ANNUAL REPORT
OF THE

FEDERAL TRADE COMMISSION

FOR THE

FISCAL YEAR ENDED JUNE 30, 1920

WASHINGTON
GOVERNMENT PRINTING OFFICE

1920

FEDERAL TRADE COMMISSION.

VICTOR MURDOCK, *Chairman.*
HUSTON THOMPSON.
WILLIAM B. COLVER.
NELSON B GASKILL.
JOHN GARLAND POLLARD.
J.P. YODER, *Secretary.*

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SUMMARY.

WASHINGTON, *September 16, 1920.*

To the Senate and House of Representatives:

In compliance with the statute the Federal Trade Commission herewith submits to the Congress its annual report for the fiscal year ended June 30, 1920.

During the year, John Franklin Fort, of New Jersey, a member of the Commission, resigned. Nelson B. Gaskill, of New Jersey, was appointed to succeed him. John Garland Pollard, of Virginia,. was appointed to fill the vacancy created by the resignation of Joseph E. Davies, of Wisconsin. The personnel of the Commission on June 30, 1920, therefore, consisted of Victor Murdock, of Kansas (chairman); Huston Thompson, of Colorado . William B. Colver, of Minnesota, Nelson B. Gaskill, of New Jersey; John Garland Pollard, of Virginia.

The Federal Trade Commission was organized March 16, 1915. During the war the attention and energies of the Commission were diverted to a considerable degree to work in aid of the war-making branches of the Government.

During this fiscal year many tasks, interrupted by war work, were resumed and brought to completion, and reduction in the staff was made. The Commission promptly reduced its personnel upon the signing of the armistice, making total reductions of nearly 50 per cent in numbers.

The work of the Commission is divided into two major parts-the work of economic inquiry, formerly prosecuted by the Bureau of Corporations, of which the Federal Trade Commission is the successor, and the legal proceedings, which it is directed to carry forward by its organic act and by the Clayton law. Besides these two major divisions the Commission is charged, first, under the terms of the trading-with-the-enemy law, with the issuance of licenses under patents owned by alien enemies and the supervision of licensees operating under licenses granted by the Federal Trade Commission, and, second, with the administration of certain sections of the act to promote export trade.

During the year the economic studies which have been made have been many and varied and are set forth in detail hereafter. It is proper to state here , however, that while these economic inquiries

may be inaugurated by the Commission on its own initiative or made at the direction of the President, they are more frequently undertaken by direction of the United States Senate or the House of Representatives, or both.

Among such inquiries were those pertaining to petroleum, farm machinery, leather and shoes, animal feeds, flour, sugar, milk, combed cotton yarns, canned goods, tobacco, and Southern livestock prices.

During the fiscal year the Economic Division also continued the work of compiling for publication cost data in certain basic indus-tries, notably coal, which data had been collected for the use of governmental agencies during the war, and the publication of which was of interest to the public and industry. Publication was made of later volumes of the inquiry into the meat-packing industry, also of the wholesale marketing of foods, private car lines, and the woolen rag trade.

In addition, the Commission, through its Economic Division, projected current periodic reports on fundamental industries, as coal and steel. The usefulness of such reports in basic industries, in making public production costs in detail and sales realization, in meeting natural problems currently, appears undeniable. It was believed that the publication of information of basic industries, without identification of individual concerns, was essential in furnishing an index of conditions which would enlighten the public and industry, basic and otherwise. Therefore an effort was made by the Commission to select representative basic industries and by a wholly impartial compilation of the current history and development of these industries, be able to show to any one the truth in the current situation. The work of the Commission, in this matter, and the matter of the suits which have hampered the collection of such information are treated at length in the body of the report.

The Economic Division has continued its periodic reports of statistics of the paper industry.

Other cost investigations were conducted which are enumerated elsewhere in the report.

In the Legal Division of the Commission, the docket shows for the fiscal year a large increase in the number of applications for the issuance of complaints alleging the use of unfair methods in competition received by the Commission. Nearly 2,000 such applications have been received. These applications have been docketed by the Commission and most of them have been acted upon by the Commission, after investigation, either by dismissal or by the issuance of a formal complaint. In this work the Commission touches every phase of trade. The procedure of the Commission, the number and nature of the cases handled by the Commission, and the dis-

position of the cases are given in detail in the body of the report. Explanation of the "trade practice submittal" through which the Commission is undertaking to inform itself of practices in trade, as viewed by trade itself, is also given . Other important actions of the Commission in controverted trade practices are set forth. The report of the Commission to the Attorney General in the case of the California Raisin Association case is given. (Exhibit 9.)

During the year the work of the Commission reached a point where through final disposition of a large number of cases, it was possible for the Commission's orders and the law under which it works to become the subject of review in the courts. This phase of the matter is treated later in this report.

The division of the Commission which administers the export-trade law has now on file the papers of 43 associations, comprising approximately 732 concerns, distributed over 43 States of the United States. The products and commodities exported by these associations is given hereafter in detail, together with an account of the operations under this law, and the work of the Commission in administering it and its cooperation with other agencies of the Government.

In the Enemy Trade Division, the Commission has administered the patents, trade-marks, and copyrights owned or controlled by enemies or allies of enemies, which came under its jurisdiction during the war.

During the year the Commission exercised supervision over the licenses issued. Under the operation of these licenses $188,957.61 was turned over to the Alien Property Custodian as directed by law.

ADMINISTRATIVE DIVISION.

The sections in this division are the ones generally adopted in all Federal Government departments and establishments to care for the business end of the work, and changes in arrangement and functions are less liable to occur in this than in the other divisions of the Commission where the character of the work is continually varying according to the demands made upon them through the several sources of direction that govern their scope and activities.

For these reasons there has not been any material change in the management, organization, and procedure of this division; all of its functions are largely governed by general statutes and orders applicable to all work of this character wheresoever situate in the Government service; and in carrying into effect the activities of this branch of the Commission's work every endeavor is made to use a business sense that is not clouded with so-called "red tape" and yet have all operations comply strictly with the statutory requirements. The sections in this division are:

Auditor's office and disbursing clerk, having charge of the fiscal affairs.

Chief clerk's office, in charge of building and quarters, purchase of supplies and equipment, supervision of the messenger, mechanical, and laboring forces.

Personnel section, in charge of all matters relating to appointments, promotions, demotions, transfers, changes in designation, and the relationship between this Commission and the Civil Service Commission.

Mail and files section, where the receipt and distribution of the mail takes place and where all the papers and records of the Commission except those of the docket section are finally receivable and cared for.

Publications section, in charge of all matters having connection with the Public Printer and the Superintendent of Documents. In this section are handled the distribution of publications, maintenance of mailing lists, preparation of multigraph, mimeograph, and photostat duplication work, and all of the clerical work necessary in keeping the records of this branch of the Commission's activities.

Stenographic section, from which is supplied to all of the force needed stenographic and typewriting assistance.

Reportorial section.--The official reporting of the Commission's cases is done under contract. Whenever a case is to be tried any-

where in the United States the necessary directions are transmitted to the official reporters by the reportorial section in the Commission's office. All of the necessary work involved in the direction of the official reporters, the receipt, care, and custody of the transcripts of hearings, the auditing of vouchers, etc., is performed in this section.

Docket section is a section somewhat comparable to the office of a clerk of a court. All applications for the issuance of complaints pass through this section; it files all correspondence, exhibits, notices of assignments to attorneys, and field and office reports in connection with such applications. From it issue all formal complaints and their service is attended to by this section. It certifies copies of formal records to the different circuit. courts of appeals when required, and keeps the current docket record for the inspection of the public. This section also answers all inquiries from the general pub-lie and interested parties with reference to the status of formal proceedings; and it also has the custody of the Commission's seal.

The following tables show in detail the receipt and disposition of applications for complaints and formal complaints, by months, for the fiscal year ended June 30, 1920, and by fiscal years from the beginning of the Commission to June 30, 1920:

TABLE A.--*Showing receipt and disposition of applications for complaints and formal complaints by months, fiscal year ended June 30, 1920.*

Month.	Applications for complaints.				Formal complaints.			
		Disposed of.				Disposed of.		
	Received.	Dismissed without publicity.	To formal complaints.	Increase (+) or decrease (-).	Served.	Dismissed.	Orders to cease and desist.	Increase (+) or decrease (-).
1919.								
July	31	22	44	+ 35	36	2	5	29
August	104	28	26	50				
September	52	23	20		110	2	27	81
October	29	32	25	+28	1	1	3	+3
November	30	31	26	+27	54	19	7	28
December	22	33	30	+41	27	2	5	20
1920.								
January	239	8	4	227	6	2	25	+21
February	56	40	11	5	42	2	9	31
March	31	14		17	1	3	3	+ 5
April	26	40	7	+21	2		1	1
May	92	30	13	49	21	1	3	17
June	12	38	9	+35	8	8	25	+25
Total	724	339	224	161	308	43	112	153

The number of applications received during the period covered by this table (724) is considerably larger than that for any previous fiscal year, and represents a steady growth of work in this direction.

The percentage of applications disposed of without publicity continues large reaching a total of nearly half that of applications received.

The discrepancies in this and the 6-year table between the number of applications going to formal complaints and the number of the latter served are due, on the one hand, to the consolidation of applications against similar respondent, and, on the other, to the fact that some applications have several respondents who were proceeded against individually.

TABLE B.--*Showing receipt and disposition of applications for complaints and formal complaints, cumulatively, by fiscal years, from organization of the Com mission to June 80, 1920.*

Period Covered	Applications for complaints.				Formal complaints.				
		Disposed of.				Disposed of.			Cases ap-
	Received.	Dismissed without publicity.	To formal complaints.	Increase	Served.	Dismissed.	Orders to cease and desist.	Increase	pealed
Organization(Mar 16, 1915) and prior thereto to June 30 , 1915	112	8		104					
Status July 1,1915	112	8		104					
From July 1, 1915 to June 30, 1916	134	105	3	26	5			5	
Status July 1, 1916	246	113	3	130	5			5	
From July 1, 1916, to June 30,1917	153	79	24	50	9	1	3	5	
Status July 1, 1917	399	192	27	180	14	1	3	10	
From July 1, 1917, to June 30, 1918	332	160	85	87	154	7	71	76	
Status July 1, 1918	731	352	112	267	168	8	74	86	
From July 1, 1918, to June 30, 1919	535	301	171	63	135	13	75	47	4
Status July 1, 1919	1,206	653	283	330	303	21	149	133	4
From July 1, 1919, to June 30, 1920	724	339	224	161	308	43	112	153	7
Status July 1, 1920	1,990	992	507	491	611	64	201	280	11

During the six-year period ended June 30, 1920, it will be noted that a total of 1,990 applications were received by the Commission. Of these, 992, practically one-half, were dismissed without publicity being given either to the names of the parties filing applications with the Commission or those complained against, the preliminary investigation having failed to disclose prima facie cases of unfair competition.

A significant feature brought out by this table is the fact that although 261 orders to cease and desist have been entered, in only 11 cases (a trifle over 4 per cent) have the parties concerned availed themselves of their privilege of appeal to the United States Circuit Court of Appeals.

It is also worthy of note that during the fiscal year ended June 30, 1920, more formal complaints were served by the Commission than the combined totals for the previous five years.

Library section.--The functions carried on in the library during the fiscal year covered by this report were under the direction of the Economic Division and the offices of the chief counsel and chief examiner. This diversified supervision was a gradual growth. At one time the functions now under the librarian's directions were divided into two parts--those relating to the legal work of the Commission and those having to do with the economic work. It has been thought better to place this unit in the Administrative Division as its activities are for the benefit of all characters of work performed in the Commission, and accordingly on July 1 of this year the library was transferred to the Administrative Division.

The law library includes the following volumes and series of reports:

Statutes at Large.
Compiled Statutes.
United States Reports.
Federal Reporter.
Northeastern Reporter.
Northwestern Reporter.
Atlantic Reporter.
Pacific Reporter.
Interstate Commerce Commission Reports.

