accordingly:

It is ordered, That the respondents herein shall, within sixty (60) days after 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.

IN THE MATTER OF

DIAMOND CRYSTAL SALT CO.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF SEC. 7 OF THE CLAYTON ACT

Docket 7323. Complaint, Dec. 2, 1958—Decision, Feb. 4, 1960

Consent order requiring one of the nation's largest salt producers—

To divest itself absolutely, within six months, of all interests in the "Seneca Lake" property it acquired in the acquisition of Jefferson Island Salt Company, Louisville, Ky., in January 1957, together with mining rights on an adjacent property;

To refrain from selling such properties to any one under its control or to any other salt producer having annual production of dry salt in excess of 350,000 short tons over a five-year period;

To desist for ten years from acquiring the assets or stock of any other salt producer or distributor;

After such ten-year period, to give prior notice to the Commission of intention to acquire any such producer or distributor or to merge with another corporation; and

For ten years to make salt produced at its Jefferson Island plant available to other producers, as in the order below specified.

COMPLAINT

The Federal Trade Commission, having reason to believe that the party respondent named in the caption hereof and hereinafter more particularly designated and described, has violated and is now violating the provisions of Section 7 of the Clayton Act (U.S.C. Title 15, Sec. 18) as amended and approved December 29, 1950, hereby issues its complaint, charging as follows:

PARAGRAPH 1. (a) Respondent, Diamond Crystal Salt Co., hereinafter sometimes referred to as Diamond Crystal, is a corporation

organized on March 17, 1953, and doing business under and by virtue of the laws of the State of Michigan, with its office and principal place of business located at 916 South Riverside Drive, St. Clair, Michigan.

(b) The business of Diamond Crystal was originally founded in 1886 as the Diamond Crystal Salt Company, Inc., at St. Clair, Michigan. In 1929, the outstanding capital stock of Diamond Crystal Salt Company, Inc., was acquired by General Foods Corporation which dissolved the original corporation in 1946. Following the dissolution, the business, along with the operations of the Colonial Salt Company, Akron, Ohio, which was acquired in 1945, were continued as the Diamond Crystal-Colonial Salt Division of the General Foods Corporation. On March 30, 1953, Diamond Crystal purchased the assets and business of the Diamond Crystal-Colonial Salt Division from General Foods Corporation.

(c) Respondent is engaged in the business of producing and distributing sodium chloride, hereinafter sometimes referred to as salt. The salt produced by respondent is offered for sale, sold, and distributed to purchasers thereof located in various States of the United States and in the District of Columbia. In the course and conduct of its business, respondent has engaged in commerce, as "commerce" is defined in the Clayton Act, as amended.

(d) Diamond Crystal owns two salt producing plants, one located at St. Clair, Michigan that operates eleven salt wells, and another at Akron, Ohio that operates six salt wells. Diamond Crystal's salt reserves at St. Clair, Michigan and Akron, Ohio are substantial, and it also owns two proven but capped salt wells at Hammondsport, New York. Prior to January, 1957, Diamond Crystal was an evaporated salt producer, producing sodium chloride by the solution mining method of injecting water into underground deposits, creating salt wells, and pumping out artificial brine which is evaporated to produce salt. Evaporated salt of many types and grades is produced by Diamond Crystal for table use as well as for commercial and industrial purposes.

(e) Prior to January 1957, Diamond Crystal sold and distributed salt under the brand names, "Diamond Crystal," "Colonial," "Weather-Pruf," and "Shaker," among others. Sales of salt were made in various States of the United States and also exported, but the principal marketing territory of Diamond Crystal was East of the Mississippi River. Diamond Crystal sold salt, among others, to the following classes of customers: food processors, meat packers, grocery distributors, feed dealers and mixers, industrial consumers, chemical manufacturers, various governmental agencies, and other salt producers.

