FILE NAME: Friction Materials Standards Institute (FMS)

DATE: 1948 Sept 23

DOC#: FMS082

DOCUMENT DESCRIPTION: Newspaper Article - Court Dissolves Trade Association

COURT DISSOLVES TRADE ASSOCIATION
New York Times (1857-Current file); Sep 23, 1948; ProQuest Historical Newspapers The New York Times (1851 - 2004) pg. 20

COURT DISSOLVES TRADE ASSOCIATION

Brake Lining Unit, 17 Members and 9 Individuals Fined in Anti-Trust Action

The Brake Lining Manufacturers Association, Inc., was dissolved and with seventeen of its corporate members and nine officials of the concerns was fined a total of $152,000 through an order signed by Federal Judge Edward A. Conger yesterday. This followed the defendants' pleas of nolo contendere to three indictments charging violation of the anti-trust laws.

The indictments, which were returned by a Federal grand jury in August, 1947, were dismissed earlier as to the Firestone Tire and Rubber Company and the Firestone Tireand Rubber Export Company, both of Akron, Ohio, and a number of other individuals.

The defendants were charged with entering three separate conspiracies to fix prices, discounts, classifications of customers and terms and conditions of sale on replacement brake linings and clutch facings.

With the fines ranging from $1,000 to $15,000, the heaviest levies, $15,000 each, were imposed on the association, the American Brake Shoe Company of Detroit, the Grizzly Manufacturing Company of Bell, Calif., Raybestos-Manhattan, Inc. of Passaic, N. J., and the Thermoid Company of Trenton, N. J.

Asserting that the case involved 96 per cent of the industry, Attorney General Tom Clark said that Judge Conger's judgment should benefit all owners of automobiles and trucks and the users of industrial equipment requiring brake linings and clutch facings. He also declared that the "high price" of brake lining materials should now be reduced.

Lester D. Stickles, attorney for the trade association, said that trial of the case would have involved calling hundreds of witnesses and presenting truckloads of evidence. He declared that the industry could not afford to spare top management for a long period at a time when it was trying to catch up with the country's production needs.

Asserting that the violations charged were based on procedures established at the insistence of the National Recovery Administration, Mr. Stickles said that these procedures had resulted in standardization of sizes and in other uniformities that had benefited the industry and brought substantial savings to the public.

For this reason, he added, the practices had been openly adopted and followed as accepted customs of the trade with no effort being made by members of the association to conceal them.

Reproduced with permission of the copyright owner. Further reproduction prohibited without permission.