American Digest
Lawyers' Reports Annotated.
Session laws of the States.
Briefs, decrees, etc., in antitrust cases.
Law encyclopedias, dictionaries, reference books, etc.

Care is exercised to limit the selection of books to supply only those needed constantly and immediately in the Commission's work. The Commission is far removed from other governmental law libraries and the library of the Supreme Court of the United States and must have immediately available sufficient volumes to answer the calls of the legal force. In all other cases use is made of the other law libraries in this city.

There is another function, however, peculiar to the Commission's library in the character of the work that it performs and that is in the material that it gathers in the way of books and pamphlets, trade and economic periodicals, and trade association material in book form, corporation reports, association records, current financial and statistical services, publications, newspapers, catalogues, trade lists , etc. Much of this useful material is not ordinarily found in libraries even of a technical character. The greater amount is furnished gratuitously and much of it is of a confidential character. The material and data available in the library section furnish a valuable adjunct to the investigatory work and is adapted to furnish leads to examinations rather than complete and substantive information on the subject matter.

Hospital.--The Commission maintains a small unit of a very serviceable nature in the way of a hospital and retirement or rest room for its employees. This unit is under the care of a graduate nurse and has shown great usefulness and rendered beneficial service to employees. Many employees are here from other cities and do not have facilities so easily obtainable in home surroundings and this unit partly supplies some of these needs. The graduate nurse in all cases of sudden or prolonged illness renders in the former cases immediate assistance and makes periodic visits in the latter and the Commission is kept in closer touch with conditions of this sort and this activity has been the means of rendering desirable assistance that could not otherwise have been obtained.

QUARTERS.

The Commission's force is located in one of the temporary buildings erected for war purposes. It occupies one-half of the structure that is located between Twentieth and Twenty-first Streets and New York Avenue. It was the building formerly occupied by the Fuel Administration and the Commission's force moved into it the latter part of May and the early part of June , 1919. It is of frame construction and two stories in height and of the most temporary character. During the fiscal year covered by this report the Fuel Administration moved out all of its force from the eastern half of the structure and at different times other Government offices moved in. This Commission has no jurisdiction over the care and custody of the building. It is operated under the direction of the Superintendent of the State, War, and Navy Department Building, through an assignment made by the Public Buildings Commission, that commission deriving its authority through provisions made in the legislative, executive, and judicial act approved March 1, 1919. The heating, lighting, care and custody are matters over which the Federal Trade Commission has no control.

PERSONNEL.

Changes in personnel.--November 30, 1919, John Franklin Fort , of New Jersey, resigned as a member of the Federal Trade Commission. He had served as chairman of this Commission from July 1, 1919, to the date of his resignation. He was succeeded as chairman of this Commission December 1, 1919, by Victor Murdock, of Kansas, already a member of the Commission.

September 26, 1919, Huston Thompson, of Colorado, entered upon duty, succeeding himself, for a full term of seven years ending September 25, 1926. This nomination of the President was confirmed by the Senate September 25, 1919, and Mr. Thompson took the oath of office September 26.

February 1, 1920, Nelson B. Gaskill, of New Jersey, entered on duty as a member of this Commission, vice John Franklin Fort, for term ending September 25, 1924. His nomination by the President was confirmed by the Senate December 18, 1919. He took the oath of office January 31, 1920.

March 6, 1920, John Garland Pollard, of Virginia, entered upon duty as a member of this Commission, Vice Joseph E. Davies, for the term expiring September 25, 1921. His nomination by the President was confirmed by the Senate Mach 2, 1920.

Number of new employees who entered the service of the Federal Trade Commission during the year , 348.

Number of employees who left the service during the year, 297.

The number of employees in the Commission at the close of June 30, 1919, was 367, with a total salary of $731,095.

The number of employees at the close of June 30, 1920, was 418, with a total salary of $914,110.

The number of employees in our service at the close of June 30, 1920, who have had United States military or naval service was 81.

The recently enacted retirement law covering the classified civil service will apply to approximately 211 employees, as near as can now be forecast, on August 1, 1920, when the 2 ½ per cent deduction from salaries of such employees begins. This Commission has but one employee in its force who has reached the retirement age.

The following table shows the personnel and salaries for same by years:

	Number of employees.	Total salary.
Mar. 16, 1915 (date of organization)	144	$280,900
Close of June 30, 1916	224	396,190
1917	193	379,120
1918	640	1,167,496
1919	367	731,095
1920	418	914,119

The Commission is still seriously affected by the constantly occurring turnover in its force. The attraction of the outside business world and the increased salaries obtainable therein for the same character of work has caused the Commission to lose a large number of employees. It takes considerable time to train new employees so that they render complete and efficient service and the losses by separation and the consequent loss of motion in training new employees is one of the serious difficulties under which the Commission still has to labor.

The following table presents in a statistical way some of these facts:

	Total number of employees.	Total number of civil service, employees.	Total number of excepted employees.	Number of female	Total salary.
Close of June 30, 1919	367	236	131	113	$731,095
Number of employees entering on duty July 1, 1919-June 30,1920	318	218	130	129	
Total to be accounted for	715	454	261	242	
Number of employees who left service during fiscal year	297	220	77	113	
Number at close of June 30, 1920 (classified according to present designations, changed through the year)	418	232	186	129	914, 110

Employees of the Federal Trade Commission at the close of business June 80, 1920, showing salary rates.

5 commissioners	$10,000	
1 secretary	5,000	
	----------	$55,000
5 clerks to commissioners	1,800	
	----------	9,000
1 chief clerk		3,250
1 disbursing clerk		2,880
3 clerks	3,000	
1 clerk	2,880	
1 clerk	2,520	
1 clerk	2,500	
1 clerk	2,220	
2 clerks	2,100	
5 clerks	2,000	
1 clerk	1,920	
1 clerk	1,860	
8 clerks	1,800	
3 clerks	1,740	
5 clerks	1,680	
2 clerks	1,600	
1 clerk	1,560	
3 clerks	1,520	
14 clerks	1,500	
12 clerks	1,440	
8 clerks	1,400	
21 clerks	1,380	
18 clerks	1,320	
3 clerks	1,260	
38 clerks	1,200	
2 clerks	1,140	
8 clerks	1,100	
3 clerks	1,000	
	----------	240,120

1 special attorney	$8,000	
2 special attorneys	5,000	
1 special attorney	4,500	
2 special attorneys	3,600	
1 special attorney	3,500	
1 special attorney	3,000	
1 special attorney	2,280	
	----------	$38,480
2 attorneys and examiners	5,000	
1 attorney and examiner	4,800	
3. attorneys and examiners	4,200	
7 attorneys and examiners	4,000	
4 attorneys and examiners	3,600	
1 attorney and examiner	3,500	
5 attorneys and examiners .	3,300	
2 attorneys and examiners	2,820	
1 attorney and examiner	2,700	
1 attorney and examiner	2,500	
2 attorneys and examiners	2,460	
	----------	105,560
1 special agent	4,800	
1 special agent	4,500	
1 special agent	4,000	
1 special agent	3,600	
4 special agents	3,300	
3 special agents	3,000	
3 special agents	2,500	
4 special agents	2,400	
4 special agents	2,280	
1 special agent	2,250	
1 special agent	2,100	
2 special agents	2,000	
1 special agent	1,920	
1 special agent	1,800	
1 special agent	1,620	
	----------	79,010
1 special expert	5,000	
1 special expert	3,000	
1 special expert	2,000	
1 special expert	1,320	
	----------	11,320
1 special examiner	7,500	
2 special examiners	5,000	
2 special examiners	3,000	
	----------	23,500
2 examiners	5,000	
1 examiner	4,800	
2 examiners	4,500	
1 examiner	4,200	
2 examiners	4,000	
3 examiners	3,600	
1 examiner	3,500	
5 examiners	3,300	
1 examiner	3,100	

14 examiners	$3,000	
1 examiner	2,940	
2 examiners	2,880	
3 examiners	2,820	
1 examiner	2,800	
1 examiner	2,700	
1 examiner	2,640	
10 examiners	2,500	
15 examiners	2,400	
1 examiner	2,340	
5 examiners	2,280	
1 examiner	2,260	
1 examiner	2,220	
1 examiner	2,200	
2 examiners	2,160	
4 examiners	2,100	
9 examiners	2,000	
5 examiners	1,920	
13 examiners	1,800	
4 examiners	1,680	
1 examiner	1,650	
2 examiners	1,600	
1 examiner	1,560	
3 examiners	1,500	
5 examiners	1,440	
1 examiner	1,400	
1 examiner	1,380	
2 examiners	1,320	
1 examiner	1,260	
4 examiners	1,200	
	----------	$318,650
1 multigraph operator	1,800	
I multigraph operator	1,200	
	----------	3,000
4 Hollerith operators	1,320	
	----------	5,280
1 messenger	1,060	
1 messenger	900	
7 assistant messengers	900	
1 assistant messenger	720	
8 messenger boys	480	
	----------	12,820
1 general mechanic	1,260	
	----------	1,260
1 telephone operator	900	
1 telephone operator	720	
	----------	1,620
1 skilled laborer	780	
1 laborer	1,200	
1 laborer	780	
1 laborer	600	
	----------	3,360
Grand total		914,110

Congress has provided for the $240 bonus for the ensuing fiscal year of 1921 under similar conditions , so far as the employees of the Federal Trade Commission are concerned, as was granted for the past fiscal year 1920. Section 6 of the legislative, executive, and judicial appropriation act for the fiscal year 1921, approved May 29, 1920, provides in certain case for automatic bonuses and in other cases for the granting of one under certificate to all employees receiving less than $2,740 per annum, as was true in the preceding year. The new law continues the provisions that the additional compensation may not be more than 60 per cent of the basic salary and that where the basic salary is between $2,500 and $2,740 per annum the amount of bonus will be only sufficient to carry the total salary and bonus combined to $2,740.

The Federal Trade Commission has adopted the practice , which holds in other departments, of granting the bonus by certificate in all cases coming within the provisions of the law as soon as the employee has completed the full three months, service, making it effective, however, from the date the employee entered on duty. Should the employee not remain with the Commission for three months, according to these regulations no bonus would be paid.

In view of the fact that Congress has granted the Federal Trade Commission for the ensuing fiscal year of 1921 a much smaller appropriation to carry on-its work, it has become necessary to reduce its force of employees to meet the reduced appropriation. This reduction began in the month of June, when 80 employees resigned or had their services terminated on account of this necessary cut. The Commission will be under the necessity of making further reductions in the immediate future in order to get its expenses down to the appropriations made for the ensuing 12 months.

APPROPRIATIONS AND EXPENDITURES.

The appropriations of the Commission for the fiscal year ended June 20 1920, under the sundry civil appropriation act approved July 19, 1919, amount to $1,055,000, while an additional appropriation of $150,000 was provided for by the act of November 4, 1919. In addition to these amounts the Commission had available the sum of $29,936.39, which was allowed by the ruling of the Comptroller of the Treasury under the second paragraph of section 3 of the act creating the Commission, said amount representing the unexpended balance of the appropriations for the Bureau of Corporations for the fiscal years ended June 30, 1913 and 1914.

The expenditures of the Commission for the fiscal year ended June 30, 1920, were $1,196,259.22. The appropriations, including

unexpended balances of appropriations for previous years and expenditures are tabulated below:

Appropriation.	Amount available.	Amount expended.
Federal Trade Commission, 1920:		
Salaries, commissioners and secretary	$55,000.00	$46,527.77
All other authorized expenses	1,150,000.00	909,295.88
Total, fiscal year 1920	1,205,000.00	955,823.65
Unexpended balances:		
Federal Trade commission, 1919	[1] 225,725.03	[2] 225,721.96
Federal Trade commission, 1918	36,570.68	50.95
Federal Trade commission, 1913-14	29,938.39	9,143.89
National security and defense fund, Federal Trade Commission, 1918	5,515.73	[3] 5,515.73
Expenses, trading with enemy	5,351.00	3.06
Grand total	1,508,098.83	1,198,259.24

1 Contains credit of $24,096.52 and $354.18 received from United States Fuel Administration and state Department, respectively, for services rendered by employees of the Federal Trade Commission.