(f) Diamond Crystal is a growing and profitable concern which, at the end of 1956, was one of the five largest dry salt producers in the United States. During the first three years of its operations, from on or about April 1, 1953, to March 31, 1956, Diamond Crystal's net sales increased from $10,196,013 to $11,585,417, an increase of about 14 percent, and its net income increased from $363,920 to $909,473, an increase of about 150 percent. During this same period, its total assets increased from $7,375,416 to $8,966,902, an increase of about 22 percent.

PAR. 2. (a) Prior to January 1957, Jefferson Island Salt Company, hereinafter sometimes referred to as Jefferson Island, was a corporation organized on July 29, 1919, and doing business under and by virtue of the laws of the State of Delaware, with its principal office and place of business located at 136 St. Matthews Avenue, Louisville 7, Kentucky. The name of the corporation was changed in February, 1947, from Jefferson Island Salt Mining Company to Jefferson Island Salt Company.

(b) Jefferson Island was engaged in the business of producing and distributing sodium chloride. The salt produced by Jefferson Island was offered for sale, sold and distributed to purchasers thereof located in various States of the United States and in the District of Columbia. In the course and conduct of its business, Jefferson Island was engaged in commerce, as "commerce" is defined in the Clayton Act, as amended.

(c) Jefferson Island owned and operated a salt producing mine and processing plant, with railroad, truck and barge loading facilities located at New Iberia (Jefferson Island, P.O.), Louisiana. At this site, it controlled substantial salt reserves, owning or possessing mineral rights to salt deposits of an estimated depth of 25,000 feet, and of a purity ranging from 99.30 to 99.86 percent sodium chloride. Jefferson Island mined and extracted sodium chloride from this deposit by means of the room and pillar mining method. From a shaft that has been sunk into this deposit, large rooms have been cut out of pure salt. Salt is blasted loose, loaded into cars and hoisted to the surface for processing and refining. Jefferson Island was principally a rock salt producer, producing all types and grades of rock salt for table use as well as for commercial and industrial purposes.

(d) The Jefferson Island plant also had boilers, evaporators and other facilities and equipment for producing evaporated salt, and Jefferson Island produced a substantial quantity of evaporated salt for table use as well as for commercial and industrial purposes.

(e) Jefferson Island sold and distributed salt under the brand

names, "Jefferson Island," "Everready," "Old Rip," "Sof-T-Salt," "Champions Choice," "Big Steer," "Salt All" and "Self-Fed," among others. Sales of salt were made in various States of the United States East of the Rocky Mountains and for export, however, the principal marketing territory of Jefferson Island was East of the Mississippi River. Jefferson Island sold salt, among others, to the following classes of customers: food processors, meat packers, grocery distributors, feed dealers and mixers, industrial consumers, chemical manufacturers, various governmental agencies, and other salt producers.

(f) Prior to January, 1957, Jefferson Island was the largest independent dry salt producer in the South and was one of the six largest dry salt producers in the United States. Jefferson Island's net sales increased from approximately $3,425,000 for the year ended December 31, 1950, to $3,802,638 for the eleven months ended November 30, 1956, an increase of about 11 percent. Its net income increased from about $309,000 for the year ended December 31, 1950 to $508,670 for the eleven months ended November 30, 1956, an increase of about 64 percent. During this same period its total asset increased from approximately $2,890,000 in 1950 to $4,022,120 as of November 30, 1956, an increase of about 39 percent.

PAR. 3. (a) Sodium chloride, or salt, is one of the oldest, most commonly used and widely distributed mineral materials. In its natural state, it is generally found in two forms, as solid rock salt and as natural brine, and it is produced commercially from either form. Sodium chloride is the same chemically, wherever found, containing 39.34 percent sodium and 60.66 percent chloride. It is produced and sold commercially in a dry state for table use and for various other commercial and industrial purposes.

(b) For marketing purposes in the dry salt industry, there are two basic salt products, rock salt and evaporated salt. Rock salt and evaporated salt are functionally interchangeable for many uses. However, evaporated salt is used for some purposes for which rock salt may not be feasible, desirable, or advisable.

