

Trade Regulation Reporter - Trade Cases (1932 - 1992), United States v. William S. Gray Co., et al., U.S. District Court, S.D. New York, 1950-1951 Trade Cases ¶62,532, (Dec. 12, 1949)

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United States v. William S. Gray Co., et al.

1950-1951 Trade Cases ¶62,532. U.S. District Court, S.D. New York. Civil No. 27-145. December 12, 1949.

Sherman Antitrust Act

Consent Judgment—Wood Alcohol Industry—Price Fixing, Exclusive Sales and Quota Arrangements Prohibited.—Manufacturers and distributors of wood alcohol consent to refrain from combining, conspiring or agreeing to control sales prices of methanol, control amount of production, induce appointment of exclusive sales agents, assign sales quotas, or insure identical net sales prices. Provisions are made for access of the government to books and documents upon proper notice, compliance reports are required upon reasonable demand, and jurisdiction is retained for enforcement of the judgment and to entertain motions for modification thereof.

For the plaintiff: Herbert A. Bergson, Assistant Attorney General; Irving H. Saypol, United States Attorney; Sigmund Timberg, Melville C. Williams and Irving B. Glickfeld, Special Assistants to the Attorney General; Daniel Reich and Morris F. Klein, Special Attorneys.

For the defendants: Rathbone, Perry, Kelley & Drye, for William S. Gray & Co., Clifford G. Dixon and Wm. F. Hencken; Milbank, Tweed, Hope & Hadley, for Crossett Chemical Co. and Edward C. Crossett; Fletcher & Brown, for Goodman Lumber Co., Thomas Kerry Co., Inc., Newberry Lumber & Chemical Co., Wm. J. Merwin, Robert B. Goodman, George C. Rees and Phillip S. Hamilton; Corbin & Bennett, for Cliffs-Dow Chemical Co.; Wood, Molloy & France, for Beatrice A. Treyz; Louis F. Huttenlocher, for Morris Chemical Co. and John M. Hilton; Hancock Griffin, Jr. (Smith, Ristig & Smith; Canale, Glankler, Loch & Little; Armistead, Waller, Davis & Lansden), for Bradford Wood Products Co., Maryland Wood Products Co. and Katherine McCullough, Wood Distillers Corp., Wood Chemical Institute, Clawson Chemical Co., Custer City Chemical Co., Genesee Chemical Co., Gray Chemical Co., Kinsua Valley Chemical Co., Mayburg Chemical Co., Otto Chemical Co., Chester L. Burt, W. H. Gallup, R. M. Hancock, R. M. Cartwright, R. E. Cartwright, Wm. R. Liepold, J. R. Lavens, Robert R. Lyman, C. C. Valentine, W. L. Heim, James H. Heim, S. H. Kohn, W. F. Swanson, Clyde A. Saunders and Joseph A. McCormack, Forest Products Chemical Co. and Wm. H. Matthews, Tennessee Products Corp., and Carl McFarlin.

Final Judgment

The plaintiff, United States of America, having filed its complaint herein on August 29, 1944 the consenting defendants having appeared and severally filed their answers to such complaint denying the substantive allegations thereof and the plaintiff and said defendants, by their respective attorneys, having severally consented to the entry of this Final Judgment herein and without this judgment constituting any admission in respect of any issue herein;

NOW, THEREFORE, before the taking of any testimony and not upon any evidence and without adjudication of any issue of fact or law herein, and upon the consent as aforesaid of all the parties hereto to this judgment, it is hereby

ORDERED, ADJUDGED AND DECREED AS FOLLOWS:

I

This Court has jurisdiction of the subject matter of this action and of the undersigned parties; the complaint states a cause of action against these defendants under [Sections 1](#) and [2 of the Sherman Act](#).

II

[*Definitions*]

As used in this judgment:

(A) "Methanol" means methyl alcohol made from the destructive distillation of wood (commonly known as wood alcohol) whether in its crude form, or in its various refined grades, or any of them. It does not include synthetic methanol.

(B) "Person" means any individual, firm or corporation.

(C) "Producer-defendant" means any defendant that produces methanol.

III

The provisions of this judgment applicable to any corporate defendant shall apply to such defendant, its officers, directors, agents, employees, assigns, and all other persons acting under through, or for such defendant.

IV

[*Agreements and Practices Prohibited*]

The consenting defendants are severally and jointly enjoined and restrained from combining or conspiring with each other or with any other manufacturer, seller or distributor of methanol, or from entering into, adhering to, renewing, maintaining, or furthering, directly or indirectly, or claiming any rights under any contract, agreement, understanding or concerted plan of action among themselves, or with any other manufacturer, seller, or distributor of methanol:

(a) to control, raise, fix, stabilize or maintain prices at which methanol is to be sold, except in the case of defendant, William S. Gray & Co., to the limited extent permitted by Section V of this judgment;

(b) to control, limit, or fix amounts of methanol to be produced, except in the case of defendant, William S. Gray & Co., to the limited extent permitted by Section V of this judgment;

(c) to compel or induce any defendant or any other person to appoint defendant William S. Gray & Co., or any other person, its sales agent or sales representative for methanol;

(d) to require or induce purchasers of methanol to deal only with defendant William S. Gray & Co., or any other person;

(e) to discuss and agree with the defendant William S. Gray & Co., or any other person regarding the quantity of methanol to be produced by any producer defendant or any price to be charged therefor, through a committee or an agent or by any other means;

(f) to assign to any producer-defendant or other person an amount, quota or percentage of the methanol sales of defendant William S. Gray & Co., or of any person acting as sales agent or sales representative of such producer-defendant or such other person;

(g) to insure that any producer-defendant or any other person receive like net prices for like quantities of methanol sold by or for it.

V

Defendant William S. Gray & Co. is hereby enjoined and restrained from acting during any calendar year as sales agent or sales representative whether exclusive or nonexclusive for more than one producer or seller of methanol.

VI

[*Government Inspection and Compliance Reports*]

For the purpose of securing compliance with this judgment and for no other purpose authorized representatives of the Department of Justice shall, on written request of the Attorney General, or an Assistant Attorney General, be permitted, subject to any legally recognized privilege, (1) upon reasonable notice to any defendant

corporation made to its principal office, reasonable access, during the office hours of such defendant, to all books, ledgers, accounts, correspondence, memoranda and other records and documents in the possession or under the control of such defendant, relating to any matters contained in this judgment and (2) subject to the reasonable convenience of the defendants and without restraint or interference from the defendants, to interview officers or employees of the defendants who may have counsel present regarding any such matters. For the purpose of securing compliance with this judgment, any corporate defendant upon the written request of the Attorney General, or an Assistant Attorney General, upon reasonable notice to its principal office, shall submit such reports with respect to any of the matters contained in this judgment as from time to time may be reasonably necessary for the purpose of enforcement of this judgment. No information obtained by the means permitted in this section shall be divulged by any representatives of the Department of Justice to any person other than a duly authorized representative of the Department of Justice, except in the course of legal proceedings to which the United States is a party or as otherwise required by law.

VII

[*Jurisdiction Retained*]

Jurisdiction of this cause is retained for the purpose of enabling any of the parties to this judgment to apply to this court at any time for such further orders and directions as may be necessary or appropriate for the construction or carrying out of this judgment, for the modification of any of the provisions thereof, and for the purpose of the enforcement of compliance therewith and the punishment of violations thereof.