2 Includes $200,000 returned to the general funds of the Treasury in accordance with the provisions of sec. 6 of the act approved July 19, 1919.

3 Includes unexpended balance of $5,140.89 returned to the Treasury as a credit to the national security and defense fund.

It is estimated that the outstanding liabilities of the Commission as of June 30, 1920, amount to $70,974.73, payment of which will be made from the unexpended balances of the appropriations "Federal Trade Commission, 1920," and "Federal Trade Commission, without year" (1913-14).

A detailed analysis of the expenditures of the Commission is given in the following statement:

Detailed statement or the expenditures of the Federal Trade Commission for the fiscal year ended June 30, 1920.

ADMINISTRATIVE DIVISION.

	Office.	Field.
Annual leave	$13,458.88	
Sick leave	5,179.78	
General administration	70,304.64	$1,382.89
Mail and files	15,391.40	353.99
Disbursements and accounts	12,448.88	
Purchase and supplies	7,178.79	
Docket	12,041.49	
Messengers	10,502.74	
Time excused by Executive or Commission's order	782.42	
Legal supervision	374.26	
Detail	37.54	
Medical attendant	1,238.11	
Printing and publications	10,449.11	
Stenographic	20,142.38	135.46
Appointment Division	10,103.32	
Labor	3,999.74	
Miscellaneous computing machine work	5.01	
Informal complaints	12.23	111.22
Trading with the enemy	2,819.44	

Farm operating equipment	30.05	
Milk products	64.38	
Food hoarding	60.77	72.27
Trade practice submittal, guaranteed against price decline	21.73	
Contingent	42,295.71	
Rent	7,770.00	
Printing and binding	28,348.97	
Total	275,059.35	2,055.83

Detailed statement of the expenditures of the Federal Trade Commission for the fiscal year ended June 30, 1920--Continued.

ECONOMIC DIVISION.

	Office.	Field.
Annual leave	$34,104.93	
Sick leave	9,344.06	
General administration	435.84	
Mail and files	940.22	
Disbursements and accounts	771.32	
Library	5,796.19	
Time excused by Executive or Commissioner's order	1,992.41	
Special briefs	16.70	
Labor costs, response to request of congressman Each	31.99	
Economic supervision	31,434.29	$902.63
Legal supervision	6.87	
Detailed to Congressional Reclassification Commission	4,026.76	
Printing and publications	143.88	
Stenographic		45.50
Informal complaints	363.32	649.58
Formal complaints	1,027.16	197.95
Miscellaneous computing machine work	1,475.69	
Oil, general	4,617.14	545.47
Lumber	30.05	
Trading with the enemy	1,701.59	653.16
Miscellaneous, economic	2.09	
Coal	35,054.04	74.54
Steel	24,893.44	1,766.96
Oil	3,326.57	416.20
Lumber	14,785.33	89.69
Copper lead and zinc (nonferrous metals)	96.78	
Canned goods	2,872.79	202.51
Sisal binder twine		12.20
Cotton textiles	1,476.23	3,889.22
Locomotives		Cr. 3.40
Cost system for packers		420.20
Leather costs		Cr. 1.19
Government paper contracts	2,154.07	636.96
Woolen rags	263.03	7.80
Tobacco and cigarettes	3,192.97	1,684.50
Hemlock and hardwoods		Cr. 5.40
Transportation (war workers)		Cr. 2.20
Cast-iron car wheels	1,068.40	465.88
Steel tires for locomotives	50.22	
Locomotive driving springs and coil springs	268.62	155.02
Car couplers		.01
Live stock and its products	17,290.41	1,057.85
Grain products.	7,433.72	31.11
Grain and produce exchanges	38,827.08	362.30
Canned goods		Cr. .60
Export trade	4.77	
Paper schedules	7,114.25	148.78
Paper prices		Cr. 8.09
Leather and shoes	192.35	.18
Farm operating equipment	19,170.49	1,860.64
Marketing meat and perishable food products	6,024.09	69.68
Section 8, Clayton Act, general investigation	36.67	
Merger of corporations	21.63	
Milk products	28,780.93	5,223.34
Stock securities	6.72	
Southern meat prices.	3,078.21	1,028.49
Food hoarding	7,387.43	2,164.35
California oil	18,252.09	4,393.40
Commercial feeds for animals	11,860.54	3,733.96
Sugar	16,586.03	773.77
Increased cost of shoes	12,380.13	3,360.44
Newsprint paper	2,183.46	303.58

Cotton textiles	1,529.46	
Gasoline prices, etc	7,362.99	988.30
Prices of combed cotton yarns	8,421.17	1,035.70
Total	401,709.34	39,331.06

Detailed statement of the expenditures of the Federal Trade Commission for the fiscal year ended June 30, 1920-Continued.

LEGAL DIVISION.

	Office.	Field.
CHIEF COUNSEL.		
Annual leave	$6,462.67	
Sick leave	1,849.06	
Time excused by Executive or Commission's order	383.82	
Briefs	124.55	
Legal supervision	13,320.14	$99.23
Detail to the Department of Justice	139.86	
Study of procedure	82.93	
Special for the Commissioners	13.33	
Board of review	14,511.41	
Preliminary work on informal complaints	12.52	
Informal complaints	6,072.20	1,273.70
Formal complaints	41,211.83	24,179.01
Petitions for mandamus	25.04	21.34
Preliminary work on formal complaints		6.20
Oil, general	5.73	
Lumber	26.71	100.81
Trading with the enemy	10.31	
Miscellaneous legal	1.90	
Coal	13.35	
Canned goods	2.67	
Live stock and its products		78.99
Export trade	9,456.36	106.84
Farm operating equipment	26.70	
Section 7, Clayton Act, general investigation		Cr. .07
Stock securities	2,518.47	6.47
Food hoarding	405.42	223.15
Sugar	13.35	
Newsprint paper	876.44	318.92
Trade practice submittal, guaranteed against price decline		13.40
Creamery industry trade practice	1,196.65	1,476.57
Grain and produce exchanges	11.45	
Total	98,774.87	27,959.56

CHIEF EXAMINER.
WASHINGTON (D.C.) OFFICE.

Annual leave	$3,811.01	
Sick leave	968.73	
Library	1,435.21	
Time excused by Executive or Commission's order	218.16	
Legal supervision	7,865.47	$528.78
Detail to Congressional Reclassification Committee	1.43	
Study of procedure	25.04	
Stenographic	4.68	
Board of review	1,278.33	
Preliminary work on informal complaints	808.59	405.26
Informal complaints..	17,167.56	6,776.35
Formal complaints	9,633.13	5,435.45
Lumber	3,504.48	2,466.26
Rulings, resolutions, and orders of the Commission, including reports of the board of review	913.09	
Live stock and its products	46.92	
Grain and produce exchanges	1,027.35	26.37
Section 8, Clayton Act, general investigation	49.27	Cr. .01
Stock securities	780.90	404.43
Southern meat prices	115.24	Cr. .89
Food hoarding	132.24	153.72
California oil		14.20
Trade practice submittal, guaranteed against price decline	326.14	
Creamery industry, trade practice	626.42	339.09
Lumber	137.20	
Total	50,876.59	16,549.10

NEW YORK BRANCH OFFICE.

Annual leave	1,024.91	
Sick leave	214.86	
Time excused by Executive or Commission's order	39.36	
Legal supervision	3,918.82	303.50

Stenographic	2,442.96	55.18
Labor		281.00
Preliminary work on informal complaints	2,191.93	207.85
Informal	7,384.49	2,429.03
Formal complaints	1,429.93	357.57
Live stock and its products	17.63	

Detailed statement of the expenditures of the Federal Trade Commission for the fiscal year ended June 30, 1920--Continued.

CHIEF EXAMINER-Continued.

	Office.	Field.
NEW YORK BRANCH OFFICE-continued.		
Section 7 Clayton Act, general investigation		Cr. $.01
Merger of corporations	$7.01	
Stock securities	121.55	77.10
Food hoarding	137.94	
Contingent	530.11	
Rent	2,600.04	
Total	22,061.54	3,711.22

CHICAGO BRANCH OFFICE.

Annual leave	1,130.48	
Sick leave	176.56	
Time excused by Executive or Commission's order	13.35	
Legal supervision	1,457.05	141.98
Study of procedure	33.48	
Stenographic	2,150.82	816.34
Special for the commissioners	89.13	
Preliminary work on informal complaints	683.40	193.71
Informal complaints	2,429.16	813.02
Formal complaints	961.32	499.80
Lumber	4,405.83	3,233.13
Miscellaneous legal	1.34	
Grain and produce exchanges	30.04	47.72
Section 7, Clayton Act, general investigation	21.58	Cr. .44
Contingent	382.40	
Rent	1,252.50	
Total	15,218.44	5,745.26

SAN FRANCISCO BRANCH OFFICE.

Annual leave	136.90	
Sick leave	59.09	
Time excused by Executive or Commission's order	22.41	
Legal supervision	368.52	
Stenographic	941.07	72.00
Preliminary work on informal complaints	735.78	107.75
Informal complaints		487.06
Formal complaints	1,087.43	458.00
Lumber	169.11	49.36
Section 7, Clayton Act, general investigation	4.44	59.41
Contingent	59.14	
Total	4,449.58	1,233.58

SUMMARY, CHIEF EXAMINER.

Washington office	50,876.59	16,549.10
New York branch office	22,061.54	3,711.22
Chicago branch office	15,218.44	5,745.26
San Francisco branch office	4,449.58	1,233.58
Total	92,606.15	27,239.16

SUMMARY OF EXPENDITURES.

	Office.	Field.	Total.
Administrative	$275,059.35	$2,055.83	$277,115.18
Economic	401,709.34	39,331.06	441,040.40
Legal:			
Chief counsel	98,774.87	27,959,56	126,734.43
Chief examiner	92,606.15	27,239.16	119,845.31
Grand total	868,149.71	96,585.61	964,735.32

Adjustments.--The following adjustments are made to account for the difference between the costs and disbursements:

Total cost for the year ended June 30, 1920	$964,735.32
Less transportation Issued	25,190.51
New total	939,544.81
Plus transportation paid	24,643.66
Adjusted total	964,188.47
June, 1919, costs paid In July, 1919 (add)	2,479.38
New total	966,667.85
Credit received for work done for other departments (add)	24,450.68
New total	991,118.53
Returned to credit of Treasurer United States	205,140.69
Disbursements for the year ended June 30, 1920	1,196, 259.22

The appropriations for the Federal Trade Commission for the fiscal year ended June 30, 1920, were as follows:

For five commissioners, at $10,000 each; secretary, $5,000; in all, $55,000.

For all other authorized expenditures of the Federal Trade Commission in performing the duties imposed by law or in pursuance of law, including personal and other services in the District of Columbia and elsewhere, supplies and equipment, law books, books of reference, periodicals, printing and binding, traveling expenses, per diem in lieu of subsistence not to exceed $4, newspapers, foreign postage, and witness fees and mileage in accordance with section 9 of the Federal Trade Commission act, $1,000,000.

For all expenses necessary in connection with the collection of Information as may be directed by the President of the United States, or within the scope of Its powers, regarding the production, ownership, manufacture, storage, and distribution of foodstuffs or other necessaries. and products or by-products arising from or In connection with the preparation and manufacture thereof, together with figure's of cost and wholesale and retail prices, $150,000.

PUBLICATIONS ISSUED.

The following publications were issued by the Commission during the fiscal year ended June 30, 1920:

Annual Report of the Federal Trade Commission for the fiscal year ended June 30, 1919, June 5, 1920. 133 pages.