(c) The terms "sodium chloride" or "salt," as used in this complaint, refer to salt as produced and sold commercially in a dry state and include both evaporated salt and rock salt. As used herein, said terms do not include brine such as that which is produced and consumed by the chemical industry and is not marketed as dry salt.

(d) Sodium chloride, or salt, is produced by salt producers in the United States by means of three basic production methods, dry mining, solution mining and solar production.

(e) The production by dry mining involves the sinking of mine

shafts into underground salt beds or domes from which rock salt is excavated and transported to the surface. The excavated rock salt is then processed by being crushed, screened and refined into various types and grades of salt. The sodium chloride produced by this process is known as rock salt. Rock salt after being mined may be, and sometimes is, reduced to artificial brine from which evaporated salt is produced.

(f) The production by solution mining involves the extraction of salt from underground salt beds and domes by means of the injection of water into such cavities that melts the salt and forms wells of artificial brine. The brine is then pumped to the surface and evaporated. The salt resulting from the evaporation is then processed and refined into various types and grades of salt. The sodium chloride produced by this process is known as evaporated salt. This method of salt production is employed where the salt deposits are so far below the earth's surface as to make it impractical or impossible to remove the rock salt by sinking mine shafts down into such deposits.

(g) Solar production is another method of producing evaporated salt. This method involves the use of sea water, salt water from lakes or other natural brines which is evaporated from beds by exposure to the sun. The resulting salt in the beds is then processed and refined into various types and grades of salt.

(h) Sodium chloride produced by any of these three basic production methods may be processed or refined to meet particular user specifications or preferences with respect to the size and shape of the salt crystal, as well as the chemical and/or biological purity of the salt. In addition, various chemicals and/or minerals are sometimes added to either rock salt or evaporated salt to meet user specifications.

PAR. 4. (a) Prior to January 1957, Diamond Crystal and its predecessors and Jefferson Island were, and had been for many years, substantial dry salt producers. Diamond Crystal's two salt producing plants had a total annual productive capacity of approximately 495,000 short tons of evaporated salt. Approximately 255,000 short tons of this capacity, or 52 percent, consisted of Alberger evaporated salt, approximately 215,000 short tons, or 43 percent, vacuum pan evaporated salt, and approximately 25,000 short tons, or 5 percent, pressed block salt. The pressed block salt capacity could be increased approximately 25,000 short tons or an additional 5 percent, by decreasing the Alberger or vacuum pan capacities.

(b) Jefferson Island's plant had a total annual productive capacity of approximately 700,000 short tons of salt of which approxi-

mately 665,000 short tons, or 95 percent, consisted of rock salt and approximately 35,000 short tons, or 5 percent, consisted of vacuum pan evaporated salt. Of the approximately 665,000 short tons of rock salt capacity, approximately 30,000 short tons, or 4 percent, consisted of pressed block rock salt.

(c) In 1955, Diamond Crystal was the fourth largest dry salt producer in the United States, with shipments of 434,043 short tons of dry salt, or 4.7 percent of all dry salt sold or used by the dry salt producing industry. Diamond Crystal was the third largest producer of evaporated salt, as its shipments of 434,043 short tons represented 10.9 percent of all evaporated salt sold or used by the dry salt producing industry in the United States in 1955.

(d) In 1955, Jefferson Island was the sixth largest dry salt producer in the United States, with shipments of 388,771 short tons of dry salt, or 4.2 percent of the total dry salt sold or used by the dry salt producing industry. Jefferson Island was the third largest producer of rock salt sold or used in 1955 in the United States, as its shipments of 365,548 short tons of rock salt represented 6.9 percent of the total rock salt sold or used by the dry salt producing industry. Jefferson Island also shipped 23,223 short tons of evaporated salt, or .6 percent of the total evaporated salt sold or used by the dry salt producing industry in the United States in 1955.

