

COMPLAINT IN THE MATTER OF THE ALLEGED VIOLATION OF SECTION 5 OF AN ACT OF CONGRESS, APPROVED SEPTEMBER 26, 1914.

Docket No. 185.—October 8, 1918.

SYLLABUS.

Where a corporation engaged in the manufacture and sale of printers' rollers and kindred products gave and offered to give to employees of customers and of competitors' customers, gratuities, entertainment, and presents, as an inducement for them to influence their employers to purchase its goods or to refrain from dealing with its competitors:

Held, That such gifts and offers to give, under the circumstances set forth, constituted an unfair method of competition in violation of section 5 of the act of September 26, 1914.

COMPLAINT.

The Federal Trade Commission, having reason to believe from a preliminary investigation made by it that the Printers Roller Co., hereinafter referred to as respondent, has

been for more than a year last past, using unfair methods of competition in interstate commerce in violation of the provisions of section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," and it appearing that a proceeding by it in respect thereof would be to the interest of the public, issues this complaint, stating its charges in that respect on information and belief as follows:

PARAGRAPH 1. That the respondent, the Printers Roller Co. is a corporation organized and existing and doing business under and by virtue of the laws of the State of New York, having its principal office and place of business at the city of New York, in State of New York, and is now and for more than one year last past has been engaged in manufacturing and selling rollers for printing presses and similar products throughout the States and Territories of the United States, and that at all times hereinafter mentioned, the respondent has carried on and conducted such business in direct competition with other persons, firms, copartnerships, and corporations manufacturing and selling like products.

PAR. 2. That in the course of its business of manufacturing and selling rollers for printing presses and similar products, throughout the States and Territories of the United States, the respondent, for more than one year last past has been giving and offering to give, to employees of both its customers and prospective customers, as an inducement to influence their employers to purchase or contract to purchase from the respondent, rollers for printing presses and similar products, without other consideration therefor, gratuities such as liquor, cigars, meals, theater tickets, valuable presents, and entertainment.

REPORT, FINDINGS AS TO THE FACTS, AND ORDER.

The Federal Trade Commission, having issued and served its complaint herein, wherein it is alleged that it had reason to believe that the above-named respondent, the Printers'

Roller Co., has been and now is using unfair methods of competition in interstate commerce in violation of the provisions of section 5 of an act of Congress approved September 26, 1914, entitled, "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," and that a proceeding by it in that respect would be to the interest of the public and fully stating its charges in this respect and the respondent having filed its answer admitting that the matters and things alleged in the said complaint are true in the manner and form therein set forth, and agreeing and consenting that the Commission shall forthwith proceed to make and enter its report, stating its findings as to the facts, and its order disposing of this proceeding without the introduction of testimony in support of the same, and waiving any and all right to the introduction of such testimony, the Commission makes this report and findings as to the facts and conclusions.

FINDINGS AS TO THE FACTS.

PARAGRAPH 1. That the respondent, the Printers' Roller Co., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of New Jersey, with its home office located at the city of New York in the State of New York, now and for more than one year last past engaged in the business of manufacturing and selling rollers for printing presses and kindred products generally in commerce throughout the States and Territories of the United States in direct competition with other persons, firms, copartnerships, and corporations manufacturing and selling like products.

PAR. 2. That for more than one year last past the respondent has given and offered to give employees of both its customers and prospective customers as an inducement to influence their employers to purchase or to contract to purchase from the respondent, rollers for printing presses and kindred products or to influence such employers to refrain from dealing or contracting to deal with competitors of the respondent, without other consideration therefor, gratuities consisting of liquors, cigars, meals, theater tickets, and other personal property.

PAR. 3. That for more than one year last past the respondent has given and offered to give employees of both its customers and prospective customers, and its competitors' customers and prospective customers, as an inducement to influence their employers to purchase or to contract to purchase from the respondent rollers for printing presses and kindred products, or to influence such employers to refrain from dealing or contracting to deal with competitors of the respondent, without other consideration therefor, entertainment consisting of amusements and diversions of various kinds and description.

CONCLUSIONS.

That the methods of competition set forth in the foregoing findings as to the facts in paragraphs two and three and each and all of them, are under the circumstances therein set forth, unfair methods of competition in interstate commerce in violation of the provisions of section 5 of the act of Congress approved September 26, 1914, entitled, "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes."

ORDER TO CEASE AND DESIST.

The Federal Trade Commission, having issued and served its complaint herein, and the respondent having filed its answer admitting that the matters and things alleged and contained in the said complaint are true in the manner and form therein set forth, and agreeing and consenting that the Commission shall forthwith proceed to make and enter its report stating its findings as to the facts and its order disposing of this proceeding without the introduction of testimony in support of the same, and waiving any and all right to the introduction of such testimony and the Commission having made and filed its report containing its findings as to the facts and its conclusions that the respondent has violated section 5 of an act of Congress approved September 26, 1914, entitled, "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," which said report is hereby referred to and made a part thereof: Now, therefore,

It is ordered, That the respondent, the Printers' Roller Co., and its officers, directors, agents, servants, and employees, cease and desist from, directly or indirectly:

1. Giving or offering to give employees of its customers or prospective customers or those of its competitors' customers or prospective customers as an inducement to influence their employers to purchase or to contract to purchase from the respondent rollers for printing presses and kindred products, or to influence such employers to refrain from dealing or contracting to deal with competitors of the respondent, without other consideration therefor, gratuities, such as liquors, cigars, meals, theater tickets, valuable presents, and other personal property.

2. Giving and offering to give employees of its customers and prospective customers or those of its competitors' customers or prospective customers as an inducement to influence their employers to purchase or to contract to purchase from the respondent rollers for printing presses and kindred products, or influence such employers to refrain from dealing or contracting to deal with competitors of the respondent, without other consideration therefor, entertainment, consisting of amusements or diversions of any kind whatsoever.

FEDERAL TRADE COMMISSION *v.* D. H. DONEGAN, DOING BUSINESS UNDER THE NAME AND STYLE OF THE AMERICAN PRINTERS' ROLLER CO.

COMPLAINT IN THE MATTER OF THE ALLEGED VIOLATION OF SECTION 5 OF THE ACT OF CONGRESS APPROVED SEPTEMBER 26, 1914.

Docket No. 186.—October 10, 1918.

SYLLABUS.

Where a concern engaged in the manufacture and sale of printers' rollers and kindred products gave and offered to give to employees of customers and of competitors' customers gratuities, entertainment, and presents, as an inducement for them to influence their employers to purchase its goods or to refrain from dealing with its competitors:

Held, That such gifts and offers to give, under the circumstances set forth, constituted an unfair method of competition in violation of section 5 of the act of September 26, 1914.

COMPLAINT.

The Federal Trade Commission, having reason to believe from a preliminary investigation made by it that D. H. Donegan, doing business under the name and style of the American Printing Roller Ink Co., hereinafter referred to as respondent, has been for more than a year last past, using unfair methods of competition in interstate commerce in violation of the provisions of section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," and it appearing that a proceeding by it in respect thereof would be to the interest of the public, issues this complaint, stating its charges in that respect on information and belief as follows:

PARAGRAPH 1. That the respondent, D. H. Donegan, doing business under the name and style of the American Printing Roller Ink Co., having his principal office and place of business in the city of Chicago, State of Illinois, is now and for more than one year last past has been engaged in manufacturing and selling rollers for printing presses and similar products throughout the States and Territories of the United States, and that at all times hereinafter mentioned, the respondent has carried on and conducted such business in direct competition with other persons, firms, copartnerships, and corporations manufacturing and selling like products.

PAR. 2. That in the course of his business of manufacturing and selling rollers for printing presses and similar products throughout the States and Territories of the United States, the respondent, for more than one year last past, has been giving and offering to give to employees of both his customers and prospective customers as an inducement to influence their employers to purchase or contract to purchase from the respondent rollers for printing presses and similar products, without other consideration therefor, gratuities such as liquor, cigars, meals, theater tickets, presents, and entertainment.

PAR. 3. That in the course of his business of manufacturing and selling rollers for printing presses and similar products throughout the States and Territories of the United

States, the respondent for more than one year last past has been secretly paying and offering to pay to employees of both his customers and prospective customers, and his competitors' customers and prospective customers, without the knowledge and consent of their employers, sums of money as an inducement to influence their said employers to purchase or contract to purchase from the respondent, rollers for printing presses and similar products or to influence such customers to refrain from dealing or contracting to deal with competitors of the respondent.

REPORT, FINDINGS AS TO THE FACTS, AND ORDER.

The Federal Trade Commission, having issued and served its complaint herein, wherein it is alleged that it had reason to believe that the above-named respondent, D. H. Donegan, doing business under the name and style of the American Printers' Roller Co., has been and now is using unfair methods of competition in interstate commerce in violation of the provisions of section 5 of an act of Congress, approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," and that a proceeding by it in that respect would be to the interest of the public and fully stating its charges in this respect and the respondent having filed his answer admitting that prior to the year 1918 there existed in the printers' roller trade the practice of giving to employees of customers and prospective customers gratuities, presents, and entertainment as an inducement to influence the purchase of rollers for printing presses, in which this respondent participated, and agreeing and consenting that the Commission shall forthwith proceed to make and enter its report, stating its findings as to the facts, and its order disposing of this proceeding without the introduction of testimony in support of the same, the Commission makes this report and findings as to the facts and conclusions:

FINDINGS AS TO THE FACTS.

PARAGRAPH 1. That the respondent, D. H. Donegan, doing business under the name and style of the American Printers'

Roller Co., at the city of Chicago, in the State of Illinois, is now and for more than one year last past has been engaged in the business of manufacturing and selling rollers for printing presses and similar products generally in commerce throughout the States and Territories of the United States in direct competition with other persons, firms, copartnerships, and corporations manufacturing and selling like products.

PAR. 2. That prior to January 1, 1918, the respondent has given and offered to give employees of both his customers and prospective customers as an inducement to influence their employers to purchase or to contract to purchase from the respondent, rollers for printing presses and similar products or to influence such employers to refrain from dealing or contracting to deal with competitors of the respondent, without other consideration therefor, gratuities.

PAR. 3. That prior to January 1, 1918, the respondent has given and offered to give employees of both his customers and prospective customers and his competitors' customers and prospective customers, as an inducement to influence their employers to purchase or to contract to purchase from the respondent, rollers for printing presses and similar products, or to influence such employers to refrain from dealing or contracting to deal with competitors of the respondent, without other consideration therefor, entertainment consisting of amusements and diversions of various kinds and description.

PAR. 4. That prior to January 1, 1918, the respondent has given and offered to give employees of both his customers and prospective customers and his competitors' customers and prospective customers, as an inducement to influence their employers to purchase or to contract to purchase from the respondent, rollers for printing presses and similar products, or to influence such employers to refrain from dealing or contracting to deal with competitors of the respondent, without other consideration therefor, presents.

CONCLUSIONS.

That the methods of competition set forth in the foregoing findings as to facts in paragraphs 2, 3, 4, and each and all of

them, are under the circumstances set forth, unfair methods of competition in interstate commerce in violation of the provisions of section 5 of the act of Congress, approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes."

ORDER TO CEASE AND DESIST.

The Federal Trade Commission, having issued and served its complaint herein, and the respondent having filed his answer admitting that prior to the year 1918 there existed in the printers' roller trade the practice of giving to employees of customers, and prospective customers, gratuities, presents, and entertainment as an inducement to influence the purchase of rollers for printing presses, in which this respondent participated, and agreeing and consenting that the Commission shall forthwith proceed to make and enter its report stating its findings as to the facts and its order disposing of this proceeding without the introduction of testimony in support of the same, and the Commission having made and filed its report containing its findings as to the facts and its conclusions that the respondent has violated section 5 of an act of Congress, approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," which said report is hereby referred to and made a part hereof: Now, therefore,

It is ordered, That the respondent, D. H. Donegan, doing business under the name and style of the American Printers' Roller Co., his agents, servants, and employees, cease and desist from directly or indirectly:

1. Giving or offering to give employees of his customers or prospective customers or those of his competitors' customers or prospective customers as an inducement to influence their employers to purchase or to contract to purchase from the respondent, rollers for printing presses and similar products, or to influence such employers to refrain from dealing or contracting to deal with competitors of the respondent, without other consideration therefor, gratuities.

2. Giving or offering to give employees of his customers and prospective customers or those of his competitors' cus-

tomers or prospective customers, as an inducement to influence their employers to purchase or to contract to purchase from the respondent, rollers for printing presses and similar products, or to influence such employers to refrain from dealing or contracting to deal with competitors of the respondent, without other consideration therefor, entertainment, consisting of amusements or diversions of any kind whatsoever.

3. Giving or offering to give employees of his customers or prospective customers or those of his competitors' customers or prospective customers as an inducement to influence their employers to purchase or to contract to purchase from the respondent, rollers for printing presses and similar products, or to influence such employers to refrain from dealing or contracting to deal with competitors of the respondent, without other consideration therefor, presents.

FEDERAL TRADE COMMISSION *v.* ANDERSON
GRATZ AND BENJAMIN GRATZ, COPARTNERS,
DOING BUSINESS UNDER THE FIRM NAME AND
STYLE OF WARREN, JONES & GRATZ; P. P. WIL-
LIAMS, W. H. FITZHUGH, AND ALEX FITZHUGH,
COPARTNERS, DOING BUSINESS UNDER THE
FIRM NAME AND STLYE OF P. P. WILLIAMS &
CO., AND CHARLES O. ELMER.

COMPLAINT IN THE MATTER OF THE ALLEGED VIOLATION OF SEC-
TION 5 OF THE ACT OF CONGRESS APPROVED SEPTEMBER 26,
1914, AND OF ALLEGED VIOLATION OF SECTION 3 OF THE ACT OF
CONGRESS APPROVED OCTOBER 15, 1914.

Docket No. 12.—October 12, 1918.

SYLLABUS.

Where the general selling and distributing agents for a manufacturer producing 75 per cent of the cotton ties in the United States, who were also the general selling and distributing agents for a manufacturer producing 45 per cent of the jute bagging used in baling cotton—

- (a) required purchasers of cotton ties to purchase therewith a corresponding amount of cotton bagging; and,
- (b) refused to sell cotton ties unless a corresponding amount of bagging was purchased therewith;

Held, That such use of one product to force the purchase of other products, to the exclusion of the goods of competitors, constituted an unfair method of competition, in violation of section 5 of the act of September 26, 1914.

(NOTE.—See Appendix I, page 571, for the opinion of the Circuit Court of Appeals for the Second Circuit in this case.)

COMPLAINT.

The Federal Trade Commission having reason to believe, from a preliminary investigation made by it that Anderson Gratz and Benjamin Gratz, copartners, doing business under the firm name and style of Warren, Jones & Gratz; P. P. Williams, W. H. Fitzhugh, and Alex. Fitzhugh, copartners, doing business under the firm name and style of P. P. Williams & Co.; and Charles O. Elmer, all of whom are hereinafter referred to as respondents, have been, and are, using unfair methods of competition in interstate commerce in violation of the provisions of section 5 of the act of Congress approved September 26, 1914, entitled, "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," and it appearing that a proceeding by it in respect thereof would be to the interest of the public, issues this complaint, stating its charges in that respect, on information and belief, as follows:

I.

PARAGRAPH 1. That the respondents, Anderson Gratz and Benjamin Gratz, are copartners, doing business under the firm name and style of Warren, Jones & Gratz, having their principal office and place of business in the city of St. Louis, and State of Missouri, and are engaged in the business of selling, in interstate commerce, either directly to the trade, or through the respondents hereinafter named, steel ties made and used for binding bales of cotton, and which steel ties are manufactured by the Carnegie Steel Co., of Pittsburgh, Pa., and also selling, in the same manner, jute bagging, used to wrap bales of cotton, and which jute bagging is manufactured by the American Manufacturing Co., of St. Louis, Mo.

PAR. 2. That the respondents, P. P. Williams, W. H. Fitzhugh, and Alex. Fitzhugh, are copartners, doing business

under the firm name and style of P. P. Williams & Co., having their principal office and place of business in the city of Vicksburg, and State of Mississippi, and the said last-named respondents and the said respondent Charles O. Elmer, who is located and doing business at the city of New Orleans, and State of Louisiana, are selling and distributing agents of the said firm of Warren, Jones & Gratz, and sell and distribute the ties and bagging, manufactured as aforesaid, in interstate commerce, principally to jobbers and dealers, who resell the same to retailers, cotton ginner and farmers.

PAR. 3. That with the purpose, intent, and effect of discouraging and stifling competition in interstate commerce in the sale of such bagging, all of the respondents do now refuse, and for more than a year last past have refused, to sell any of such ties unless the prospective purchaser thereof would also buy from them bagging to be used with the number of ties proposed to be bought; that is to say, for each six of such ties proposed to be bought from the respondents the prospective purchaser is required to buy six yards of such bagging.

II.

The Federal Trade Commission having reason to believe, from a preliminary investigation made by it, that Anderson Gratz and Benjamin Gratz, copartners, doing business under the firm name and style of Warren, Jones & Gratz; P. P. Williams, W. H. Fitzhugh, and Alex Fitzhugh, copartners, doing business under the firm name and style of P. P. Williams & Co.; and Charles O. Elmer, all of whom are hereinafter referred to as respondents, have been, and are, violating the provisions of section 3 of the act of Congress approved October 15, 1914, entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," further complains against said respondents, stating its charges in that respect, on information and belief, as follows:

PARAGRAPH 1. That the respondents, Anderson Gratz and Benjamin Gratz, are copartners, doing business under the firm name and style of Warren, Jones & Gratz, having their

principal office and place of business in the city of St. Louis and State of Missouri, and are engaged in the business of selling, in interstate commerce, either directly to the trade or through the respondents hereinafter named, steel ties made and used for binding bales of cotton, and which steel ties are manufactured by the Carnegie Steel Co., of Pittsburgh, Pa., and also selling, in the same manner, jute bagging, used to wrap bales of cotton, and which jute bagging is manufactured by the American Manufacturing Co., of St. Louis, Mo.

PAR. 2. That the respondents, P. P. Williams, W. H. Fitzhugh, and Alex. Fitzhugh, are copartners, doing business under the firm name and style of P. P. Williams & Co., having their principal office and place of business in the city of Vicksburg, and State of Mississippi, and the said last-named respondents and the said respondent Charles O. Elmer, who is located and doing business at the city of New Orleans, and State of Louisiana, are selling and distributing agents of the said firm of Warren, Jones & Gratz, and sell and distribute the ties and bagging manufactured as aforesaid, in interstate commerce, principally to jobbers and dealers, who resell the same to retailers, cotton ginner, and farmers.

PAR. 3. That all of the said respondents, for more than a year last past, in the course of interstate commerce, in violation of section 3 of the Clayton Act, have sold and made contracts for sale, and are now selling and making contracts for sale, of large quantities of such ties and such jute bagging, for use, consumption and resale within the United States, and have fixed, and are now fixing the price charged therefor, or discount from, or rebate upon such price on the condition, agreement, or understanding that the purchasers thereof shall not use or deal in the goods, wares, merchandise, supplies, or other commodities of a competitor or competitors of respondents, and that the effect of such sales and contracts for sales, or such conditions, agreements, or understandings may be and is to substantially lessen competition or to tend to create a monopoly in such cotton-tie and jute-bagging industry.

REPORT, FINDINGS AS TO THE FACTS, AND ORDER.

The Federal Trade Commission, having issued and served its complaint herein, wherein it is alleged that it had reason to believe that the above-named respondents, Anderson Gratz and Benjamin Gratz, copartners, doing business under the firm name and style of Warren, Jones & Gratz; P. P. Williams, W. H. Fitzhugh, and Alexander Fitzhugh, copartners, doing business under the firm name and style of P. P. Williams & Co.; and C. O. Elmer, have been and now are using unfair methods of competition in interstate commerce, in violation of the provisions of section 5 of an act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," and that a proceeding by it in that respect would be to the interest of the public, and fully stating its charges in that respect, and the respondents having entered their appearance by their attorneys at law, W. H. and Davis Biggs, T. C. Catchings, and Thos. F. Magner, and the Commission having offered testimony in support of its charges in said complaint, and the respondents having offered testimony in denial of said charges in said complaint, and attorneys for the Commission and the respondents having submitted their briefs as to the law and the facts in said proceeding, and having also made oral argument before the Commission on the law and the facts in said case, the Commission makes this report and findings as to the facts, and conclusions of law.

FINDINGS AS TO THE FACTS.

PARAGRAPH 1. That Anderson Gratz and Benjamin Gratz, copartners, doing business under the firm name and style of Warren, Jones & Gratz, one of the respondents, is a copartnership whose principal office and place of business is in the city of St. Louis, State of Missouri; that P. P. Williams, W. H. Fitzhugh, and Alexander Fitzhugh, copartners, doing business under the firm name and style of P. P.

Williams & Co., is a copartnership with its principal office and place of business in the city of Vicksburg, State of Mississippi; and that the other respondent, C. O. Elmer, has his principal office and place of business in the city of New Orleans, State of Louisiana; that all of said respondents are now, and were at all times hereinafter mentioned, engaged in commerce among the several States and Territories of the United States in the sale and distribution of steel ties, manufactured and used for the purpose of binding bales of cotton and jute bagging, manufactured and used for the purpose of covering and wrapping bales of cotton; and that the respondents, P. P. Williams, W. H. Fitzhugh, and Alexander Fitzhugh, copartners, doing business under the firm name and style of P. P. Williams & Co., and C. O. Elmer were and are general selling and distributing agents for the said Anderson Gratz and Benjamin Gratz, copartners, doing business under the firm name and style of Warren, Jones & Gratz, in the sale and distribution of said articles of commerce; and that the said Anderson Gratz and Benjamin Gratz, copartners, doing business under the firm name and style of Warren, Jones & Gratz, were and are the general selling and distributing agents for the Carnegie Steel Co., located at Pittsburgh, Pa., in the sale and distribution of steel ties manufactured and used for the purpose aforesaid; and that the said Anderson Gratz and Benjamin Gratz, copartners, doing business under the firm name and style of Warren, Jones & Gratz, were and are the general selling and distributing agents of the American Manufacturing Co., the principal office of which is in the city of Brooklyn, State of New York, for the sale and distribution throughout the States, commonly known as cotton States, of jute bagging manufactured and used for the purpose aforesaid; and that Mente & Co. with offices in the cities of New York and New Orleans, and many other persons sell and distribute a material known as sugar bag cloth in interstate commerce throughout the cotton growing States of this country, which material is used for the purpose of wrapping bales of cotton, and that the Carolina Bagging Co., located at Henderson, N. C., manufactures, sells and distributes in interstate commerce, throughout the cotton-growing States of

this country, what is known as rewoven bagging and that said material known as rewoven bagging is manufactured and sold by other corporations and copartnerships in interstate commerce.

PAR. 2. That within three years last past respondents, Anderson Gratz and Benjamin Gratz, copartners, doing business under the firm name and style of Warren, Jones & Gratz; P. P. Williams, W. H. Fitzhugh, and Alexander Fitzhugh, copartners, doing business under the firm name and style of P. P. Williams & Co.; and C. O. Elmer, adopted and practiced the policy of refusing to sell steel ties to those merchants and dealers who wished to buy from them unless such merchants and dealers would also buy from them a corresponding amount of jute bagging. The purpose and effect of said policy was to force those dealers, jobbers, and merchants who wished to buy steel ties from the said Anderson Gratz and Benjamin Gratz, copartners, doing business under the firm name and style of Warren, Jones & Gratz, either through themselves or their general agents, P. P. Williams, W. H. Fitzhugh, and Alexander Fitzhugh, copartners, doing business under the firm name and style of P. P. Williams & Co., and C. O. Elmer, to also buy at the same time from said respondent a corresponding amount of American bagging manufactured by the American Manufacturing Co., of which manufacturing company the said respondents, Anderson Gratz and Benjamin Gratz, copartners, doing business under the firm name and style of Warren, Jones & Gratz, were the sole selling and distributing agents in all the territory west of the Mississippi River where cotton is grown and where bagging and ties are sold for the purpose of covering and wrapping bales of cotton.

PAR. 3. That the said respondents, Anderson Gratz and Benjamin Gratz, copartners, doing business under the firm name and style of Warren, Jones & Gratz, were and are the sole selling and distributing agents of the Carnegie Steel Co., of Pittsburgh, Pa., in the sale and distribution of its entire output of steel ties made and sold for the purpose of binding bales of cotton; and that the Carnegie Steel Co. manufactures and sells annually about 75 per cent of all the steel ties manufactured for such purpose in the United

States; and that the Carnegie Steel Co. sufficiently dominates the cotton tie situation in the United States to enable it to fix and control the price of such ties throughout the country; and that about 45 per cent of the jute bagging required to cover the cotton crop of the Southern States is annually manufactured by the American Manufacturing Co., and about 20 per cent by the Ludlow Manufacturing Associates, of Boston, Mass., and the remaining requirement for baling the cotton crop, viz, about 35 per cent is made up by the use of second-hand bagging and a material called sugar bag cloth. This cloth, as well as the second-hand or re woven bagging, is in considerable demand by cotton balers and is sold and distributed by dealers throughout the Southern States in active competition with the jute bagging manufactured by the American Manufacturing Co., and sold and distributed by the said respondents.

PAR. 4. That a great many merchants, jobbers, and dealers in bagging and ties throughout the cotton-growing States were many times unable to procure ties from any other firms except Anderson Gratz and Benjamin Gratz, copartners, doing business under the firm name and style of Warren, Jones & Gratz, or their said agents, P. P. Williams, W. H. Fitzhugh, and Alexander Fitzhugh, copartners, doing business under the firm name and style of P. P. Williams & Co., and C. O. Elmer, and that the said respondents sold and distributed such a large proportion of the entire amount of such ties manufactured and sold in the entire cotton-growing section of the country, that they, the said respondents, had what amounted to a monopoly of the cotton-tie business of the country, controlling and distributing such a large proportion of the entire output of cotton ties that cotton growers found it impossible to bind the cotton grown and produced in the Southern States without applying to and purchasing from the said respondents and their agents almost the entire output of such ties manufactured by the Carnegie Steel Co. The dominating and controlling position occupied by said respondents in the sale and distribution of ties made it possible for them to force would-be purchasers of ties to also buy from them bagging manufactured by the American Manufacturing Co. and, in many instances, said respondents refused to sell ties

unless the purchaser would also buy from them a corresponding amount of bagging and such purchasers were often times compelled to buy bagging manufactured by the American Manufacturing Co., from said respondents, in order to procure a sufficient supply of steel ties used for the purpose aforesaid.

CONCLUSION.

That the methods of competition set forth in the foregoing findings as to the facts, in paragraphs 1, 2, 3, and 4, and each and all of them are, under the circumstances therein set forth, unfair methods of competition in interstate commerce, against other manufacturers, dealers, and distributors of jute bagging, and against other dealers and distributors in the material known as sugar-bag cloth, and against manufacturers, dealers, and distributors of the bagging known as rewoven bagging and secondhand bagging, in violation of the provisions of section 5 of an act of Congress, approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," and that there is not sufficient proof submitted in the hearings to sustain the paragraph in the complaint charging a violation of section 3 of an act of Congress known as the Clayton act.

ORDER TO CEASE AND DESIST.

The Federal Trade Commission having issued and served its complaint herein, and the respondents, Anderson Gratz and Benjamin Gratz, copartners, doing business under the firm name and style of Warren, Jones & Gratz; P. P. Williams, W. H. Fitzhugh, and Alexander Fitzhugh, copartners, doing business under the firm name and style of P. P. Williams & Co., and C. O. Elmer, having entered their appearance by their attorneys at law, and the Commission having offered testimony in support of its charges in the said complaint, and the respondents having offered testimony in denial of said charges of the said complaint, and the attorneys for the Commission and the respondents hav-

ing submitted their briefs as to the law and the facts in said proceedings, and the same having been argued before an examiner of the Commission and said examiner having made and presented to the Commission his proposed findings as to the facts, and the respondents having entered exceptions to said examiner's proposed findings as to the facts, and said exceptions having been duly argued before the Commission by counsel for the Commission and the respondent, and the Commission on the date hereof having made and filed a report containing its findings as to the facts and conclusions that the respondents have violated section 5 of an act of Congress, approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," which said report is hereby referred to and made a part hereof: Therefore,

It is ordered, That the respondents, Anderson Gratz and Benjamin Gratz, copartners, doing business under the firm name and style of Warren, Jones & Gratz; P. P. Williams, W. H. Fitzhugh, and Alexander Fitzhugh, copartners, doing business under the firm name and style of P. P. Williams & Co., and C. O. Elmer, their officers and agents, cease and desist from requiring purchasers of cotton ties to also buy or agree to buy a proportionate amount of American Manufacturing Co.'s bagging, and further that the respondents cease and desist from refusing to sell cotton ties unless the purchasers buy or agree to buy from them corresponding amounts of American Manufacturing Co.'s bagging, or any amount of cotton bagging of any kind.

FEDERAL TRADE COMMISSION DECISIONS.

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FEDERAL TRADE COMMISSION

v.

WAYNE OIL TANK & PUMP CO.