Causes of High Prices of Farm Implements, May 4, 1920. 713 pages.

Cost Reports of the Federal Trade Commission-Coal, No. 2--Pennsylvania-Anthracite; June 30, 1919. 145 pages.

Cost Reports of the Federal Trade Commission-Coal, No. Illinois Bituminous; June 30, 1919. 127 pages.

Cost Reports of the Federal Trade Commission-Coal, No. 4-Alabama, Tennessee, and Kentucky-Bituminous; June 30, 1919. 210 pages.

Cost Reports of the Federal Trade Commission-Coal, No. 5-Ohio, Indiana, and Michigan-Bituminous; June 30, 1919. 288 pages.

Cost Reports of the Federal Trade Commission-Coal, No. 6-Maryland, West Virginia, and Virginia-Bituminous; June 30, 1919. 286 pages.

Decisions, Findings, Orders, and Conference Rulings, Volume I, June 30, 1919. 631 pages.

Digest of Replies In Response to an Inquiry of the Federal Trade Commission Relative to the Practice of Giving Guarantee Against Price Decline, May 27, 1920. 68 pages.

Leather and Shoe Industries, August 21, 1919. 180 pages.

Maximum Profit Limitation on Meat Packing Industry. Letter from Federal Trade Commission in response to Senate resolution of September 3, 1919, September 25, 1919. 179 pages (Senate Doc. 1 66th Cong., 1st sess.).

Meat Packing Industry, Part IV (The Five Larger Packers in Produce and Grocery Foods), June 30, 1919. 390 pages.

Meat Packing Industry, Part V (Profits of the Packers) , June 30, 1919. 110 pages.

Meat Packing Industry, Part VI (Cost of Growing Beef Animals; Cost of Fattening Cattle; Cost of Marketing Live Stock) , December, 1919. 183 pages.

Applications, Answers, and Statements Concerning the So-Called Pittsburgh Basing Point for Steel, October 15, 1919. 191 pages.

Private Car Lines. (Part I, General Survey of Private Car Lines. Part II, The Packer Car Lines and Their Relations to the Public. Part III, Nonpacker Car Lines.) June 27, 1919. 271 pages.

Southern Live-Stock Prices, February 2, 1920. 11 pages (Senate Doc. 209, 66th Cong., 2d sess.) .

Wholesale Marketing of Food, June 30, 1919. 268 pages.

Woolen Rag Trade, June 30, 1919. 90 pages.

Advance in Price of Petroleum Products, June 30, 1920. 57 pages. (House Doc. 801, 66th Cong., 2d sess.)

ECONOMIC DIVISION.

The work of the Economic Division during the fiscal year ended June 30, 1920, may be grouped under tile following heads: (1) inquiries directed by the Senate or House of Representatives; (2) inquiries directed by the President; (3) inquiries undertaken at the request of other departments of the Government; (4) inquiries undertaken on the initiative of the Commission; (5) preparation of general information with regard to various industries, for which data were in the possession of the Commission, at the request of various branches of the Government; and (6) preparation for publication of a large quantity of valuable statistical data regarding costs of production collected during the war.

The most varied and extensive work of the Economic Division was done at the direction of the Senate or House of Representatives, and embraced inquiries into the petroleum, sugar, meat , milk, animal feed, shoe, and cotton-textile industries.

Additional reports were completed and issued during the year with respect to the general food investigation directed by the President in connection with the meat industry.

As a consequence of certain Government contracts which made this Commission a cost-finding agency, as well as certain other arrangements growing out of the war in connection with supplies furnished to Government agencies, the Commission was called upon to inquire into and make reports on costs of production and other pertinent matters. Such work was done especially for the War and Navy Departments with respect to canned foods, and for the Post Office Department with respect to stationery supplies. The Economic Division also assisted the Legal Division in ascertaining, at the request of the Department of Justice, whether certain agreements made with judicial approval regarding the prices of newsprint paper were being observed by paper manufacturers.

The most important inquiries made on the initiative of the Commission related to the periodic collection of basic statistical data regarding costs of production and prices for certain fundamental industries, particularly coal and steel. While these inquiries were made technically on the initiative of the Commission, they were instituted in view of a special appropriation made by Congress for that specific purpose. With respect to certain other fundamental industries preliminary plans of a similar character were made, but not put into execution before the close of the fiscal year.

Though these projects of current periodic reports on fundamental industries were not started until the middle of the fiscal year and constituted only a minor portion of the work done by the Economic Division, they were nevertheless, in one sense, the most significant and important of all its activities. It is of vital concern to the Government and also to industry, to labor, and to the consumer that comprehensive and accurate data should be currently available concerning the economic situation of the basic industries of the country. This is true at all times, but it is especially true in times when conditions of production and demand and consequently prices and profits are abnormal. Such information, and the regulation of industry based thereon, was essential to the successful conduct of the war. In the present abnormal and unsettled conditions of trade the proper legislative solution of profiteering and related problems, as well as the due enlightenment of the public, whether consumer or laborer, make it essential to report promptly as much information on these vital matters as is practically obtainable. The costs of such inquiries are negligible in comparison with the economy which results from an accurate knowledge of fundamental conditions. The legal issues involved as a result of this work are discussed elsewhere, but as a practical business matter it is plain that there can be but one opinion about the necessity for information comprehensive enough to assure a substantial knowledge of the current economic conditions in those indus-tries that affect the national welfare.

Extensive data were in the possession of the Commission regarding certain industries as a result of its war cost-finding activities, and various other branches of the Government, such as the Railroad Administration, the Tariff Commission, the Bituminous Coal Commission, etc., called for information on certain industries which, in so far as practicable, was furnished to them in summarized form, but without revealing the business of individual companies.

The compilation of these data for the information of the industries in question and of the general public was continued during the year. Several reports were issued regarding the costs of production in the coal industry, which covered most of the producing districts of the country. Similar compilations of cost data regarding other industries were continued as far as practicable, especially for the lumber, steel, and canned-food industries, but the reports thereon were not completed in form for publication during the fiscal year.

There is given below a brief statement regarding the work of the Economic Division with respect to each industry and each particular inquiry.

COAL.

Current periodic reports.--Beginning with January, 1920, the Commission called for monthly reports for monthly reports from bituminous and anthra-

cite coal operators similar to those required during the war, although in briefer form, and additional data annually as to investment and profits. These reports, which are returnable by the operators 30 days following the close of each month, were immediately compiled and published in monthly bulletins, which showed currently tonnage produced, average costs of production, and sales realization by districts, States, and general com competitive regions; also data showing the effects which the different wage-scale agreements have upon labor costs.

These monthly bulletins covering coal costs and sales realizations are of value to the operators, to mine laborers, to large industrial consumers of coal, and also to household consumers. They give to the general public an exact understanding of the coal situation in so far as production costs and amounts realized by the mining companies are concerned. They are of value to the operators not only as cur-rent summaries of conditions in the industry, but to the public as well.

Reference is made elsewhere (see p. 48) to the Maynard suit and the injunction of the Supreme Court of the District of Columbia against requiring reports from that company. While a large proportion of the coal operators were already making these reports without protest and many others continued to do so quite voluntarily after the injunction mentioned, it naturally had considerable influence on the industry and hindered the Commission from obtaining as comprehensive data as are desirable for public information regarding this industry.

Cost reports for war period.--During the fiscal year ending June 30, 1920, a large amount of work was performed in the preparation of a series of reports showing the cost of producing bituminous and anthracite coal during the war. This series, consisting of seven volumes, presents data for 75 mining districts in 24 coal-producing States for the year 1918, and for numerous districts for all or part of the years 1916 and 1917 also. These reports, which were compiled from the monthly cost reports required by the Commission from all coal operators during the war, are as follows:

No.1. Pennsylvania--bituminous.
No.2. Pennsylvania--anthracite.
No.3. Illinois--bituminous.
No.4. Alabama, Tennessee, and Kentucky--bituminous.
No.5. Ohio, Indiana, and Michigan--bituminous.
No.6. Maryland, West Virginia, and Virginia--bituminous.
No.7. Trans-Mississippi States--bituminous.

Special reports to other Government agencies.--With the reappointment of Dr. Garfield as Fuel Administrator in November, 1919, the Commission was called upon to furnish various statistical data relative to bituminous coal costs, etc., for use in determining a new wage scale agreement.

To the United States Bituminous Coal Commission in the beginning of 1920 information was furnished relative to the costs, tonnage, etc., in the coal industry for its use in determining a new wage scale agreement between the operators and miners.

STEEL.

Current periodic reports.--Beginning with January, 1920, the Commission required monthly reports from the iron and steel manufacturers and from coke producers. The monthly report forms, both for iron and steel and for coke, required information chiefly regarding production costs as shown by their own cost sheets, sales, contract prices, capacity of plants, and orders booked, while an income statement was required quarterly and balance sheet annually.

The commodities for which costs were received and tabulated included coke, pig iron, ingots, blooms, slabs, billets, sheet bars, structural shapes, plates, rails, merchant bars, tin plate, and wire rods.

Approximately 60 per cent of the iron and steel companies made such reports to the Commission, including the subsidiary companies of the United States Steel Corporation. A considerable number of the larger "independent" companies refrained from filing these reports. It was deemed inadvisable, therefore, to publish immediately the summaries of the data filed, because the large proportion of the tonnage represented by the subsidiaries of the Steel Corporation would tend to show approximately its costs, and prices and not the costs and prices of the industry as a whole.

As a result of failure to file reports with the Commission and as explained in more detail elsewhere (see p.48), suits were brought against the Bethlehem Steel Co. on June 4 and against the Republic Iron & Steel Co. on June 7 in two different courts asking for the issue of writs of mandamus to compel these companies to file the said reports. On June 12 a suit was filed in the Supreme Court of the District of Columbia asking for an injunction to restrain the Commission from demanding these reports on the basis of the injunction issued in the Maynard case (see p.48). This court issued another injunction against the Commission in behalf of the following 22 companies:

Claire Furnace Co.
The Ella Furnace Co.
Reliance Coke Co.
Weirton Steel Co.
Republic Iron & Steel Co.
La Belle Iron Works.
Donner Steel Co.
Steel & Tube Co. of America.
Trumbull Steel Co.
Midvale Steel & Ordnance Co.
Cambria Iron & Steel Co.
Edgewater Steel Co.
McKeesport Tin Plate Co.
N. & G. Taylor Co.
Inland Steel Co.
Bethlehem Steel Co.
The Youngstown Sheet & Tube Co.
The Brier Hill Steel Co.
West Penn Steel Co.
Wheeling Steel & Iron Co.
Sharon Steel Hoop Co.
Westmoreland-Connellsville Coal & Coke Co.

These legal controversies tended, of course, to still further reduce the number of companies making reports, though the Steel Corporation continued to file them regularly.

Special cost inquiries.-A number of special investigations into the costs of iron and steel products were made at the request of the Rail-road Administration and Tariff Commission, the more important of which are mentioned below:

At the request of the Railroad Administration the costs of producing iron ore mined in the Lake Superior district during the year 1918 were procured by sending a questionnaire to over 100 companies which was summarized and presented in comparative form together with costs for the year 1917, which had been previously procured by the Commission.

The costs for steel tires for locomotives were examined for three companies at the request of the Railroad Administration.

Also at the request of the Railroad Administration the costs of making driving springs and coil springs for locomotives for six different companies were examined.

At the request of the Tariff Commission statements were prepared showing for certain typical products average costs for representative companies, based on data obtained during the war.

Cost reports for war period.--A considerable amount of work was done in compiling the data on the cost of production of iron and steel products which were collected during the war, but it was found impractical to complete the contemplated report on this subject during this fiscal year.

COTTON TEXTILES.

Current periodic reports.--The Commission has in view the desirability of securing with respect to the cotton textile industry periodic reports regarding supply and demand conditions and at wider intervals of time information as to costs of production, investment, and profits. Tentative plans were made during the year and negotiations initiated with representatives of the industry regarding a feasible method of procedure, but no final decisions were arrived at during the fiscal year.

