

IN THE MATTER OF
LINDSAY LIGHT COMPANY

COMPLAINT AND ORDER IN REGARD TO THE ALLEGED VIOLATION OF SEC. 5
OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914

Docket 2142. Complaint, Dec. 22, 1933—Order, Mar. 5, 1934.

Consent order requiring respondent, its officers, agents, employees, and representatives to cease and desist from—

Carrying out and enforcing a certain agreement entered into by it with certain foreign companies in which said companies agreed with it not to export thorium or any derivative product of monazite sand, except ferrocerium, to the United States or Canada, in consideration of its agreement to sell thorium nitrate, thorium and other monazite sand derivatives only to gas mantle manufacturers in said two countries, and only upon their agreements not to resell said products, and in which certain agreement it undertook not to sell any such derivative products except to consumers thereof in said two countries, and upon the required condition that such consumer purchasers agree not to export the same, and in which certain agreement a German concern undertook to bind and induce monazite sand producers in India to deliver same in Austria and Germany only to such German concern, in France and England only to French and English concerns involved as contracting parties, and in United States only to it;

Entering into any other agreement of like tenor or substance, or into any agreement with any producer of thorium or of other products derived from said sand, by which agreements said thorium or other products shall not be imported into or exported from the United States;

Agreeing with any manufacturer of thorium to sell said substance only in the United States and Canada, or in any other restricted territory, to gas mantle manufacturers and/or with a condition that such manufacturers shall not resell such substance;

Agreeing with any producer, seller, or manufacturer of thorium or other products derived as aforesaid, not to sell such products except to consumers thereof in the United States and Canada, or in any other restricted territory, and/or with the provision that said products must not be exported by such purchasers;

Entering into any agreement with any manufacturer of products derived from said sand, by which such manufacturers endeavor to bind producers of such sand to deliver same only to specified parties;

Entering into any agreement for the purchase of such sand by which the seller thereof agrees not to offer or sell the same to any individual, in the United States, other than it, and/or by which the seller agrees to prevent any of said customers from shipping the same into United States;

Enforcing certain provisions of an agreement entered into with a certain foreign concern by which said concern agreed not to offer or sell monazite sand to any individual or company other than it, said respondent, and to lend its best efforts to prevent any of said concern's foreign customers from shipping such sand into the United States;

Requiring its purchasers of thorium nitrate to agree, as a condition of their purchases, not to resell said substance and/or other monazite derivatives purchased from it, and not to export from the United States or Canada said substance or other derivatives;

Refusing to sell thorium nitrate, thorium, and other derivatives, in connection with the sale or offer in interstate or foreign commerce of such substances or products, because purchasers thereof have resold such products and/or have exported the same from the United States, and/or from Canada; and

Entering into any other combination, agreement, conspiracy, or understanding for the purpose or with the effect of restricting or restraining the importation into the United States of monazite sand, thorium, thorium nitrate and other monazite sand derivatives, or of restraining or restricting the exporting from the United States to any foreign country or to any of the territories or insular possessions of the United States, monazite sand, thorium, thorium nitrate, and other monazite sand derivatives.

Mr. Edward L. Smith for the Commission.

COMPLAINT

Acting in the public interest, pursuant to the provisions 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", the Federal Trade Commission charges that Lindsay Light Co., hereinafter referred to as the respondent, has been and is using unfair methods of competition in interstate and foreign commerce, in violation of the provisions of Section 5 of said Act, and states its charges in that respect as follows:

PARAGRAPH 1. Respondent, Lindsay Light Co., is a corporation organized and existing and doing business under and by virtue of the laws of the State of Illinois, with its principal office and place of business in the city of Chicago in said State. It is now and since its organization has been engaged in the importation into the United States of monazite sand originating in India, and in the manufacture from such monazite sand of various chemicals, including thorium nitrate; and in the sale between and among the various States of the United States and in the Dominion of Canada of thorium nitrate and other derivatives of monazite sand; and in the manufacture and sale throughout the various States of the United States and in the Dominion of Canada of gas mantles, of which thorium nitrate is an essential ingredient. Prior to the agreements hereinafter mentioned, it had also been engaged in the sale of thorium nitrates and other derivatives of monazite sand, and gas mantles to purchasers thereof in various European countries, particularly England, France, Germany, and Austria.