PAR. 5. (a) The dry salt industry in the United States is highly concentrated in that the six largest dry salt producers, including Diamond Crystal and Jefferson Island, shipped in excess of three-fourths of the total dry salt sold or used in the United States in 1955. The dry salt producing industry in the United States, including Hawaii and Puerto Rico, in 1955 consisted of 48 dry salt producers, which sold or used 5,293,282 short tons of rock salt and 3,986,967 short tons of evaporated salt, or a total of 9,280,249 short tons of dry salt. In 1955 the six largest dry salt producers in the United States shipped 7,281,859 short tons, or 78.5 percent of the 9,280,249 short tons of the total dry salt sold or used by dry salt producers in the United States.

(b) Of the 5,293,282 short tons of rock salt sold or used by dry salt producers in the United States in 1955, the three largest rock salt producers, including Jefferson Island, shipped 3,661,299 short tons of rock salt, or 69.1 percent, of the total rock salt sold or used by dry salt producers.

(c) Of the 3,986,967 short tons of evaporated salt sold or used by dry salt producers in the United States, including Hawaii and Puerto Rico, in 1955 the five largest evaporated salt producers, including Diamond Crystal, shipped 2,984,859 short tons of evaporated

salt, or 74.9 percent of the total evaporated salt sold or used by dry salt producers.

(d) In 1940 there were 62 dry salt producers in the United States, including Hawaii and Puerto Rico, which sold or used 5,048,289 short tons of dry salt, as compared with the 48 dry salt producers which sold or used 9,280,249 short tons of dry salt in 1955. Between 1940 and 1955, the number of dry salt producers in the United States decreased by 14 or 22.6 percent, while the amount of dry salt sold or used by the dry salt producing industry increased 4,231,960 short tons, or 83.8 percent.

(e) The dry salt producing industry is difficult for a new producer to enter. Entry into the business is limited because of the heavy capital outlays required for resources, plant and equipment; the unavailability to new entrants of commercially usable salt resources; the large expenditures required to obtain business and overcome public acceptance of entrenched suppliers and brands; the inelasticity of demand for salt; the high degree of concentration of resources and production facilities in the industry; and the substantial idle capacity in the industry.

PAR. 6. On or about January 4, 1957, respondent entered into an agreement to purchase not less than 90 percent of the 40,122 issued and outstanding shares of common stock of Jefferson Island at $125.00 per share or in excess of $5,000,000 in the aggregate for all of the 40,122 issued and outstanding shares. This agreement was consummated on or about January 10, 1957, and respondent thereby acquired control and ownership of Jefferson Island. Respondent operated Jefferson Island as a subsidiary until on or about April 1, 1957, after which Jefferson Island was dissolved and its assets and business were merged into respondent.

PAR. 7. (a) Prior to January 1957, substantial competition, and substantial potential competition, existed between Diamond Crystal and Jefferson Island, and between them and others, in the sale and distribution of dry sodium chloride in interstate commerce in the area of the United States, East of the Rocky Mountains, and especially in the southeastern part of the United States in the nine state area of Louisiana, Mississippi, Alabama, Florida, Georgia, South Carolina, North Carolina, Kentucky and Tennessee and in various parts thereof.

(b) In 1955, Jefferson Island ranked third in dry salt shipments in the aforesaid nine state area. Jefferson Island shipped 229,636 short tons of dry salt, or 21.4 percent, and Diamond Crystal shipped 38,252 short tons of dry salt, or 3.6 percent of the 1,072,347 short tons of dry salt sold or used in the said nine state area in 1955.

On the basis of the 1955 shipments, Diamond Crystal now has 25 percent of the dry salt business and ranks third in the industry in the said area.