Combed cotton yarns.--In April, 1920, a resolution of the House of Representatives requested the Commission to inquire into the increase in the price of combed cotton yarns from 1914 to 1919, inclusive, to ascertain the causes thereof and the reasonableness of such increase. This work was promptly inaugurated, and a substantial part of the extensive cost-accounting work involved, was done before the close of the fiscal year.

PAPER.

Current periodic reports.--The periodic reporting of statistics of the paper industry which was begun in 1917 was continued through out the fiscal year. The statistics relate chiefly to production and stocks of paper and pulp by grades, together with imports and exports. Statistics were also collected from publishers regarding the consumption and prices of newsprint paper, as well as data from other sources. The information so collected was compiled and published in monthly and special statements for the benefit of the industries, the consumers, and others interested.

Report to the Attorney General.--The Economic Division also rendered assistance to the Legal Division in an inquiry made at the request of the Attorney General with relation to the question whether certain newsprint manufacturers had lived up to their agreements with the Department of Justice regarding the prices at which newsprint paper should be sold.

Post-office stationery.--In certain contracts between manufacturers and the Post Office Department it was agreed that, in the event that price readjustments should be called for, the Federal Trade Commission should ascertain the costs of production as the basis for any change of prices. Pursuant thereto the Commission audited the costs of several manufacturers of paper and envelopes, and reported its findings to the Post Office Department.

PETROLEUM.

California oil inquiry.--Pursuant to a resolution of the Senate, in 1919, an inquiry was instituted to ascertain the causes of advances in the price of fuel oil, gasoline, and other petroleum products, more especially on the Pacific coast. The resolution requested information also concerning the production and sources of crude-oil supply, with especial reference to the six years 1914 to 1919, inclusive, and particularly for the Pacific coast; the activities of corporate or other agencies engaged in the production, refining, distribution, and marketing of petroleum and its products, especially on the Pacific coast; the profits of the business; the existence of a combination in restraint of trade, or unfair competition were also to be inquired into and the effect, if any, upon the prices of petroleum products, especially on the Pacific coast.

Inasmuch as the demand for the investigation originated in a complaint concerning the price of fuel oil on the Pacific coast, and certain large oil companies in California were specifically named in the resolution, and furthermore as the general tenor of the resolution had particular reference to the Pacific coast, the intensive work of the inquiry was restricted to the Pacific Coast States.

The work, in large part, involved a thorough inquiry of costs, profits, and operating conditions for the years 1914 to 1919, inclusive, and all the important refiners and nearly every concern engaged in the crude-oil production in California was called upon for detailed information. The fuel-oil situation, which has special significance on the Pacific coast, refine in . . marketing, and competitive conditions, prices of crude oil an refined products, and the general supply and demand conditions . ere carefully examined. The preparation of the report was not completed at the end of the fiscal year.

Report on recent advance in price of petroleum products.--A report was submitted *to* Congress on June 1, 1920, covering the causes of the recent advances in prices of petroleum products, pursuant to House resolution No. 501.

For the purpose of this report a study was made of the supply and demand and the prices of crude oil and of the principal refined products -- gasoline, kerosene, and fuel oil-during the latter part of 1919 and up to May 1, 1920, as well as of the sources of the oil supplies of the United States, whether of domestic or foreign origin.

The inquiry involved also a consideration of the competitive conditions in the production, refining, and marketing of crude petroleum and its refined products.

The more important conclusions of the Commission were that the competitive conditions were not materially different than those for some years past on which the Commission made a report in 1917 and that supply and demand conditions rather than illegal combinations were responsible for the marked advances in prices. Owing to the fact that it was impossible to secure sufficiently recent profit and loss statements from refineries at the date of making the report, the Commission was unable to determine whether the prices of refined products had advanced unduly in comparison with the prices of crude oil.

FARM MACHINERY.

The inquiry into the prices of farm machinery was made in response to a resolution of the Senate directing the Commission to report the causes for the high prices of farm implements, including any facts relating to restraints of trade or unfair methods of competition in the industry, and whether, by reason of such prices, the farmers have been prevented from making fair profits.

All of the data on costs, prices, and profits were obtained and a part of the tabulation of the extensive statistical material was completed during the preceding fiscal year, as well as a part of the examination of the transactions of trade associations. The report was finished and sent to the press during the fiscal year covered by this report, but was not ready for distribution until after its close.

The Commission's findings may be summarized as follows:

1. The prices of farm implements purchased by farmers increased on an average of 73 per cent during the period 1914 to 1918, inclusive.

2. The costs of manufacturers and the expenses of dealers showed a marked increase, but selling prices were increased to an even greater extent, which resulted in increased profits which were unusually large for both manufacturers and dealers in 1917 and 1918.

3. The large increase in the prices and profits of manufacturers and dealers in 1917 and 1918 was due, in part, to price understandings and agreements.

4. The increase in the prices of farm products was generally greater relatively than the increase in the prices of farm implements, and this increase in implement prices formed but a small percentage of the total operating expenses of the farmer, so it would appear that the farmer was not prevented from making fair profits on account of the increase in the prices of farm implements.

5. The matter of scarcity did not enter into the price factor as there was no general shortage in the supply of farm implements.

6. The partial dissolution of the International Harvester Co. in 1918 did not change the dominating position of that company in the harvesting-machine line, and will not do so while the McCormick and Deering implement plants and the steel-manufacturing business remain united under its control either directly or by common ownership of stock.

The recommendations of the Commission were as follows:

1. The Commission believes that judicial proceedings should be instituted against associations who have been active in restraining trade in the farm-implement industry.

2. The Commission also believes that the International Harvester case should be reopened , as provided for in the final decree, so that a plan of dissolution be arrived at that will restore competitive conditions in the harvesting-machine business.

LEATHER AND SHOES.

Report on leather and shoe industries.--Acting on complaints that the prices of shoes had advanced unduly compared with the advances in prices of hides, the Commission directed a general inquiry into the leather industry, including conditions in the hide market and in the boot and shoe industry. This inquiry which was begun in 1918 was completed and report made in August, 1919. The report, which covered generally the period from 1914 to 1918, dealt with the prices of hides, general conditions in the hide market, the prices of certain kinds of leather, profits in the tanning industry (together with a limited discussion of the cost of tanning certain staple leather), costs

and profits in the manufacture of shoes, cost and selling prices (wholesale and retail) of shoes, and general conditions in the hide, leather, and shoe business. The outstanding conclusion reached in the report was that retail shoe prices were unjustifiably high, not only because the retail shoe dealers took too much profit but because the dealer had to pass on to the consumer the excessive profits received by butchers for hides and also the excessive profits of tanners and shoe manufacturers.

Inquiry into increased price of shoes.-Under House Resolution 217, passed in August, 1919, the Commission was directed to inquire into the increased price of shoes, ascertaining cost and selling prices of both manufacturers and retailers for the years 1918 and 1919. It was deemed necessary to make this new inquiry practically coextensive with the earlier report (submitted August, 1919) and therefore plans were made to include the hide and tanning industries as well as the shoe industry. This inquiry is now well advanced and the field has been substantial covered by schedules and by examiners. Detailed cost and financial schedules were sent to 262 tanners of shoe leather and to 1,085 shoe manufacturers. Schedules covering costs and profits were sent to 140 shoe dealers (wholesale and retail) . Additional schedules were sent to 531 tanners of all kinds of leather and to 510 leather dealers, covering stocks of leather on hand for given periods and (for tanners) monthly production figures. In addition to the information collected by means of schedules, agents of the Commission have examined the books of 38 shoe manufacturers to obtain therefrom cost and financial data.

From other sources information was gathered to show fluctuations in prices of hides, leather, and shoes, raw stocks of hides and skins, exports and imports, and general conditions in the industry.

GRAIN TRADE.

The inquiry into the grain trade is the most thorough study of the subject hitherto made, and has involved not only a large amount of field work but also the tabulation of very extensive statistical data.

During the fiscal year three volumes of the report on the grain trade were substantially completed and three others were well advanced toward completion.

The volumes substantially completed were:

Volume 1--Country Grain Marketing.-This volume gives a statistical analysis of country marketing, including the distribution of various types of elevators and warehouses, volume of gain handled, markets to which grain is shipped, their marketing policies and competitive conditions.

Volume II The Terminal Markets and Exchanges.--This volume deals with the history and relative importance of the various terminal markets and exchanges, their organization, rules, trading practices and methods.

Volume V--Future Trading Operations .--This volume includes a detailed estimate of the volume of future trading, the character of the operators engaged therein, including warehouses, a detailed description of the technique of future operations, and a discussion of the legal status of future trading.

At the chose of the fiscal year Volume III, on Terminal Market Operations; Volume IV, on Cost and Profits of Grain Marketing; and Volume VI, on Prices of Cash Grain and Futures, were also nearing completion.

LUMBER.

Current periodic reports.--The Commission has been considering the advisability of collecting costs and other economic data from the lumber industry; and accordingly during the latter part of the year prepared a tentative cost schedule, which was sent to secretaries of the various trade associations for distribution to their members. A conference was called for July 12, 1920, to discuss this subject with representatives of the lumber industry.

Cost reports for war period.--During the war much valuable information was collected from the lumber industry regarding costs , and in the spring of 1919 the Commission received from many of the producers of certain leading types of soft woods comprehensive reports showing the balance sheets, production, costs, sales realization, and profits for the years 1917 and 1918. These reports represent perhaps the most complete cost information which is available regarding the lumber industry. Owing, however, to heavy reductions in the office force, this fund of valuable information could not be tabulated immediately and was therefore gradually worked up during the fiscal year, in order that the results might be published. The compilation of this information was completed and tables were prepared showing comparative annual costs , sales, realization, and profits by States and groups for southern pine and Douglas fir. Detailed studies were made of the cost of conducting the various logging and manufacturing operations in different sections. A careful study was also made of the financial statements of companies located in the southern pine region, with a view to determine the average amount per thousand feet of working capital, timber investment, and plant investment which it is necessary that a company should have in order to conduct successfully the lumber-manufacturing business. An examination was also made of the capital investment of various

companies. Studies were made of stumpage, labor, expense, and general overhead, in order to determine the relation of these various items to the total production cost.

These reports when published should be of value both as a record of production costs during the war period and as a basis of comparison for the future.

FLOUR.

A report on commercial wheat-flour milling in the United States, completed during the year, was in press at its close. This report discusses the development of the wheat-flour industry briefly. It then presents in some detail the advance in the prices of wheat, wheat flour, and wheat feed, and the increase in the costs and the profits of the large commercial wheat-flour millers during the five years 1913-14 to 1917-18. The difference in the conditions under which wheat-flour milling is carried on and the differences in the results obtained in the Pacific Northwest, the hard spring-wheat country tributary to Minneapolis, the hard winter-wheat country of the Southwest, and at scattered milling centers farther east are brought out and in part explained. Comparisons are made between results obtained by the very large mills and those not quite so large. The present development of association activities in the industry is also presented briefly.

Concentration in the industry has progressed far enough so that 10 of the largest milling concerns could probably supply the demand for flour in this country. The data presented in this report regarding costs and profits relate chiefly to 37 large milling. companies operating east of the Rocky Mountains.

Up to 1914 the price of flour was not advancing as fast as prices in general. The 35 to 43 million barrels of annual sales of wheat flour covered by the report advanced in price from $4.15 in 1913-14 to $10.22 in 1917-18.

