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be bound by the terms of this order; *Provided*, That if said respondent wishes to present to the Commission any reasons why said order should not apply in its present form to said successor or transferee, it shall submit to the Commission a written statement setting forth said reasons prior to the consummation of said succession or transfer.

It is further ordered, That the respondents herein shall within sixty (60) days after service upon them of this order, file with the Commission a report, in writing, signed by such respondents, setting forth in detail the manner and form of their compliance with this order.

IN THE MATTER OF

SCHEFLIN-REICH, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION AND THE FUR PRODUCTS LABELING ACTS

Docket C-2174. Complaint, March 22, 1972—Decision, March 22, 1972.

Consent order requiring a New York City firm buying and selling furs to cease falsely and deceptively invoicing its fur products.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Fur Products Labeling Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Schefflin-Reich, Inc., a corporation, and Joseph Reich and Murray Schefflin, individually and as officers of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and the rules and regulations promulgated under the Fur Products Labeling Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Schefflin-Reich, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Respondents Joseph Reich and Murray Schefflin are officers of the corporate respondent. They formulate, direct and control the acts, practices and policies of the said corporate respondent including those hereinafter set forth.

Respondents are fur merchants with their office and principal place of business located at 333 Seventh Avenue, New York, New York,

who either buy raw skins and have them dressed or buy skins already dressed which are sold to their customers.

PAR. 2. Respondents are now and for some time last past have been engaged in the introduction into commerce, and in the sale, advertising, and offering for sale in commerce, and in the transportation and distribution in commerce, of fur products; and have sold, advertised, offered for sale, transported and distributed fur products which have been made in whole or in part of furs which have been shipped and received in commerce; and have introduced into commerce, sold, advertised and offered for sale in commerce and transported and distributed in commerce, furs, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act.

PAR. 3. Certain of said fur products or furs were falsely and deceptively invoiced by the respondents in that they were not invoiced as required by Section 5(b)(1) of the Fur Products Labeling Act and the rules and regulations promulgated under such Act.

Among such falsely and deceptively invoiced fur products or furs but not limited thereto, were fur products or furs covered by invoices which failed to disclose that the fur contained in the fur products or furs was bleached, dyed, or otherwise artificially colored, when such was the fact.

PAR. 4. Certain of said fur products or furs were falsely and deceptively invoiced in violation of the Fur Products Labeling Act in that they were not invoiced in accordance with the rules and regulations promulgated thereunder in that the term "natural" was not used on invoices to describe fur products or furs which were not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored, in violation of Rule 19(g) of said rules and regulations.

PAR. 5. The aforesaid acts and practices of respondents are in violation of the Fur Products Labeling Act and the rules and regulations promulgated thereunder and constitute unfair methods of competition and unfair and deceptive acts and practices in commerce under the Federal Trade Commission Act.

DECISION AND ORDER

The Commission having heretofore determined to issue its complaint charging the respondents named in the caption hereof with violation of the Federal Trade Commission Act and the Fur Products Labeling Act, and the respondents 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 respondents, their attorney and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents 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 respondents 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 accepted same, and the agreement containing consent order having thereupon been placed on the public record for a period of 30 days, now in further conformity with the procedure prescribed in Section 2.14(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 Schefflin-Reich, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York.

Respondents Joseph Reich and Murray Schefflin are officers of the corporate respondent. They formulate, direct, and control the acts, practices and policies of the said corporate respondent including those hereinafter set forth.

Respondents are fur merchants with their office and principal place of business located at 333 Seventh Avenue, New York, New York.

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

ORDER

It is ordered, That respondents Schefflin-Reich, Inc., a corporation, and its officers, and Joseph Reich and Murray Schefflin, individually and as officers of said corporation, and respondents' representatives, agents, and employees, directly or through any corporate or other device, in connection with the introduction into commerce, or the manufacture for introduction into commerce, or the sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce, of any fur product; or in connection with the manufacture for sale, sale, advertising, offering for sale, transportation or distribution of any fur product which is made in whole or in part of fur which has been shipped and received in commerce; or in connection with the introduction into commerce, or the sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce, of any fur, as the terms "commerce,"

"fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from falsely and deceptively invoicing such fur or fur product by:

1. Failing to furnish an invoice, as the term "invoice" is defined in the Fur Products Labeling Act, showing in words and figures plainly legible all the information required to be disclosed by each of the subsections of Section 5(b)(1) of the Fur Products Labeling Act.

2. Failing to set forth the term "natural" as part of the information required to be disclosed on any invoice under the Fur Products Labeling Act and the rules and regulations promulgated thereunder to describe any fur or fur product which is not pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

It is further ordered, That respondents Schefflin-Reich, Inc., a corporation, and its officers, and Joseph Reich and Murray Schefflin, individually and as officers of said corporation, shall forthwith distribute a copy of this order to each of its salesmen and to each of the five customers who received furs which gave rise to this matter.

It is further ordered, That respondents 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, the creation or dissolution of subsidiaries or any other change in the corporation which may affect compliance obligations arising out of the order.

It is further ordered, That the respondent corporation shall forthwith distribute a copy of this order to each of its operating divisions.

It is further ordered, That the respondents herein 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 of their compliance with this order.

IN THE MATTER OF

IMPERIAL CHEMICAL INDUSTRIES, LTD., ET AL.

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

Docket C-2175. Complaint, March 22, 1972—Decision, March 22, 1972

Consent order requiring a British corporation, one of the world's largest chemical companies, to divest itself within three years of the explosives and

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aerospace divisions of a Wilmington, Del., corporation, and not to acquire for a period of 10 years any interest in an American explosive business without the approval of the Commission.