(c) The shares of the dry salt market which Diamond Crystal and Jefferson Island had in each State of the aforesaid nine state area in 1955, and, on this basis, the combined share of said market that Diamond Crystal now has as a result of the acquisition is as follows:

State	Diamond Crystal	Jefferson Island	Diamond Crystal and Jefferson Island
Louisiana	.3	39.5	39.8
Mississippi	2.7	17.3	20.0
Alabama	2.3	18.8	21.1
Florida	1.4	17.2	18.6
Georgia	4.5	15.3	19.8
South Carolina	5.3	14.1	19.4
North Carolina	6.6	15.2	21.8
Kentucky	3.1	22.9	26.0
Tennessee	6.8	19.7	26.5

(d) On the basis of 1955 shipments of dry salt in the aforesaid nine state area, Diamond Crystal and the two largest dry salt producers in the United States now control over 90 percent of total shipments of dry salt made in said area. On this basis, the acquisition increased the share of the nine state area market held by the three largest dry salt producers doing business in said market from 86.6 percent to 90.1 percent. On the basis of 1955 shipments, the combined share of the dry salt market which Diamond Crystal-Jefferson Island and the two largest dry salt producers in the United States now control in each State of the said nine state area, as a result of acquisition, is as follows:

State of destination	*Percentage of shipments*
Louisiana	90.0
Mississippi	71.4
Alabama	93.4
Florida	85.0
Georgia	81.5
South Carolina	93.5
North Carolina	98.2
Kentucky	94.3
Tennessee	84.0

(e) In 1955, Diamond Crystal shipped 38,252 short tons of evaporated salt, or 16.1 percent, and Jefferson Island 12,752 short tons of evaporated salt, or 5.4 percent of the 237,121 short tons of evaporated salt shipped in the aforesaid nine state area. As a result of the acquisition, Diamond Crystal, on the basis of 1955 evaporated

salt shipments, now has 21.5 percent of the evaporated salt shipments in the said area market.

The shares of the evaporated salt market which Diamond Crystal and Jefferson Island had in each State of the said nine state area in 1955, and, on this basis, the combined share of said area market that Diamond Crystal now has as a result of the acquisition is as follows:

State	Diamond Crystal	Jefferson Island	Diamond Crystal and Jefferson Island
Louisiana	2.5	6.7	9.2
Mississippi	13.3	10.0	23.3
Alabama	23.7	6.0	29.7
Florida	6.1	3.6	9.7
Georgia	16.7	4.3	21.0
South Carolina	14.5	6.4	20.9
North Carolina	16.1	3.5	19.6
Kentucky	16.2	6.6	22.8
Tennessee	22.9	6.3	29.2

(f) On the basis of 1955 shipments of evaporated salt in the aforesaid nine state area, Diamond Crystal and the two largest dry salt producers in the United States now control over 78 percent of all shipments of evaporated salt made in said area market. On this basis the acquisition increased the share of the said nine state area market held by the three largest dry salt producers doing business in said market from 73.2 percent to 78.6 percent. On the basis of 1955 shipments, the combined share of the evaporated salt market which Diamond Crystal-Jefferson Island and the two largest dry salt producers in the United States now control in each State of the said nine state area, as a result of the acquisition, is as follows:

State of destination	*Percentage of sales*
Louisiana	49.6
Mississippi	53.2
Alabama	58.2
Florida	89.5
Georgia	79.8
South Carolina	96.6
North Carolina	94.4
Kentucky	82.9
Tennessee	68.1

PAR. 8. The aforesaid acquisition by respondent of Jefferson Island may have the effect of substantially lessening competition or tending to create a monopoly in the production and sale of dry sodium chloride, including both evaporated and rock salt, and in the production and sale of evaporated salt and of rock salt separately, in commerce, as "commerce" is defined in the Clayton Act.