There was an increase of 146 per cent in the millers' cost of wheat , which amounted to $5.46 per barrel in 1913-14 as compared with 1917-18, while the increase in all other costs was only 46 cents. The relatively greater increase in the cost of wheat was due to a decrease of practically 40 per cent in the wheat crops of 1916 and 1917 as compared with 1915 and to the fact that at the close of the crop year 1917-18 there were only 21,000,000 bushels of wheat left in the United States--less than one-eighth of the stock two years earlier. Taking all milling operations of these 37 companies together, the investment used per barrel of flour increased from $1.14 in 1913-14 to $1.90 in 1917-18, and the profit from 14 cents to 65 cents per barrel. Comparing their business in 1913-14 and 1917-18, the in-

crease in sales was from 160 to 354 million dollars; in profits, from 5 ½ to over 20 million dollars; in milling investment used, from 44 to 66 million dollars; and in rate of profit , from 12.6 to 34.1 per cent. In 1916-17 the rate of profit was 38.4 per cent.

ANIMAL FEEDS.

By a resolution of the Senate the Commission was directed to inquire into the manufacture and sale of animal feeds, the supply of commodities used as animal feeds, the fluctuation of prices of such commodities, the extent to which they are converted into mixed feeds, and also to find what combinations or understandings, if any, exist between the feed manufacturers and wholesale and retail feed dealers, and what frauds, if any, are practiced by dealers in the way of misbranding or using inferior substitutes in mixed feeds. The Department of Agriculture was directed to cooperate with the Commission.

The number of commodities used as feeds is exceedingly large, so that the Commission was obliged to limit its inquiry into the animal feeds industry to the more representative and important feeding stuffs.

The Commission undertook to secure information regarding the industry in some 60 cities and towns in the more important manufacturing and consuming centers from feed mixers, manufacturers, dealers, and other distributors, State feed-control officials, feeders, and representatives of farmers' organizations, particularly with respect to the manufacture and sale of feeds, general trade practices. adulteration and misbranding, and competitive conditions in the industry. This work was supplemented by the examination of correspondence files of associations, manufacturers, and distributors, and the price records of manufacturers, distributors, and exchanges. The costs and profits of feed manufacturers were also secured from about 25 companies, but it was found impracticable to secure such data from retail dealers.

The field work with respect to this inquiry was nearly completed at the end of the fiscal year.

SUGAR.

An inquiry into the supplies and prices of sugar was ordered by a resolution of the House of Representatives. The inquiry covers the period approximately from the beginning of 1919 well down to the close of the fiscal year. This, it will be noted, includes the period following the armistice, when the sugar industry was still under Government control through the agencies of the United States Sugar Equalization Board and the Food Administration.

The inquiry was directed to ascertain what supplies were available to the United States during this period, from what sources they were obtained, and why they fell short.

The distribution of supplies was also considered, including the steps taken by the Government in 1919 to alleviate in so far as possible shortage conditions and to insure an even distribution. The changes in the methods of distribution which followed the relaxation of Government control and the economic effects which accompanied such distribution were also inquired into.

The effects of the voluntary agreement between the Government and producers of sugar with respect to stabilization of prices during 1919 and the consequences of the gradual abandonment of Government control during the latter half of 1919 and the early part of 1920 were studied, especially with relation to speculation, resales, and price advances.

The inquiry into this subject was practically completed before the close of the fiscal year.

MILK.

Senate inquiry.--A comprehensive inquiry into the milk industry, particularly canned milk and other milk products from 1914 to date, was ordered by a resolution of the Senate in which the Commission was also directed to investigate the activities of the Food Administration with respect to the milk industry during the war.

This inquiry has three phases, namely, the canned milk industry, the raw milk industry, and the butter and cheese industries. The study of the canned milk industry was practically completed during the fiscal year, but the Commission experienced difficulties in the study of the raw milk, the butter, and the cheese industries, especially with respect to farm costs and to the operations of distributors of fresh milk, butter, and cheese who are in many cases not engaged in interstate commerce.

The report on this extensive inquiry was not completed at the end of the fiscal year.

Audit at request of War Department.--About the same time that the Senate ordered the milk investigation the Commission was requested by the War Department to audit the accounts of the producers of canned milk who sold their products to the War and Navy Departments during 1918. The Commission's audit is to be used as a basis for any possible refund which the producers may have to make as in accordance with their agreement with the War Department.

MEAT.

The inquiry into the meat industry in 1917-18, which was a part of the food investigation directed by the President, resulted in a series of reports by the Commission, all of which were published or authorized to be published in the fiscal year ended June 30, 1919, through some of these reports were not available for distribution until some time during the fiscal year 1919-20. The series of the reports now available, with their subjects, is as follows:

Summary and Part I. Extent and Growth of Power of the Five Packers in Meat and other Industries.
Part II. Evidence of Combination Among Packers.
Part III Methods of the Five Packers in Controlling the Meat-Packing Industry.
Part IV. The Five Larger Packers in Produce and Grocery Foods.
Part V. Profits of the Packers.
Part VI. Cost of Growing Beef Animals; Cost of Fattening Cattle; Cost of Marketing Live Stock.

Part VI of the report was contributed by the Department of Agriculture. The President is his letter of February 7, 1917, directing the Commission to make the food investigation, also directed the Department of Agriculture to cooperate in the undertaking. As to the meat industry, it was arranged by conferences between the Federal Trade Commission and the Department of Agriculture that the latter should investigate conditions in the production and marketing of live stock, carrying the study up to the stockyards; that the Commission should investigate the stockyards, packing, and wholesaling activities; and that the department should investigation the retailing of meats. The subjects thus undertaken by the department were those in which it was especially equipped, having already been engaged for some time in studying these phases of the meat industry.

The reports of the Commission on wholesale marketing of foods and on private car lines were closely connected with its reports on the meat-packing industry, and were issued during this fiscal year.

On August 24, 1919, in response to Senate resolution 177 (Senator Norris) the Commission transmitted to the Senate a copy of the unpublished report made by it to the President on June 28, 1918, on the Maximum Profit Limitation on Meat Packing Industry, together with letters from the Food Administrator to the President commenting on the report and a memorandum by the Commission relating thereto. This document was ordered printed by the Senate September 25, 1919 (Doc. No.110, 66th Cong., 1st sess.).

The evidence secured by the Commission in its investigation tending to show an unlawful combination and restraint of trade on the part of the five largest meat packers--Swift & Co., Armour & Co., Morris & Co., Wilson & Co. (Inc), and The Cudahy Packing Co.--

was submitted to the Department of Justice in the letter part of 1918, as respects the bulk of the material though additional material was furnished from time to time thereafter. In the latter part of 1919, following the announcement by the Attorney General after a study of the evidence that a criminal suit would be brought, and while preparations were being made for laying the evidence before a Federal grand jury, the packers entered into negotiations with the attorney General looking towards a consent a consent decree. On February 27, 1920, a consent decree was entered in the Supreme Court of the District of Columbia against the five principal corporations and certain of their subsidiaries and against certain individual defendants. (U. S. *v.* Swift & Co. et al., in Equity No.37623.)

Certain formal complaints were issued by the Commission against the five principal packing companies above mentioned alleging violations of the Clayton Act and the Federal Trade Commission act.

The Commission's report on the meat-packing industry was the occasion of several bills and resolutions, some of which had the attention of committees of Congress in extensive hearings at various times from the fall of 1918 to the spring of 1920 ,at which members of the Commission testified setting forth the facts found in the investigation. Among these bills and resolutions were the following: Senate resolution 221, Sixty-fifth Congress, second session; House bill 13324 (Representative Sims, of Tennessee), Sixty-fifth Congress, third session; Senate bill 5305 (Senator Kendrick, Sixty-fifth Congress, third session; Senate bill 2199 (Senator Kendrick, Sixty-sixth Congress, first session; Senate bill 2202 (Senator Kenyon) , Sixty-sixth Congress, first session; Senate bill 3944 (Senator Gronna), Sixty-sixth Congress, second session; House bill 13526 (Representative Baer, of North Dakota), Sixty-sixth Congress, second session; House bill 14387 Representative Anderson, of Minnesota), Sixty-sixth Congress, second session.

MARKETING OF PERISHABLE FOODS.

The inquiry into the marketing of perishable foods was a part of the general food investigation made by direction of the President.

Its primary object was to disclose those wholesale marketing methods and conditions which obstruct the direct and economical movement of foods from producer to retailer. The results of the investigation were issued in the Commission's report, "The Wholesale Marketing of Food." This report is dated June 30, 1919, but was issued during this fiscal year.

In the investigation schedules were submitted to representative shippers of and wholesale dealers in perishable foods and to cold-storage warehouseman, eliciting such facts as the character, volume,

and disposition of foodstuffs handled , the conditions of competition, and the methods and facilities used in marketing. Members of the wholesale trade in the leading centers were also interviewed on these and on other similar subjects.

The various types of wholesale dealers and markets were studied with respect to functions and economy of operations. Conditions making for losses, undue expenses and consequently high prices to the retailer at shipping point during transportation, and at terminals and wholesale markets, were closely examined. Special attention was given to the existence of unfair and wasteful practices on the part of those through whose hands perishable foods passed on their way from producer to retailer.

Conditions surrounding the warehousing of perishable foods, particularly with respect to the adequacy of facilities and their control and use by large private interests were also studied. Cities with a population of more than 100,000 were found with no public cold storage warehouses , and other large cities with more than half of their cold-storage space under the operation and control of a powerful group of manufacturers and handlers of perishable foods.

Among the principal means by which needed reforms could be made in the distribution of perishable foods the Commission recommended the establishment of central markets in the larger cities with proper physical equipment and coordination with transportation facilities; the elimination of unnecessary intermarket shipments; the restriction on resales on the same level of trade; the recording of available supplies in the markets; the recording of the date of storage and the restriction of period of storage to prevent deterioration or objectionable hoarding; and provision for auction marketing and other facilities to enable producers to ship freely into central markets with proper protection of their interests.

In this report the Commission pointed out that it could hardly be expected that the needed reforms could. be accomplished through the initiative of the dealers, whether individually or cooperatively, and that States and municipalities would not have adequate powers to regulate the trade satisfactorily. The conclusion was reached therefore that Federal action was necessary, though this might be done cooperatively with the railroads or State and municipal governments, and in order that effective regulation might be secured it was recommended that dealers in perishable foods in central markets should not be allowed to operate without a Federal license.

SOUTHERN LIVE-STOCK PRICES.

An inquiry into southern live-stock prices was made during the fiscal year in response to a resolution of the Senate directing the Commission to investigate the methods of purchase and prices paid

for hive stock in the Southern States, in order to determine whether or not producers of meat animals in that region were being discriminated against by the meat packers.

Price data showing both purchase and sales prices were secured by schedule and direct examination of accounting records from packers operating plants in the Southern States and in the North and West. Comparisons were made between the live-stock prices paid in the Southern States and prices paid in the North and West; between prices received for southern beef and . pork products and prices received for northern and western products; and between the quality of the southern products and that of similar classes of northern and western products. Live-stock production and marketing methods in the South were also compared with those obtaining in the North and West.

In its report the Commission stated that it had found no evidence of unjust discrimination, and that the differences in prices appeared to be explained by the peculiar conditions of supply and demand and the quality of meat animals which were marketed.

CANNED FOODS.

Inquiry to forestall speculation and hoarding.--During the summer of 1919 there seemed to be some danger of speculative dealing and hoarding in canned foods, especially fruits and vegetables, and the Commission therefore undertook to ascertain the concerns to whom the producers sold and the purchases and resales of the principal wholesalers, both as to futures and actual goods. In this inquiry valuable assistance was given by the National Canners' Association, the regular trade being opposed to speculation. The actual course of the market showed at tile close of the calendar year 1919 a declining tendency for most canned foods, due in large part to the difficulty of making export shipments and to the sales of large quantities of Government stocks. So far as the Commission was able to ascertain there was comparatively little speculative hoarding or speculative reselling of either spot goods or future contracts.

Canned foods for the Army and Navy.--From the beginning of the war the Commission was called upon by the Army and Navy Departments, and the Food Administration to assist them in determining the costs of food supplies, particularly of canned foods, in order that proper war regulations might be established and just prices for the producers be determined by the purchasing agencies of the Government. The Commission was called upon to do a considerable amount of work during the fiscal year, especially in the settlement of cases where the producers protested against tile prices

offered them by the Government in the final settlement of war contracts.