Complaint

18 F.T.C.

In the course and conduct of its said business, respondent, prior to the agreements hereinafter mentioned had caused such thorium nitrate and other derivatives of monazite sand, and gas mantles, when purchased, to be transported from its principal place of business, in Chicago, Ill., to the purchasers thereof located in such foreign countries. In the course and conduct of its business respondent still causes its products sold in the United States and in the Dominion of Canada, namely, thorium nitrate and other derivatives of monazite sand, and gas mantles, to be transported in interstate and foreign commerce from its place of business in Chicago, Ill., into and through other States of the United States and to the Dominion of Canada, to the purchasers to whom such products are and have been sold. Among such purchasers of thorium nitrate in the United States and in the Dominion of Canada are competitors of the respondent in the sale of gas mantles between and among the various States of the United States, the territories thereof, the District of Columbia, and in the Dominion of Canada. Such purchasers, because of the agreements described in paragraph 3 hereof, have no source of supply for thorium nitrate except from the respondent.

PAR. 2. Respondent is now and ever since its organization has been the largest manufacturer of thorium nitrate and other monazite sand derivatives, and of gas mantles, in the United States and in the Dominion of Canada. For the purpose and with the effect of creating in respondent a monopoly in the sale of monazite sand, thorium nitrate, other monazite sand derivatives, and gas mantles, and of stifling and suppressing competition in the sale of monazite sand, thorium nitrate, other monazite sand derivatives, and gas mantles, and for the purpose and with the effect of restraining the export trade of the United States in monazite sand, thorium, thorium nitrate, other monazite sand derivatives, and gas mantles in interstate commerce and in foreign commerce, respondent has entered into various agreements, combinations, and conspiracies, hereinafter more particularly set forth in paragraph 3 hereof.

PAR. 3. In 1930 respondent entered into, and has since carried out, an agreement with (1) Deutsche Gasglulicht auer Gesellschaft, M.B. H., Berlin, which then controlled and which still controls the manufacture and sale in Austria and Germany of thorium, thorium nitrate, and other products derived from monazite sand, (2) Ste. Miniere & Industrielle Franco-Bresilienne, Paris, and Ste. de Produits Chimiques des Terres Rares, Paris, which together then controlled and still control the manufacture and sale in France of thorium, thorium nitrate, and other derivatives of monazite sand, (3) Thorium, Ltd., London, which, together with an affiliate, Traven-

core Minerals Co., Ltd., then controlled and still controls the manufacture and sale throughout the British Empire, excepting the Dominion of Canada (where the control of the manufacture and sale of such products then was held and still is held by the respondent), of thorium nitrate, thorium, and other derivatives of monazite sand, in which agreement the aforesaid companies agreed with the respondent not to export thorium or any product derived from monazite sand, except ferrocerium, to the United States or to Canada, in consideration of which respondent agreed to sell thorium, thorium nitrate, and other monazite derivatives only to gas mantle manufacturers in the United States and Canada and then only upon the agreements of such purchasers not to resell such thorium, thorium nitrate, and other monazite sand derivatives.

Respondent further agreed with said companies that it would not sell any products derived from the workings of monazite sand excepting to consumers of such products in the United States and in Canada and that it would require its purchasers of products derived from monazite sand to agree that such goods would not be exported. As a part of said agreements, Deutsche Gasglulicht auer Gesellschaft, M.B.H., undertook to bind and induce, and has since bound and induced, monazite sand producers in India, which country is the principal source of supply of monazite sand, to deliver monazite sand in Austria and Germany only to Deutsche Gasglulicht auer Gesellschaft, M.B.H.; in France only to Ste. Miniere & Industrielle Frando-Bresilienne and Ste. de Produits Chimiques des Terres Rares; in England only to Thorium, Ltd.; and in the United States of America only to the respondent, Lindsay Light Co.

By the terms of said agreement it is to continue in force and effect from April 9, 1930, to March 31, 1940. In August, 1930, respondent entered into, and has since carried out, an agreement with Travencore Minerals Company, Ltd., hereinabove mentioned, of London, England, which, with the said Thorium, Ltd., controlled and still controls the manufacture and sale of thorium nitrate throughout the British Empire, excepting Canada (where the control of the manufacture and sale of such products then was held and still is held by the respondent) by which agreement said Travencore Minerals Co., Ltd., agreed to furnish respondent with certain quantities of monazite sand and further not to offer for sale or sell monazite sand to anyone in the United States of America other than respondent, and further to use its best efforts to prevent its foreign customers from shipping monazite sand to the United States of America. By the terms of said agreement it is to continue in full force and effect from September 1, 1931, to August 31, 1934.