COMPLAINT

The Federal Trade Commission, having reason to believe that Imperial Chemical Industries, Ltd., a corporation subject to the Commission's jurisdiction by reason of the transaction hereinafter described, and its wholly-owned and controlled subsidiary, ICI-America, Inc., a corporation subject to the commission's jurisdiction, have acquired control of the capital stock of Atlas Chemical Industries, Inc., a corporation subject to the Commission's jurisdiction, in violation of Section 7 of the Clayton Act (15 U.S.C. §18), hereby issues its complaint, pursuant to Section 11 of that Act (15 U.S.C. § 21) stating its charges as follows:

I DEFINITIONS

1. As used in this complaint:

(a) "High explosives" refers to nitroglycerine based commercial explosives, including permissible explosives approved by the United States Bureau of Mines for use in certain underground mining operations, and excluding blasting accessories.

(b) "ANFO" refers to ammonium nitrate-fuel oil sensitized commercial explosives, including ammonium nitrate for use in such mixtures, and excludes slurries.

(c) "Slurries" refers to a commercial explosive in the form of a liquid or gel containing ammonium nitrate and a sensitizer such as TNT or aluminum.

(d) "Electric blasting caps" refers to delay and non-delay electric caps.

(e) "Blasting Accessories" refers to all accessories to the use of commercial explosives, including primers and detonating devices such as electric blasting caps and detonating fuse.

(f) "Commercial explosives" refer to high explosives, ANFO, and slurries.

(g) "Explosives business" refers to the business of manufacturing high explosives, ANFO, or slurries and in connection with the sale of such products of supplying a full line of commercial explosives and blasting accessories, and technical advice on the use of said products.

(h) "United States" includes all fifty states.

II THE COMPANIES

2. Atlas Chemical Industries, Inc., ("Atlas") was a corporation organized under the laws of the State of Delaware, with its principal office and place of business located in Wilmington, Delaware, and was one of the corporations formed as a result of the decree in *United States v. E. I. DuPont de Nemours & Co.*, 188 Fed. 127 (1911). It is now merged with ICI-America, Inc.

3. In 1970 Atlas had sales in excess of \$155 million and assets in excess of \$139 million. It ranked approximately 540th among the nation's largest industrial firms by sales.

4. Atlas was one of the six to eight companies in this country which are known as "powder companies" and which manufacture most of a full-line of explosives and blasting accessories, have a network of distributors, salesmen, and magazines, are able to supply field engineering services, and have an established record of safety and reliability. In 1970 Atlas' sales of explosives and blasting accessories (other than sales to other manufacturers) were approximately \$30 million, or approximately 15 percent of total domestic sales of such products and Atlas ranked second among companies making such sales. At all times relevant hereto Atlas sold and shipped its products throughout the United States and engaged in "commerce" as that term is defined in the Clayton Act.

5. (a) Respondent Imperial Chemical Industries, Ltd., ("ICI") is a corporation organized and existing under the laws of the United Kingdom.

(b) Together with its subsidiaries and affiliated companies (hereinafter referred to collectively as "ICI"), ICI had sales in 1970 in excess of \$3.5 billion, and its assets exceeded \$4.5 billion. It ranked approximately 6th in size among the largest industrial firms not based in this country. It would have ranked approximately 20th among the largest domestic industrial firms.

(c) Immediately prior to the acquisition, ICI imported a substantial quantity of goods into this country; it had investments valued in excess of \$300 million in domestic firms, one of which was its wholly-owned subsidiary, ICI-America, Inc. ("ICIA"), which investments generated in excess of \$100 million in sales in 1970. The activity above described continued after the merger. The acquisition of Atlas was planned, financed, and controlled by ICI.

6. Respondent ICIA is a corporation organized and existing under the laws of the State of Delaware, with its principal places of business in Stamford, Connecticut, and Wilmington, Delaware.

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7. Canadian Industries, Ltd., ("CIL") is a corporation organized and existing under the laws of Canada; approximately 74 percent of its stock is owned by ICI, and it is one of ICI's "subsidiary or affiliated companies" as that term is used in this complaint. In 1970 CIL had sales in excess of \$(C)300 million on assets exceeding \$(C)290 million. It ranks among the 25 largest manufacturing companies in Canada.

III THE ACQUISITION

8. On or about July 20, 1971, ICI, through ICIA, acquired all of the then issued and outstanding stock of Atlas, aggregating 4,089,893 shares, for \$40 per share, or \$163,595,720 (the "acquisition").

IV TRADE AND COMMERCE

9. (a) Outside the United States, ICI is one of the largest producers and marketers of commercial explosives and blasting accessories. Sales in the United Kingdom including exports exceeded \$38 million in 1970. Canadian sales through CIL exceeded \$40 million in 1970. CIL is the largest producer of explosives in Canada, producing and selling approximately 70 percent of all explosives sold in that country.

(b) Over a period of years, during which it has been one of the world's foremost suppliers of explosives, ICI has maintained long standing commercial relationships with large consumers of explosives outside the United States, including international mining companies.

10. (a) At least since 1967 ICI has competed with Atlas in the sale in this country of electric blasting caps. In 1970 approximately 4 percent of electric blasting caps sold in this country had been manufactured by ICI.

(b) CIL has sought to participate in the Alaska market for explosives through sale of a full-line of explosives in that state.

(c) Prior to the acquisition, ICI considered expanding its participation in the United States commercial explosives markets, in terms of volume of sales, variety of explosives sold, and areas of the country to which sales are made, and it has considered making such participation part of an explosives business conducted on a continental scale.

11. As a result of its long experience, extensive manufacturing facilities, established sales organization and customer relationships, and CIL's entrenched position in Canada, immediately prior to the acquisition ICI was one of the most likely potential entrants into the