TOBACCO.

At the request of the War Department the Commission ascertained the cost of producing and marketing those brands and packings of chewing and smoking tobacco and cigarettes that were purchased in large quantities by the War and Navy Departments. These reports were needed by these purchasing agencies in order to adjust prices and make settlements with the manufacturers.

LEGAL DIVISION.

The Legal Division of the Commission includes two subdivisions. The first is the trial division, at the head of which is the chief counsel, who is also the Commission's chief legal adviser. The second subdivision is the examining or investigating staff under the chief examiner.

CHIEF COUNSEL.

The two notable outstanding developments of the year in the Commission's legal work were the institution by the Commission of the trade practice submittal and the decision of the Supreme Court in the case of Federal Trade Commission *v.* Anderson Gratz et al.

THE TRADE PRACTICE SUBMITTAL.

This procedure was instituted by the Commission as an instrument to assist the proceedings provided by statute for the elimination of unfair methods of competition. It had its origin in an effort to eliminate, simultaneously and by the consent of those engaged in a given industry, practices which, in the opinion of the industry as a whole, were unfair. The trade submits its trade practices to the commission for the commission's information. It is employed in cases where a large number of complaints come to the commission, usually from persons in the industry, respecting a number of alleged unfair practices generally prevalent in the industry, or respecting some practice which although of ancient and widespread usage in the trade is questioned. In such instances the commission has at times felt that a single proceeding might not present all the facts or that a single order, restraining as it would but a single concern, might tend to be harmful rather than corrective.

In such a situation the Commission therefore may invite representatives of the entire industry to meet with it and discuss frankly and fully all practices which the members of the trade may have questioned. The Commission itself makes no decisions or ruling, but requests the members of the trade out of their experience and technical knowledge to put their conclusions respecting such practices as they regard as unfair into concrete form. This the Commission takes for its informative value, but does not regard itself bound thereby. This procedure has been employed by the Commission both on its own initiative and at the request of the industries affected. During the fiscal year trade-practice submittals have been

had in the creamery, rebuilt-typewriter pyroxylin plastic (celluloid) , macaroni and butter industries. 1

The methods of competition condemned by the members of the several industries follow:

Creamery industry.--In this comparatively young and highly competitive industry a number of creamery companies applied to the Commission for relief from unfair methods of competition which by gradual growth had finally become universally practiced in States located in the Ohio and Mississippi Valleys and west thereof. After investigation members of the creamery industry assembled at Omaha, Nebr., November 3, 1919, at the invitation of the Commission, and there defined and denounced by resolutions, separately discussed and passed, a number of competitive methods which, according to the judgment and experience of the industry, were unfair. The methods so denounced were as follows: Enticement of employees with the purpose and effect of appropriating values created by or belonging to competitors; false testing of cream; unauthorized use of competitors' equipment; furnishing of equipment without charge therefor as an inducement to appropriating competitors' patronage; defamation of competitors; employment of agents of common carriers for the purpose of soliciting or influencing shipments; espionage; false advertising; price discrimination; the payment of more than established commissions; free gifts or premiums; adjustments in the sale of butter on one-half pound instead of on 1-pound basis; and the furnishing of cans without charge to producers.

Rebuilt typewriter industry.--The reputation gained for properly and thoroughly rebuilt typewriting machines yielding a comparatively high percentage of efficiency was found on investigation by the Commission to have induced widespread unfair deceptive practices.

1 *Book and writing paper industry*.--The first trade-practice submittal was inaugurated prior to the beginning of the present fiscal year. The attention of the Commission was called to the use of certain classes of trade names applied to papers, which names had a tendency to mislead the public as to the process of manufacture, the quality, and the geographical origin of such paper. A conference was arranged between the Commission and the industry, as represented by the "Paper Industry Committee." The conference concluded that certain changes would be beneficial both to the trade and to the public. The members of the industry, by means of signed statements, accepted the suggestion of the Commission to eliminate the following practices: The labeling of paper manufactured by machine process as "handmade"; the use of names of fabric or other material in labeling and advertising papers which are not manufactured from such material but by reason of the finish applied are made to resemble such fabric or material, unless the name used is accompanied by a qualifying word or words, so as to indicate the finish only, thus "vellum finish," "linen finish," "onion-skin finish," and the like; the use of foreign or partly foreign geographical names in labeling or advertising papers of domestic manufacture without the addition of proper qualifying words, such as "Made in U.S.A."; the use of the word "parchment" in labeling and advertising paper without the addition of qualifying words to indicate its true character, thus "vegetable parchment," "imitation parchment," etc..

Since the end of the fiscal year and prior to July 1, 1920, two trade-practices submittals were called, one applied to the oil industry and the other applied to industries generally and dealt with "guaranty decline in price."

To simultaneously correct the unfair practices complained of, the industry, upon the invitation from the Commission, assembled and at its request defined and denounced in open meeting those practices which, in the judgment and experience of the industry, were considered unfair methods of competition.

The terms "rebuilt" or "remanufactured" typewriters were first defined substantially as follows: Machines in which all substantial parts have been removed , examined, cleaned, and tested; defective parts replaced; type properly aligned; unnecessary lost motion eliminated; tarnished blue and nickel parts reblued and renickeled, and the parts of which have been reassembled, inspected, and adjusted by competent workmen. The industry then defined and denounced the use of the following practices as unfair methods of competition: (*a*) The selling of rebuilt or remanufactured typewriters as new machines; (*b*) the selling as rebuilt or remanufactured typewriters machines which have been given only superficial repairs, or only such repairs as are necessary to enable a machine to be operated without being rebuilt or remanufactured as defined herein; (c) guaranteeing of a machine by a dealer who is not a competent workman or who does not employ a skilled repair or service man, and who can not . keep the guaranteed machines in repair or furnish service in answer to a customer's complaint; (*d*) the guaranteeing of machines sold on mail order, unless the guaranty expressly provides that a local dealer shall make service repairs at the expense of the mail-order dealer, or provides for the return of the machine to the mail-order dealer for guaranteed service repairs.

Pyroxylin plastics industry.--Misbranding of various articles made from compounds known commercially as "celluloid," "pyralin," "fibreloid," "viscoloid," "zynolite," "acwelite," etc., which articles had been branded, represented, advertised, and sold by numerous dealers as "ivory," "tortoise shell," "amber," "pearl," "jade," "jet," "coral," etc., resulted in the calling together at the office of the Commission on March 8, 1920 the manufacturers of the basic material, manufacturers of articles fabricated from the basic material, and dealers in the finished products. At this conference a committee was appointed by the members of the industry represented to prepare resolutions to be reported back at an adjourned meeting, which was held May 17, 1920.

In the resolutions presented to the Commission by those engaged in the industry it was concluded that it was impracticable to brand the various articles made from these compounds in a way which would indicate their inflammable character, but that the discontinuance of the use, in a substantive sense, of such terms as "ivory," 'jade," " jet," "coral," " tortoise shell," etc., would obviate the necessity of branding the articles so as to indicate their inflam-

mable character; that it is also impossible the brand the articles by any name which will show their imitative or substitute character, and that the failure to do so is not an unfair trade practice.

That the use of the words “ivory,” “shell,” “amber,” “jade,” “jet,” “coral,” etc., in other than an adjective sense, and then only when coupled with the names of the material or some other qualifying term, such as color, finish, etc., was condemned, as was the practice of using geographical designations in connection with the material or articles manufactured therefrom, unless they correctly express the point of origin, or are coupled with some other qualifying term, such as color or finish.

That it is impossible to apply to all these compounds and articles manufactured therefrom one generic term which would properly describe the material or articles regardless of by whom manufactured.

Package macaroni industry.--With respect to practices which had grown up in the package macaroni industry. the Commission received many complaints: These complaints were followed by a request from a group of macaroni manufacturers and distributors for a trade-practice submittal. Upon submittal of this request to the National Association of Macaroni Manufacturers the Commission was assured that such a proceeding was desired by the industry. Representatives of the industry assembled before the Commission and after full discussion declared that in the light of their experience and judgment certain practices commonly used in the industry constituted methods of unfair competition. Announcement of the action thus taken was mailed to members of the industry who were not in attendance at the meeting, with the request that . criticism be freely offered if any believed that the conclusions reached were not well founded. Request was also made that such members suggest to the Commission, as proper subjects for examination at a meeting to be called for the purpose, any other abuses of sufficient importance to justify further action of this character.

The practices condemned by the industry may be described as follows: (*a*) The slack filling of packages, or the use of containers of larger capacity than required for the contents therein inclosed, thus indicating to the public that such containers inclosed a quantity of macaroni equal to the capacity of the containers, . when in fact they are only partially filled. The continuance of this practice, which arose under war conditions, tends to create prejudice against package goods, according to the statement of the industry; *(b)* the subsidizing of jobbers' salesmen; (c) the sale and distribution of macaroni or spaghetti in packages containing less than 8 ounces; *(d)* false and misleading labels, particularly as to the quantity of the products; *(e)* the giving of premiums or “free foods” to the trade; and (*f*) price discrimination.

Butter industry.--Having received complaints of an alleged unfair method of competition practiced generally in the Gulf and South-western States, the Commission upon request from manufacturers and distributors of butter, held a trade practice submittal whereat the members of the industry assembled and by resolution petitioned the Federal Trade Commission to bring its action against manufacturers, makers,' and shippers of butter who after August 1, 1920, offer for sale in cartons, rolls, or prints, butter in quantities or weights other than the standard weights of 16 ounces, or of 8 ounces, or of 4 ounces, or who offer for sale, butter in such standard weight packages upon which is not marked the net weight of butter contained therein in accordance with subdivision (c) of regulation 29 of the Rules and Regulations for the Enforcement of the Food and Drug Act as Amended (34 Stats., 768), the practice here complained of, according to the unanimous decision of the representatives present, is likely to lead purchasers into the belief that they are purchasing and receiving standard weights of butter when in truth and in fact they are receiving less than standard weights.

THE GRATZ DECISION.

On June 7, 1920, the Supreme Court handed down the decision in Federal Trade Commission *v.* Anderson Gratz et al. The case involved the legality of the practice of refusing to sell cotton ties unless a corresponding quantity of bagging used therewith was also purchased. The decision turned primarily on a point of pleading. The court held that the Commission had not charged that the respondent controlled the market in ties or bagging or that it had a monopoly in either of these articles. The dissenting opinion pointed out, however, that the Commission had proved and found that the respondents held a dominating and controlling position in the sale and distribution of cotton ties and was therefore in a position to force would-be purchasers of ties also to buy bagging from them. While the decision was limited to a point of pleading, the language of the court in discussing the meaning to be given to the phrase “unfair methods of competition” suggests that it includes at least (1) methods opposed to good morals because characterized by deception, bad faith, fraud, or oppression; and (2) methods regarded as against public policy because of their dangerous tendency unduly to hinder competition or create monopoly. Previous to this decision the Circuit Court of Appeals of the Seventh Circuit, in the Sears-Roebuck case, had declared that--

> The Commissioners, representing the Government as parens patriae, are to exercise their common sense as informed by their knowledge of the general idea of unfair trade at common law and stop all those trade practices that have a capacity or tendency to injure competitors directly or through deception of purchasers, quite irrespective of whether the specific practices in question have yet been announced in common-law cases.

These decisions go far toward furnishing a workable interpretation of the section. The decisions in other cases now pending, one in the Supreme Court, will doubtless throw further light on its construction and remove much of the doubt respecting the general principles which must govern its administration.

An examination of the Commission's proceedings as reported in the two volumes of decisions thus far published will reveal that while they cover a very large range, both with respect to the methods and the industries involved, the methods regarded as violative of the statute may be classified with respect to the source of unfairness into three broad classes:

(1) Methods involving an element of moral turpitude since they are characterized by fraud, deception, misrepresentation , intimidation, or some similar wrongful element.

