

U. S. v. STEVENSON, JORDAN AND HARRISON, INC.
IN THE DISTRICT COURT OF THE UNITED STATES FOR
THE SOUTHERN DISTRICT OF NEW YORK.

Civil Action No. 10-213.

UNITED STATES OF AMERICA, PLAINTIFF

VS.

STEVENSON, JORDAN AND HARRISON, INC., CHARLES R.
STEVENSON, SCOTT M. HUDSON, AND CHARLES H.
FERRIS, DEFENDANTS

CONSENT DECREE

The United States of America filed its complaint herein August 22, 1940; each of the above-named defendants appeared and filed his or its answer to such complaint; no testimony having been taken, each of said defendants consents to the entry of this decree, without any findings

of fact, on condition that neither such consent nor this decree shall be evidence, admission, or adjudication that he or it has violated any law of the United States; and the United States, by counsel, having consented to the entry of this decree and to each and every provision thereof, and having moved for this injunction;

Now, THEREFORE, before any testimony has been taken, and without any findings of fact or adjudication of the issues, and upon the consent of all parties hereto, it is hereby

ORDERED and DECREED as follows:

1. The Court has jurisdiction of the parties to this decree; and for the purpose of this decree and proceedings for the enforcement thereof, and for no other purpose, the Court has jurisdiction of the subject matter hereof, and the complaint states a cause of action against said defendants, and each of them, under Section 1 of the Sherman Act (15 U. S. C. A. Section 1).

2. The terms "commodity or commodities" as hereinafter used in this decree shall be construed to include Kraft paper and any other commodity or commodities produced, transported or sold by members of any trade association or group of manufacturers or sellers with which the defendants now are or hereafter may be associated in any managerial or advisory capacity whatsoever.

3. The corporate defendant, its successors, directors, officers, agents, employees and said individual defendants and all persons acting under, through, or for any or all of them, be and they are hereby enjoined and restrained as Business Manager or Business Advisor to the Kraft Paper Association or its members, or in any other managerial or advisory capacity in relation to said association or its members, or in any managerial or advisory capacity whatsoever to any other trade association or group of manufacturers or sellers with which said defendants now are or hereafter may be associated, from engaging in any of the following specific acts or practices

relating to the manufacture, distribution or sale of any commodity or commodities:

- (a) Advising or recommending the limitation of production of any such commodity or commodities to predetermined quotas;
- (b) Formulating, promoting, advising or recommending, or taking part in, any plan for the prorationing of business or the equitable sharing of available business among the members of any trade association or group, the purpose or effect of which is to limit the production of said commodity or commodities to such predetermined quotas;
- (c) Determining, or advising or recommending the determination of, the volume of business of manufacturers or sellers of such commodity or commodities for any period or periods for the purpose of establishing such predetermined quotas;
- (d) Collecting, compiling or comparing or assisting in the collection, compilation or comparison of data, respecting production, sales, orders, shipments, or deliveries of such commodity or commodities for the purpose of determining whether manufacturers or sellers of such commodity or commodities have adhered to, or are adhering to, such predetermined quotas;
- (e) Distributing or assisting in the distribution of production, shipment or price data in such form as to indicate that a manufacturer or seller of such commodity or commodities is or is not adhering to any such predetermined quota;
- (f) Presenting or discussing at meetings of manufacturers or sellers of such commodity or commodities or elsewhere, or by correspondence or otherwise, production, shipment or price data in such form or manner as to indicate that a manufacturer or seller of such commodity or commodities has exceeded any such predetermined quota, or that it should limit present or future production so as to come within any such quota;

- (g) Examining, auditing, or assisting in the examination or audit of the production, shipment or price records or accounts of manufacturers or sellers of such commodity or commodities for the purpose of securing adherence to any such predetermined quota;
- (h) Allocating customers, markets or marketing territories among manufacturers or sellers of such commodities, or advising or recommending to such manufacturers or sellers,
 - (1) that they allocate among themselves or refrain from soliciting customers of such manufacturers or sellers;
 - (2) that they allocate markets or marketing territories among the several manufacturers or sellers of such commodity or commodities;
 - (3) that they enter into any agreement, understanding or concerted action, the purpose or effect of which is or may be the creation or establishment of any plan or program of activity for the allocation of present or future available business among such manufacturers or sellers or the curtailment of production by such manufacturers or by any association or other group of which said manufacturers are members;
- (i) Raising, depressing, fixing, pegging or limiting or interfering with independent action in the establishment of the prices for such commodity or commodities, or advising or recommending to manufacturers or sellers of such commodity or commodities, that they by agreement, understanding or concerted action, raise, depress, fix, peg, or limit or interfere with independent action in the establishment of the prices of such commodity or commodities;
- (j) Preparing or compiling, or advising or recommending to the manufacturers or sellers of such commodity or commodities the use of, an estimating manual or any other handbook or device for the purpose of raising, depressing, fixing, pegging or limiting or interfering with independent action in the establishment of the prices of such commodity or commodities by agreement, understanding or concerted action of any two or more of such manufacturers or sellers in the use of such manual or handbook;
- (k) Preparing or compiling, or advising or recommending to the manufacturers or sellers of such commodity or commodities the use of, predetermined prices or charges for materials, manufacturing operations, or delivery,
 - (1) for the purpose of achieving an agreement, understanding or concerted action among such manufacturers or sellers for the use of such predetermined prices or charges in pricing or estimating prices of such commodity or commodities, or
 - (2) in analyzing production, price, sales, orders, shipment or delivery data of such manufacturers or sellers of such commodity or commodities for the purpose of advocating to such manufacturers or sellers, or any two or more thereof, the raising, depressing, fixing, pegging, or limiting or interfering with independent action in the establishment of prices for such commodity or commodities by agreement, understanding or concerted action;
- (l) Examining or auditing, or assisting in the examination or audit of, the production, shipment, or price records or accounts of manufacturers or sellers of such commodity or commodities for the purpose of raising, depressing, fixing, pegging or limiting or interfering with independent action in the establishment of prices or advising or recommending to such manufacturers or sellers, or any two or more thereof, the raising, depress-

ing, fixing, pegging or limiting or interfering with independent action in the establishment of prices for such commodity or commodities by agreement, understanding or concerted action;

