors so long as (a) said

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product continues to be a principal product of respondent and, pursuant to Paragraph II above, continues to be identified as a principal product of the other corporation on whose board said director serves and (b) respondent, by virtue of its business and location of operation is a competitor of said corporation in the manufacture and sale of said product, and (c) said director or candidate continues to serve on the board of the other thus competing corporation.

IV

It is further ordered, That respondent General Electric notify the Commission at least 30 days prior to any proposed change in the corporate respondent, such as dissolution, assignment or sale resulting in the emergence of a successor corporation, or any other change in the corporation which may affect compliance obligations arising out of this order.

V

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

IN THE MATTER OF

CITY INVESTING COMPANY, ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION