

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

Docket 629—January 27, 1921.

SYLLABUS.

Where a firm engaged in the sale of ship chandlery, including steward's supplies, deck, engine, and cabin supplies, gave to the captains and other employees of vessels to which they furnished supplies, cash commissions and gratuities as an inducement to purchase supplies:

Held, That such gifts, under the circumstances set forth, constituted an unfair method of competition.

COMPLAINT.

The Federal Trade Commission, having reason to believe from a preliminary investigation made by it, that John R. Adams, W. J. Adams, and George T. Adams, partners, styling themselves John R. Adams & Co., hereinafter referred to as the respondents, have been and are using unfair methods of competition in interstate and foreign 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 respondents, John R. Adams, W. J. Adams, and George T. Adams, partners, styling themselves John R. Adams & Co., have their principal place of business at Port Arthur, in the State of Texas.

PAR. 2. That the respondents are engaged in the business of selling ship chandlery, including steward's supplies, deck, engine, and cabin supplies, for ships engaged in coastwise and foreign commerce, and respondents causè said commodities to be delivered to ships reaching ports in the State of Texas while engaged in transporting passengers and commodities between ports in various States of the

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United States bordering upon the eastern and southeastern coast thereof, and in transporting passengers and commodities from American ports to foreign countries in due course of commerce among the several States of the United States and with foreign countries; such supplies so sold by respondent being for consumption and use by the purchasers thereof, upon the high seas, in and beyond the territorial jurisdiction of the United States. Said business is and has been conducted by respondents in direct active competition with other persons, partnerships, and corporations similarly engaged.

PAR. 3. That the respondents in the course of their business as set out in paragraph 2 hereof, give and have given to captains and other officers of vessels to which they furnish ship chandlery, valuable gifts and cash commissions and gratuities, to induce such captains and officers to purchase ship chandlery supplies from respondents, and without other consideration therefor.

PAR. 4. That by reason of the facts recited, the respondents are using an unfair method of competition in commerce, within the intent and meaning of section 5 of an act of Congress entitled, "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes", approved September 26, 1914.

REPORT, FINDINGS AS TO THE FACTS, AND ORDER.

Pursuant to the provisions of an act of Congress approved September 26, 1914, the Federal Trade Commission issued and served a complaint upon the respondents, John R. Adams, W. J. Adams, and George T. Adams, partners, styling themselves John R. Adams & Co., charging them with the use of unfair methods of competition in violation of the provisions of said act.

The respondents having entered their appearance and having stipulated and agreed that a statement of facts signed and executed by counsel for the Commission and the respondents, subject to the approval of the Commission, shall be taken by the Commission in lieu of testimony, and thereupon this proceeding came on for final hearing, and the Commission having duly considered the record and being now fully advised in the premises, makes this its findings as to the facts, and conclusion:

FINDINGS AS TO THE FACTS.

PARAGRAPH 1. That the respondents, John R. Adams, W. U. Adams, and George T. Adams are partners styling themselves as John R. Adams & Co., having their principal place of business located at Port Arthur, State of Texas, and are now and at all times hereinafter

mentioned have been engaged in selling ship chandlery, including steward's supplies, deck, engine and cabin supplies, for ships engaged in coastwise and foreign commerce, causing said commodities to be delivered to ships reaching ports in the State of Texas, while engaged in transporting passengers and commodities between ports in the various States of the United States and in transporting passengers and commodities from American ports to foreign countries, in due course of commerce among the several States of the United States or with foreign nations, such supplies so sold by respondents being for consumption and use by the purchasers thereof upon the high seas, in and beyond the territorial jurisdiction of the United States, said business being conducted by the respondents in direct competition with other persons, partnerships, and corporations similarly engaged.

PAR. 2. That the respondents, in the course of their business as described in paragraph 1 hereof, for several years last past have given to captains and other officers and employees of vessels to which they furnish ship chandlery supplies, cash commissions and gratuities as an inducement to such officers and employees to purchase for the owners of the vessels operated by them ship chandlery supplies from respondents.

CONCLUSION.

The practices of the said respondents, under the conditions and circumstances described in the foregoing findings, are unfair methods of competition in interstate and foreign commerce and constitute a violation of the act of Congress approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define powers and duties, and for other purposes."

ORDER TO CEASE AND DESIST.

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission, and an agreed statement of facts, and the Commission having made its findings as to the facts with its conclusion that the respondents have violated the provisions 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,"

It is ordered, That the respondents, John R. Adams, W. J. Adams, and George T. Adams, partners, styling themselves John R. Adams & Co. and their agents, servants, and employees, cease and desist from

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directly or indirectly giving to captains and other officers and employees of vessels, cash commissions and gratuities as an inducement to such officers and employees to purchase for the owners of the vessels operated by them ship chandlery supplies from respondents.

It is further ordered, That the respondents within 60 days after the date of the service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with the order to cease and desist hereinbefore set forth.

GEO. C. LE GENDRE & SON.

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Complaint.

FEDERAL TRADE COMMISSION

v.

GEO. C. LE GENDRE AND GEO. CHADWICK LE GENDRE,
PARTNERS, STYLING THEMSELVES GEO. C. LE
GENDRE & SON.