- (m) Inducing a manufacturer or seller of such commodity or commodities to adopt methods involving elements of coercion or duress and designed to compel adherence to plans for the collection and dissemination of statistical information; provided, however, that procedures designed and executed solely to give assurance of the completeness and accuracy of data lawfully collected and disseminated shall not per se be deemed to involve elements of coercion or duress;
- (n) Compelling a manufacturer or seller of such commodity or commodities to name or identify any customer account in connection with any procedure for the collection and dissemination of statistical information;
- (o) Disclosing to a competitor of such manufacturer or seller specific data contained on customer invoices submitted by a manufacturer or seller of such commodity or commodities to these defendants or any of them, or to any trade association or other group with which said defendants, or any of them, now are or hereafter may be associated;
- (p) Promoting, advocating or in any other manner advising any agreement or understanding between the manufacturers or sellers of such commodity or commodities respecting volume of production for any future period, market prices for such period, or limitation of markets in which such manufacturers or sellers shall sell their product or products;
- (q) Imposing upon any manufacturer or seller of such commodity or commodities or upon any trade association or other group with which these defendants, or any of them, now are or hereafter may be associated, by any method of coercion, the

adoption of or adherence to the views or opinions of said defendants, or any of them, concerning the economic desirability of the conduct by any such manufacturer or seller of his or its operations in accordance with such economic views or opinions of these defendants, or any of them;

- (r) Promoting, advocating, advising or recommending that any trade association or other group, now existing or which hereafter may be organized, with which these defendants, or any of them, are or may be associated, adopt or establish by agreement, understanding or concert of action of the members of such association or group, any plan or program for the allocation of available business among the members of such association or group, the limitation of production or the raising, depressing, fixing, pegging or limiting or interfering with independent action in the establishment of the prices of any such commodity or commodities;
- (s) Participating in any activities in any manner inconsistent with the purpose and intent of this paragraph 3 and all subdivisions thereof.

4. Nothing contained in this decree limits the right of said defendants, their successors, directors, officers, agents, employees and all persons acting under, through or for all or any of them, to do, or to cooperate in doing, any act, or to engage in any practice, not enjoined by this decree, including but not limited to the gathering, auditing, dissemination and discussion of information and statistics respecting the business or businesses in which said manufacturers or sellers are engaged and the advice and recommendations to said trade associations, and to the members thereof, and to said groups of manufacturers or sellers that they gather, audit, disseminate and discuss such information and statistics without, however, reaching or attempting to reach any agreement, understanding or concerted action between or among the manufacturers or sellers of any such commodity or commodities to establish or secure adherence

to predetermined quotas or to raise, depress, fix, peg or stabilize the price or prices of such commodity or commodities or to do any other act forbidden by paragraph 3 hereof and the subdivisions thereof.

5. Nothing contained in this decree shall apply to the operations or activities of the defendants outside of the United States, its Territories and the District of Columbia, or to its operations or activities within the United States, its Territories and the District of Columbia, which relate exclusively to foreign countries; or to instructions, recommendations, advice respecting, or participation in, agreements and arrangements permitted by Section 1 of the Sherman Act as amended by the Act of August 17, 1937, commonly called the Miller-Tydings Act, or by the patent law.

6. For the purpose of securing compliance with this decree, and for no other purpose, duly authorized representatives of the Department of Justice shall, on the written request of the Attorney General or an Assistant Attorney General and on reasonable notice as to time and subject matter, and subject to any legally recognized privilege, be permitted (1) reasonable access, during the office hours of said defendants, to all books, ledgers, accounts, correspondence, memoranda, and other records and documents in the possession or under the control of said defendants, relating to any of the matters enjoined by this decree, (2) subject to the reasonable convenience of said defendants, and without restraint or interference from them, to interview officers or employees of said defendants, in the presence of counsel, regarding any such matters; and said defendants, on such request, and subject to such privilege, shall submit such reports in respect of any such matters as may from time to time be reasonably necessary for the proper enforcement of this decree; provided, however, that information obtained by the means permitted in this paragraph shall not be divulged by any representative of the Department of Justice to any person other than a duly authorized representative of the Department of Justice except in the course of legal proceedings in which

the United States is a party or as otherwise required by law.

7. Jurisdiction of this action is retained for the purpose of enabling any of the parties to this decree to apply to the Court at any time for such further orders or directions as may be necessary or appropriate in relation to the construction of or carrying out of this decree, for the modification thereof (including, without limitation, any modification upon application of said defendants, or any of them, required in order to conform this decree to any act of Congress enacted after the date of entry of this decree or to the laws or regulations of any State), and for the enforcement of compliance therewith.

AUGUST 22, 1940

(Signed) G. L. PORTERIE,
District Judge.