PAR. 4. Since their execution, the agreements mentioned in paragraph 3 hereof have been carried out by the parties signatories thereto; and Lindsay Light Co., respondent herein, in carrying out its part of such agreements, has sold thorium nitrate, thorium, and other derivatives of monazite sand, only in the United States of America and in the Dominion of Canada, requiring its purchasers, as a condition to their purchases, to agree not to resell thorium nitrate, thorium, and other derivatives of monazite sand so purchased from the respondent, and requiring such purchasers also to agree not to export from the United States or Canada thorium nitrate, thorium, and other monazite sand derivatives purchased from the respondent; and respondent, for the purpose of carrying out the said contracts, has refused further to sell certain of its purchasers because such purchasers had, in violation of their agreements with respondent, resold such thorium nitrate, thorium, and other monazite sand derivatives or had shipped in export trade from the United States and Canada thorium nitrate, thorium, and other monazite sand derivatives purchased from the respondent; and the other parties to the contracts mentioned in paragraph 3 hereof have carried out such agreements, and, as a consequence, have not sold thorium nitrate, other monazite sand derivatives or monazite sand to anyone in the United States of America or in Canada other than the respondent, Lindsay Light Co.

PAR. 5. The above alleged acts and practices of respondent are all to the prejudice of the public and respondent's competitors, have a dangerous tendency to unduly hinder competition and to create a monopoly in the United States in the sale in interstate commerce of monazite sand, thorium, thorium nitrate, and other monazite sand derivatives and in the sale in interstate commerce of gas mantles, have restrained the export trade of the United States in monazite sand, thorium nitrate, thorium, and other derivatives of monazite sand and have restrained commerce between the various States of the United States and foreign countries in monazite sand, thorium, thorium nitrate, and other derivatives of monazite sand, and constitute unfair methods of competition in interstate and foreign 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", approved September 26, 1914.

ORDER TO CEASE AND DESIST

The respondent herein having filed its answer to the complaint in this proceeding, and having subsequently filed with this Commission its motion that it be permitted to withdraw its said answer, that it

be permitted to waive hearing on the charges set forth in the said complaint and not to contest the said proceedings; and the respondent having consented that this Commission might make, enter and serve upon said respondent, as provided in paragraph 2 of Rule III of the Commission's Rules of Practice, an order to cease and desist from the methods of competition described in said complaint; and the Commission being fully advised in the premises:

It is hereby ordered, That the aforesaid motion be and the same is hereby granted;

And it is hereby further ordered, That the respondent, Lindsay Light Co., a corporation, its officers, agents, employees, and representatives forthwith cease and desist from carrying out and enforcing its certain agreement entered into by it on April 11, 1930, with (1) Deutsche Gasglulicht auer Ges. M.B.H., Berlin; (2) Thorium, Ltd., London; (3) Ste. de Produits Chimiques des Terres Rares, Paris; and (4) Ste. Miniere & Industrielle Franco Bresilienne, Paris, in which agreement the aforesaid companies agreed with said Lindsay Light Co., not to export thorium or any product derived from monazite sand, except ferrocerium, to the United States or to Canada, in consideration of which said Lindsay Light Co. agreed to sell thorium nitrate, thorium and other monazite sand derivatives only to gas mantle manufacturers in the United States and Canada and then only upon agreements of such purchasers not to resell such thorium, thorium nitrate and other monazite sand derivatives; and in which agreement said Lindsay Light Co. agreed with said companies that it would not sell any products derived from the workings of monazite sand excepting to consumers of such products in the United States and Canada, and that it, said Lindsay Light Co., would require its purchasers of products derived from monazite sand to agree that such goods would not be exported; and, in which said agreement the said Deutsche Gasglulicht auer Gesellschaft M.B.H. undertook to bind and induce monazite sand producers in India to deliver monazite sand in Austria and Germany only to Deutsche Gasglulicht auer Gesellschaft M.B.H.; in France only to Ste. Miniere & Industrielle Franco Bresilienne and Ste. de Produits Chimiques des Terres Rares; in England only to Thorium, Ltd.; and in the United States of America only to the said Lindsay Light Co.;

And it is hereby further ordered, That the said respondent, Lindsay Light Co., its officers, agents, employees, and representatives forthwith cease and desist from (1) entering into any other agreement of like tenor or substance, (2) entering into any agreement with any producer of thorium or of any other products derived from monazite sand by which agreements thorium or any other

products derived from monazite sand shall not be imported from any foreign country into the United States of America or exported from the United States of America to any foreign country, (3) agreeing with any manufacturer of thorium to sell thorium only in the United States of America and Canada or in any other restricted territory to gas mantle manufacturers and/or with a condition that such gas mantle manufacturers shall not resell such thorium, (4) agreeing with any producer, seller or manufacturer of thorium or other products derived from monazite sand not to sell products derived from the working of monazite sand except to consumers of said product in the United States and Canada or in any other restricted territory and/or with the provision that such products must not be exported by such purchasers, (5) entering into any agreement with any manufacturer of products derived from monazite sand by which agreement said manufacturers endeavor to bind monazite sand producers to deliver such monazite sand only to specified, named or designated parties;

And it is hereby further ordered, That the respondent, Lindsay Light Co., a corporation, its officers, agents, employees and representatives forthwith cease and desist from (1) entering into any agreement for the purchase of monazite sand by which agreement the seller of such monazite sand agrees not to offer or sell monazite sand to any individual, person, company or corporation in the United States other than the said Lindsay Light Co. and/or by which the seller agrees to prevent any of its customers from shipping monazite sand into the United States of America, and (2) enforcing those certain provisions of an agreement entered into on August 17, 1931, with Travencore Minerals Co., Ltd., for the purchase of monazite sand, by which provisions said Travencore Minerals Co., Ltd., agreed not to offer for sale or sell Indian monazite sand to any individual or company in the United States of America other than said Lindsay Light Co., and further agreed to lend its best efforts to prevent any of its foreign customers from shipping monazite sand into the United States of America;

And it is hereby further ordered, That the respondent, Lindsay Light Co., its officers, agents, employees, and representatives in the sale, or offering for sale in interstate and foreign commerce of thorium nitrate forthwith cease and desist from (1) requiring its purchasers of thorium nitrate to agree, as a condition of their purchases, not to resell thorium nitrate, and/or other derivatives of monazite sand so purchased from the respondent, (2) requiring such purchasers of thorium nitrate, thorium and other derivatives of monazite sand not to export from the United States or from Canada,

thorium nitrate, thorium, and other monazite sand derivatives purchased from the said respondent;

And it is hereby further ordered, That the respondent, Lindsay Light Co., its officers, agents, employees and representatives in the sale or offering for sale in interstate and foreign commerce of thorium nitrate, thorium and other monazite sand derivatives, forthwith cease and desist from refusing to sell thorium nitrate, thorium and other monazite sand derivatives, because its purchasers thereof have resold such products and/or have exported the same from the United States and/or from Canada;

And it is hereby further ordered, That the said respondent, Lindsay Light Co., its officers, directors and employees forthwith cease and desist from entering into any other combination, agreement, conspiracy or understanding for the purpose of, or with the effect of restricting or restraining the importation into the United States of America of monazite sand, thorium, thorium nitrate and other monazite sand derivatives, or for the purpose or with the effect of restraining or restricting the exporting from the United States to any foreign country or to any of the territories or insular possessions of the United States, monazite sand, thorium, thorium nitrate, and other montzite sand derivatives;

And it is hereby further ordered, That the said respondent Lindsay Light Co., shall, within 60 days from the day of the date of the service upon it of this order file with this Commission a report in writing setting forth the manner in which it has complied with this order.

IN THE MATTER OF
EMMETT MCGOWAN AND ROY HALL, COPARTNERS,
DOING BUSINESS UNDER THE FIRM NAME OF
MCGOWAN & HALL

COMPLAINT AND ORDER IN REGARD TO THE ALLEGED VIOLATION OF SEC. 5
OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914

Docket 2144. Complaint, Dec. 29, 1933—Order, Mar. 5, 1934

Consent order requiring respondent Hall, his agents, etc., in connection with the sale, advertisement, and offer for sale in interstate commerce of spark plugs, to cease and desist sale of such reconditioned articles, under such brand or trade names of the manufacturer as "Champion" and "AC", without stating and representing to the purchasers that said articles are used or defective spark plugs, repaired or reconditioned for further service; and without plainly marking on the boxes, cartons or other containers in which the same are sold or offered for sale that said spark plugs have been repaired or reconditioned.

Mr. Edward E. Reardon for the Commission.

COMPLAINT

Pursuant to the provisions 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", the Federal Trade Commission, having reason to believe that Emmett McGowan and Roy Hall, copartners, doing business under the firm name McGowan & Hall, hereinafter referred to as respondents, have been and now are using unfair methods of competition in commerce, as "commerce" is defined in said 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. The respondents Emmett McGowan and Roy Hall are residents of Minneapolis, Minn. Since on or about August 1, 1932, they have been and are now engaged in business as copartners under the firm name McGowan & Hall with a place of business at number 1102 East Twenty-fourth Street, Minneapolis.

PAR. 2. During all the times above mentioned respondents have been engaged in the course of their business as copartners, among other things, in the sale of spark plugs, used for ignition of gases in gasoline or gas engines, and the respondents have sold them and still sell them to purchasers located throughout the United States, dealers