More specifically, the aforesaid effects include the actual or potential lessening of competition or a tendency to create a monopoly in violation of Section 7 of the Clayton Act, as amended, in the following ways, among others:

(a) Actual and potential competition between respondent and Jefferson Island has been, and will be, eliminated in the production and sale of dry sodium chloride, including both evaporated and rock salt, and in the production and sale of evaporated salt and of rock salt separately, in the areas in which they competed, and especially in the aforesaid nine state area and in various parts thereof;

(b) The acquisition of Jefferson Island substantially increases respondent's salt resources, productive facilities, share of the dry sodium chloride, and evaporated salt and rock salt markets, and overall position in the dry salt producing industry, thus increasing and enhancing respondent's competitive advantage over other dry salt producers to the detriment of actual or potential competition;

(c) By substantially increasing the productive and competitive position of respondent in the areas designated which may be to the detriment of actual or potential competition;

(d) Jefferson Island has been permanently eliminated as an independent source of both rock salt and evaporated salt, and this may cause single line producers of either crushed rock salt or evaporated salt that would otherwise have purchased from Jefferson Island to become dependent upon respondent, which is, or may be, one of their principal competitors;

(e) Jefferson Island has been permanently eliminated as one of the substantial independent producers of dry sodium chloride, including both evaporated salt and rock salt and of evaporated salt and of rock salt separately, and is no longer a competitive factor in the areas designated;

(f) Concentration generally has been further increased and enhanced in the dry salt industry in that the salt resources, production facilities and shares of the dry salt market held by respondent and the two largest dry salt producers in the United States have been greatly increased which has been or may be substantially to lessen competition;

(g) Entry into the dry salt producing business has been or may be discouraged because of the dominant position respondent and two other dry salt producers now occupy in the industry in the areas in which they competed, and especially in the aforesaid nine state area, and in various parts thereof, which has been or may be substantially to lessen competition;

(h) Actual and potential competition generally in the production

and sale of dry sodium chloride, including both evaporated and rock salt, and in the production and sale of evaporated salt and of rock salt separately, has been, and may be, substantially lessened, and industry wide concentration in the production and sale of such products, separately and collectively, has been or may be increased.

PAR. 9. The foregoing acquisition, acts and practices of respondent, as hereinbefore alleged and set forth, constitute a violation of Section 7 of the Clayton Act (U.S.C. Title 15, Section 18) as amended and approved December 29, 1950.

Mr. William J. Boyd, Jr. and *Mr. Arthur J. Hessburg* for the Commission.

Dickinson, Wright, Davis, McKean & Cudlip, by *Mr. Edward P. Wright*, of Detroit, Mich., for respondent.

INITIAL DECISION BY WALTER R. JOHNSON, HEARING EXAMINER

In the complaint dated December 2, 1958, the respondent is charged with violating the provisions of section 7 of the Clayton Act, as amended.

On February 9, 1959, respondent filed its answer to the complaint herein. A number of hearings were held for the reception of evidence in support of the allegations of the complaint. Thereafter, on November 16, 1959, there was submitted to the undersigned hearing examiner an agreement between respondent, its attorney, and counsel supporting the complaint, providing for entry of a consent order to cease and desist and to divest.

Under the foregoing agreement, the respondent admits the jurisdictional facts alleged in the complaint. The parties agree, among other things, that the order to cease and desist and to divest there set forth may be entered without further notice and have the same force and effect as if entered after a full hearing and the document includes a waiver by the respondent of all rights to challenge or contest the validity of the order issuing in accordance therewith. The agreement further recites that it is for settlement purposes only and does not constitute an admission by the respondent that it has violated the law as alleged in the complaint.

The hearing examiner finds that the content of the agreement meets all of the requirements of section 3.25(b) of the Rules of the Commission.

The hearing examiner having considered the agreement and proposed order, and being of the opinion that they provide an appropriate basis for settlement and disposition of this proceeding, the agreement is hereby accepted, the following jurisdictional findings made, and the following order issued.

1. Respondent, Diamond Crystal Salt Co., is a corporation existing and doing business under and by virtue of the laws of the State of Michigan, with its office and principal place of business located at 916 South Riverside Drive, in the City of St. Clair, State of Michigan.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent.

