

UNITED STATES v. BUTTON EXPORT & TRADING CORPORATION AND OTHERS.

IN THE DISTRICT COURT OF THE UNITED STATES,
SOUTHERN DISTRICT OF IOWA.

Equity No. 4019.

THE UNITED STATES OF AMERICA, PETITIONER,

VS.

BUTTON EXPORT & TRADING CORPORATION AND OTHERS,
DEFENDANTS.

FINAL DECREE.

This cause having come on for hearing upon the motion of the petitioner for a decree, the court, upon consideration of the pleadings and of the consent of defendants, finds, orders, and decrees as follows:

1. Defendants Button Export & Trading Corporation, George Birrell, Inc., and the following defendant corporations and individuals, hereinafter referred to as defendant manufacturers: American Pearl Button Company, Automatic Button Company, The Hawkeye Pearl Button Company, Hanover Pearl Button Company, Iowa Pearl Button Company, United States Button Company, Weber & Sons Button Company, Davenport Pearl Button Company, Tri-City Button Company, The Empire City Pearl Button Works, Hampshire Pearl Button Company, Pioneer Pearl Button Company, Vienna Pearl Button Company, Inc., La Grange Pearl Button Company, The Nord-Buffum Pearl Button Company, Mississippi Pearl Button Company, Charles B. Melish, Charles M. Howell, Wisconsin Pearl Button Company, Leo H. Hirsch, Samuel Fisher, Lionel Goldfrank, and James S. McKee have been engaged in the unlawful combination and conspiracy described in the petition, in restraint of interstate trade and commerce in pearl buttons and in mussel shells, the raw material from which the buttons are made, and in the unfinished buttons, or discs cut from mussel shells, into the sizes and shapes desired, called "blanks," to fix

throughout the United States the prices at which the defendant manufacturers were to sell and have sold the buttons produced by them and the prices which they were to pay and have paid for the shells and blanks required by them, in violation of the anti-trust laws of the United States.

2. The means and methods by which the objects of the combination and conspiracy were intended to be and were accomplished include the following, more fully set out in the petition :

(a) Adoption through an association known as the Button Manufacturers' Association, in which all the defendant manufacturers were members, of a system requiring each member to make weekly reports showing in detail purchases of shells and production and sales of buttons, the said reporting system being designed to bring about by concerted action of the defendant manufacturers uniformity in prices to be paid for blanks and shells and in the prices at which buttons were to be sold.

(b) Organization of the defendant Button Export & Trading Corporation, all of the capital stock of which was subscribed for and held by the defendant manufacturers, and the purchase through that corporation of the entire output of certain patented automatic button machines manufactured exclusively by the Barry Company, of Muscatine, Iowa, for distribution among the defendant manufacturers, as provided in a certain contract of February 7, 1917, between the Button Export & Trading Corporation and the Barry Company, annexed as Exhibit A to the petition.

(c) Entering by the defendant manufacturers into a plan under which the defendant George Birrell, Inc., was constituted their agent to buy for them practically all of the shells required by them respectively, at agreed prices, thus placing in George Birrell, Inc., the power to control in their interest the prices to be paid to the producers of shells.

(d) Requiring and attempting to require persons engaged in the cutting of blanks, called "blank cutters," to

enter into contracts under which the entire output of each blank cutter was to be sold to a particular defendant manufacturer and the supplies of shells required by the blank cutter were to be obtained from George Birrell, Inc., or from the particular defendant manufacturer to which blanks were to be supplied, with the purpose of eliminating competition among the defendant manufacturers in the purchase of blanks and on the part of the blank cutters in the purchase of shells.

3. Defendants and each of them, their officers, agents, and employees, are perpetually enjoined from doing any act in pursuance of or for the purpose of carrying out the above-described combination and conspiracy and from entering into or continuing any similar combination and conspiracy to restrain inter-state trade and commerce in buttons, blanks and shells, by the means hereinabove described or by any other means of a similar kind or character.

4. Defendant manufacturers and each of them, their officers, agents, and employees, are perpetually enjoined from:

(a) Adopting or following the reporting system hereinabove described, or any similar system designed to fix and establish by concerted action uniform prices for the purchase of blanks and shells and for the sale of buttons through any association which may be organized by them, or through any other agency or means whatever.

(b) Purchasing concertedly their requirements of shells through George Birrell, Inc., or other exclusive agency, and from fixing by concerted action prices to be paid to the shell diggers.

(c) Requiring or attempting to require by concerted action any blank cutter to enter into an agreement or understanding with any particular defendant manufacturer to sell blanks to such manufacturer exclusively or to purchase supplies of shells from such manufacturer or George Birrell, Inc., exclusively.

5. Defendant Button Export & Trading Corporation and the defendant manufacturers are enjoined from using

the above-mentioned contract of February 7, 1917, with the Barry Company as a means to prevent persons, firms, and corporations that are now engaged or may hereafter desire to engage in the manufacture of buttons from obtaining the patented button machines hereinbefore referred to as made by the Barry Company and indispensable in the manufacture of buttons; and, to that end, if there be a demand therefor, they are hereby required to establish a supply of button machines by setting aside one machine out of every four manufactured thereafter under the said contract and to sell from the supply so established at the prices, terms, and conditions of delivery specified in the said contract to any person, firm, or corporation desiring to purchase a machine or machines. Should the supply so created prove to be inadequate or excessive, or should any dispute arise as to the distribution thereof, any person having an interest in the subject matter may apply to the court by motion or petition in this cause for a revision of the number of machines constituting said supply and the determination of the just and proper distribution thereof.

6. Defendants shall pay the costs of this proceeding to be taxed.

MARTIN J. WADE,
United States District Judge.

JUNE 28, 1918.