ORDER

(1) *It is ordered*, That respondent, Diamond Crystal Salt Co., shall divest itself absolutely, in good faith, of all right, title, and interest, real and personal, in the property described in the next succeeding paragraph of this order, located in the Seneca Lake region in the State of New York, consisting of whatever real estate, appurtenances, attachments, facilities, mining rights, and other interests in such property, which respondent acquired from the former Jefferson Island Salt Company at the time the stock, business, and assets of the said Jefferson Island Salt Company were acquired by respondent.

The aforementioned Seneca Lake property may be more particularly described as all that tract or parcel of land, situate in the Town of Reading, County of Schuyler, and State of New York, lying east of the Northern Central Division of the Pennsylvania Railroad, bounded on the east by the shores of Seneca Lake, on the north by lands of William Davis, on the west by lands of the Northern Central Division of the Pennsylvania Railroad, and on the south by lands of the Watkins State Bank; being that portion of the so-called Baker Farm lying east of the aforesaid railroad consisting of 16 acres of land more or less; together with mining rights on that portion of the Baker Farm lying west of said railroad and east of the so called Lake Road, consisting of 54 acres of land more or less.

Such divestiture shall be completed within six months from the date of this order, and shall consist of the disposition by respondent of all right, title, and interest, real and personal, in the above described "Seneca Lake" property currently owned by respondent. Respondent shall not sell or transfer any such right, title, or interest, directly or indirectly, to any officer, director, employee, distributor, agent, or subsidiary of, or any one otherwise directly or indirectly under the control or influence of, respondent or any of its officers or directors, nor shall respondent sell or transfer any such right, title and interest in said "Seneca Lake" property to any other salt

producer whose annual production of dry salt averaged in excess of 350,000 short tons during the five calendar years, 1954–1958.

(2) *It is provided, however*, That if any property or interest is not sold or disposed of entirely for cash, nothing herein contained shall be deemed to prohibit respondent from retaining, accepting, and enforcing a bona fide lien, mortgage, deed of trust, or other form of security on said property or other interest for the purpose of securing to respondent full payment of the price at which said property is disposed of or sold, and

(3) *Provided further*, That if, after a good faith divestiture of the aforesaid property or interest, the buyer fails to perform his purchase obligation to respondent and respondent thereby regains ownership or control over the aforesaid property, respondent shall redivest itself of the property and other interests within three months in the same manner as ordered originally.

The term "salt" as used herein, shall mean a mineral containing recoverable sodium chloride in commercial quantities.

The term "commerce" as used herein shall mean " commerce" as defined in the Clayton Act, as amended.

(4) *It is further ordered*, That for a period of ten years from the date of issuance of this order by the Federal Trade Commission, respondent shall cease and desist from acquiring, directly or indirectly, through subsidiaries or otherwise, by merger, consolidation, or purchase, the physical assets, stock, share capital of, or any other interest in any corporation, in commerce, engaged in the business of producing and/or distributing salt in any form, specifically including salt in a dry state produced by any dry mining method, or produced by an evaporation method, and salt in brine.

(5) *It is further ordered*, That if at any time after ten years from the date of issuance of this order by the Federal Trade Commission, respondent intends to acquire, directly or indirectly, through subsidiaries or otherwise, by merger, consolidation, or purchase, the physical assets, stock, share capital of, or any other interest in any corporation engaged in the business of producing and/or distributing salt, as hereinbefore described, in any form, in commerce, or respondent intends to sell, merge, or consolidate the whole or any part of its stock or other share capital, or the whole or any part of its assets, with another corporation, in commerce, respondent shall notify the Commission at least 90 days prior to the effective date of the proposed acquisition, consolidation, merger, or sale, and submit to the Commission, for its consideration full and complete disclosure of the facts with respect to such proposed acquisition, consolidation, merger, or sale, and the reasons therefor.

Nothing contained in either of the two preceding paragraphs shall preclude respondent from buying or selling, from any seller or to any buyer, physical assets retired by it or by the seller from salt production or not directly related to the production of salt.

(6) *It is ordered*, That for a period of ten years from the date of the issuance of this order by the Federal Trade Commission, respondent shall cease and desist from selling more than 70% of the total annual production of Rock Salt mined at the respondent's plant at Jefferson Island, Louisiana until amounts not exceeding 30% of such Rock Salt have been made available in good faith in accordance with respondent's regular credit requirements, and at respondent's regular prices, terms and conditions, and in weights and packages, types and grades, regularly produced at respondent's Jefferson Island plant, to all other producers of salt for sale who do not have resources and facilities for the production of Louisiana Rock Salt by means of a dry mining method (or who, to the knowledge of respondent, are not owned or controlled by others possessing such resources and facilities), the amount to be offered in each of respondent's fiscal years to each such qualifying producer to be not less than the largest amount purchased by any of such qualified producers in any one of the five years prior to respondent's acquisition of Jefferson Island Salt Company. After any such producer shall have purchased such Rock Salt from respondent for three consecutive fiscal years after the date of this order in an aggregate amount not less than its total annual entitlement hereunder, respondent shall on such producer's request negotiate in good faith with such producer for a long term contract to provide such producer with such salt in an annual amount not required hereby to be greater than 25,000 tons, or five percent, of respondent's annual production at its Jefferson Island plant, whichever shall be the lesser amount; or any such producer may after such three year period, in lieu of negotiating for such a long term contract, purchase annually thereafter 106 percent of the amount such producer had purchased in any preceding year during the ten year period subsequent to the date of this order. No such sales need be made on delivery schedules at a rate or rates which for any two consecutive calendar months would exceed 25% of the total annual stipulated entitlement of the purchaser hereunder nor on delivery schedule incompatible with production limitations applying to particular types and grades. Respondent will be deemed to have made such Rock Salt available in good faith within the meaning of this paragraph *inter alia*, if it has during January of each calendar year made an offer in writing in accordance with the provisions of this order to every producer of salt for sale known by it to be qualified hereunder.

(7) *Provided, however*, That nothing contained in the preceding paragraph shall require respondent to make available to the producers of salt for sale who qualify under the provisions of the preceding paragraph and to present non-consuming purchasers with long term contracts, an aggregate amount of more than 30% of its annual production of Jefferson Island Rock Salt.

The term "annual production," as used herein, shall mean (i) for any calendar year during the ten year period subsequent to the date of this order, the number of tons of Rock Salt produced for sale by respondent at its plant at Jefferson Island, Louisiana in the preceding calendar year, and (ii) for any period less than a calendar year, the number of tons of Rock Salt so produced during the corresponding period in the preceding calendar year.

Nothing contained in this order shall be considered to have been violated by any action or inaction of respondent over which respondent shall have had no control, where such action or inaction shall have been occasioned by war, civil insurrection, strikes, embargoes, catastrophies, or Acts of God.

Jurisdiction is retained so that respondent may at any time hereafter petition the Commission for construction or modification of this order which the Commission will consider and, upon proper showing by respondent, allow to the extent it finds such construction or modification to be warranted and consistent with Section 7 of the Clayton Act, as amended.

DECISION OF THE COMMISSION AND ORDER TO FILE REPORT OF COMPLIANCE

This matter having come on to be heard by the Commission upon its review of the hearing examiner's initial decision filed on November 19, 1959, and the Commission having determined that said initial decision is adequate and appropriate in all respects to dispose of this proceeding:

It is ordered, That the aforesaid initial decision be, and it hereby is, adopted as the decision of the Commission.

It is further ordered, That the respondent Diamond Crystal Salt Co. shall, within sixty (60) days from the date of service of this order, (1) submit a report, in writing, setting forth in detail the manner and form in which it has complied with Paragraphs 4, 5 and 6 of the order to cease and desist and to divest contained in said initial decision, and (2) further submit, in writing, for the consideration and approval of the Commission its plan for compliance with Paragraph 1 of said order and its related provisions respecting divestiture, including the date within which compliance can be effected, the time for filing of report of compliance with the