(2) Methods which while not generally involving any element so clearly violative of good morals, are, nevertheless such as are unlawful because condemned by the common law.

(3) Methods not involving either of the elements in the foregoing classes but which had the effect of directly placing restraint upon the freedom of particular competitors to compete, of closing the channels of distribution by contract or otherwise to competitors generally, or of eliminating competition or otherwise restraining trade to the detriment of competitors and the public.

A single proceeding has sometimes involved a method or methods of these classes, or, on the other hand, one proceeding may involve methods of all three classes (the methods taken together having the effect to hamper and suppress competition). The interpretation given to the statute by the Commission, as evidenced by its orders, would appear to be in accord with the Gratz and Sears-Roebuck decisions above referred to.

COAL AND STEEL CASES.

The authority granted the Commission under subdivisions (*a*) and *(b)* , section 6, of the Federal Trade Commission act, has been contested in the courts for the first time. The work under these subdivisions differs from that conducted under other sections of the act which have been judicially interpreted, to an extent sufficient to justify a brief description of the origin, nature, and scope of the activities which finally resulted in the coal and steel cases.

Before the United States entered the war the Commission, by direction of Congress was engaged in investigating the anthracite and bituminous coal industry. The results of the investigation up

1 Senate resolutions of June 22, 1916, and Apr. 30, 1917 and House resolution of Aug. 18, 1916..

to June 20, 1917, are covered in the Commission formal report of that date.

As a result of requests from the governor of Indiana, the Ohio State Council, of Defense, and the Secretary of the Navy, various cost findings were secured in Indiana, Ohio, West Virginia, Maryland, and Pennsylvania and were consolidated and extended to cover many additional bituminous coal producers in Illinois, West Virginia, Pennsylvania, Kentucky, Montana, and Michigan. This work was begun several months prior to the enactment of the Lever Act, August 10, 1917. In July of that year the President directed the Commission to ascertain costs for a number of basic commodities, among these being coal, and, in order to establish a uniform method of cost determination he further directed that all such work done by the Government should be performed through the organization created by the Commission. On the basis of the information collected regarding the costs of producing coal, the President, under authority of the Lever Act, fixed provisional prices for the sale of bituminous and anthracite coal, and directed that the Commission continue to ascertain costs of production of coal in aid of the Fuel Administrator.

The results obtained on the form of cost report in use by the Commission from August to December, 1917, showed that the condition of cost accounting in the coal industry was chaotic, and indicated the need of an immediate revision of the form in order to facilitate the furnishing promptly of information necessary for the engineer's committee of the Fuel Administration, as well as to obviate the burden placed upon the small operator of reporting all the detail required. On these revised forms of monthly reports for bituminous operators complete information was received for 1918 from nearly 2,500 operators who mined between 90 and 95 per cent of the bituminous production during that year, while the complete returns for 1917 and 1918 from about 100 anthracite operators represented over 99 per cent of the total anthracite production for these two years.

The collection of monthly cost data was discontinued subsequent to the report for December, 1918.

In the course of a hearing held on August 25, 1919, before the Committee on Appropriations of the House of Representatives the Commission was requested to suggest what might be undertaken to reduce the high cost of living. The Commission recommended the collection and publication of current information relative to the production, manufacture, and distribution of foodstuffs and other necessaries, as well as figures showing costs and wholesale and retail prices in various basic industries, including coal and steel. As a result, there was included in the act approved November 4, 1919, an appropriation of $150,000 for the following purposes:

FEDERAL TRADE COMMISSION.

For all expenses necessary in connection with the collection of information as may be directed by the President of the United States, or within the scope of its powers, regarding the production, ownership, manufacture, storage, and distribution of foodstuffs, or other necessaries and the products or by-products arising from or in connection with the preparation and manufacture thereof, together with figures of cost and wholesale and retail prices, $150,000.

Thereafter, on December 15, 1919, the Commission adopted the following resolution:

Whereas at hearings held by the Committee on Appropriations of the House of Representatives on August 25, 1919, the Federal Trade Commission was requested to suggest what it might undertake to do to reduce the high cost of living; and

Whereas the Commission recommended to the said committee that it would be desirable to obtain and publish from time to time current information with respect to "the production, ownership, manufacture, storage, and distribution of foodstuffs or other necessaries and the products or by-products arising from or in connection with the preparation and manufacture thereof, together with figures of cost and wholesale and retail prices," and particularly with in respect to various basic industries, including coal and steel; and

Whereas the said committee recommended an appropriation of $150,000 for the current fiscal year for the said Commission in consequence of this recommendation and the same was duly made by authority of Congress and made available on November 4, 1919: Now, therefore, be it

Resolved, That the Federal Trade Commission by virtue of section 6, paragraphs (a) and (b), of the Federal Trade Commission act, proceed to the collection and publication of such information with respect to such basic industries as the said appropriation and other funds at its command will permit; and be it further

Resolved, That such action be started as soon as possible with respect to the coal industry and the steel industry, including ill the latter closely related Industries, such as the iron ore, coke, and pig-iron industries.

Pursuant to the above resolution, the Commission, from January 5th to 9th, 1920, mailed to about 2,500 producers of bituminous coal, the following letter:

The Federal Trade Commission , pursuant to a resolution adopted on December 15, 1919, under the powers conferred upon it in section 6, paragraphs (a) and (b) of the Federal Trade Commission act, approved September 26, 1914, and in consideration of a special appropriation by Congress for such purposes, requires your company to report your monthly costs of production and other data as specified, in the form prescribed, in the inclosed schedule and Instructions relating thereto.

Said reports, except as to balance sheet, are required monthly for each month of the calendar year, 1920, and until further notice is given you, and are required to be mailed not later than the 30th day of the month succeeding the month for which the report is made; the report as to balance sheet Is required as of the close of business December 31, 1919, or as of the close of your last fiscal year.

If mines are operated by you in more than one field or district, a separate cost report is required for each field or district. A separate cost report may be

filed for each mine, if you so elect, provided that you file also a composite cost report for each field or district.

Your attention is called to the fact that the above-mentioned law provides penalties for delay or failure in the making of reports to the Commission, or for making false reports.

With the above letter there were inclosed forms of reports, together with instructions for preparing the same. For the month of January, 1920, reports were made as requested by about 1,600 producers. Meantime the National Coal Association negotiated with the Commission with the view of bringing certain injunction suits to determine the question of the authority of the Commission to require producers of coal to make reports concerning the cost of mining coal; accordingly, on March 4, 1920, a bill was filed in the Supreme Court of the District of Columbia by the Maynard Coal Co. and a motion for temporary injunction was filed and argued, and thereafter on April 19, 1920, the court made an order granting a temporary injunction, and, in a written opinion filed, the statement is made that the Commission in the reports . requested from the coal-producing companies was demanding information as to intrastate commerce and as to coal production, and that in order for the Commission to have the power to require producers of coal to make the reports requested as to its intrastate shipments it must appear that this information is necessary to or connected with some subject over which the general Government has power; and the conclusion is reached that the Commission could not compel the making of the reports demanded.

The Commission elected to permit the matter to go to final hearing or to have the final hearing postponed until the question of the powers of the Commission to require reports of the cost of production of commodities by corporations engaged in interstate commerce could be raised in a case free from any collateral questions, such as those raised in the suit brought by the Maynard Coal Company, for the Maynard Company, in its bill, contended that whatever power the Commission may have had under the provisions of section 6 of the Commission act, with reference to corporations engaged in the production and sale of coal, such power had been transferred by the President under the Overman Act to the Fuel Administration, and further that to comply with the Commission as request for reports would require it to completely change its system of accounting or keep additional books of account. As these questions would not be involved in the case of a corporation engaged in the production of iron and steel, there having been no Executive order under the Overman Act, with respect to that industry, and the form of report not being subject to any such complaint, and as certain of the steel companies had failed and refused to make reports of the cost of production de-

manded by the Commission while acting under the resolution of December 15, 1919, hereinbefore set out, the Commission requested the Attorney General of the United States to proceed under the provisions of section 9 of the Commission act to petition the district court of the United States for the eastern district of Pennsylvania and the district of New Jersey to issue wants of mandamus against two of the steel-producing companies which had failed and refused to make the reports requested. Accordingly the Department of Justice, acting through the local district attorneys, early in June, 1920, petitioned the court in the eastern district of Pennsylvania to issue a writ of mandamus against the Bethlehem Steel Co. and petitioned the court in the district of New Jersey to issue a writ of mandamus against the Republic Iron & Steel Co. to compel each of said companies to furnish the reports requested by the Commission while acting under said resolution of December 15, 1919. A rule to show cause why the writ should not issue was issued and served in each of these cases , but before they became returnable these two companies, together with 20 other corporations engaged in the steel industry, filed a bill in the Supreme Court of the District of Columbia to enjoin the Commission from requiring those companies to make the said reports requested. A temporary restraining order was issued and afterwards by stipulation of record a temporary injunction pending final hearing on the bill was granted. This is still in force.

COMMERCIAL BRIBERY.

A matter which has been constantly before the Commission is that of commercial bribery. The situation with respect thereto is set forth in a special report submitted to the Congress on May 15, 1918, as follows:

FEDERAL TRADE COMMISSION,
Washington.

To the Congress of the United States:

Pursuant to the provisions of paragraph (f) , section 6, of the Federal Trade Commission act, the Federal Trade Commission submits the following to Congress for its consideration:

The Commission has made considerable investigation of bribery of employees of customers as a method of securing trade.

The Commission has found that commercial bribery of employees is a prevalent and common practice in many industries. These bribes take the form of commissions for alleged services, of money and gratuities and entertainments of various sorts, and of loans-all intended to influence such employees in the choice of materials.

It is evident that this Inexcusable added cost is finally passed on to the consumer.

Bribery is criminal per se. The Federal Trade Commission has 110 criminal jurisdiction. It treats the practice as an unfair method of competition. In dealt with commercial bribery as an unfair method of competition the Com-

mission is entirely limited to, dealing with one side, to wit, the giving side, and has no power to reach the receiver, who is also guilty.

The practice is one which has been condemned alike by business men, legislatures, and courts, including among the business men those who have finally resorted to it in self-defense in competing with less scrupulous rivals or in selling to concerns whose employees have extorted commissions under threats to destroy or disapprove goods submitted to them for test.

How prevalent the practice is and how great the need of legislation seems to be is illustrated by the statement of one man of prominence in an industry who welcomed the proceedings of the Commission destined to destroy the practice with this statement:

"From an experience of 30 years in the industry I don't believe that there is a single house in it that has not had to pay bribes to hold old business or to obtain new business. Bribery is inherently dishonest and tends to dishonesty and is unfair to competitors and customers, and I don't believe it ever will be stopped until made a crime by the United States Government."

How thoroughly insidious this practice has become may be illustrated by two experiences of representatives of the Commission. In one case an employee frankly stated that he was "entitled to 10 per cent, and anyone who demands more is a grafter." Another was so fully imbued with the justice of his claim that he desired the representative of the Commission to assist him in enforcing the collection of an unpaid so-called commission.

Corrupt employees having the power to spoil and disapprove materials have been able to bride one salesman against another, until in many cases they have extorted secret commissions, so called, as large as 20 per cent of the value of the goods sold.

Fourteen States have statutes striking at the practice, and yet it tends to grow. When competition crosses State lines State statutes with respect to trade practices are not actively enforced.

Justice Lurton, when on the circuit court of appeals, aptly referred to the conflict created by this practice between duty and interest as "utterly vicious, unspeakably pernicious, and an unmixed evil." Lord Russell, of Killowen, who was largely responsible for the passage of English legislation prohibiting this practice, expressed the opinion that "these corrupt bargains were malignant cankers," and that "it was a system dishonest to the fair trader" and "dishonest to the fair employer."

The Commission feels that the stamping out of commercial bribery is one necessary step to the preservation of free, open, and fair competition, and to that end respectfully urges that new legislation should prohibit not only the giving and offering, but the acceptance and solicitation, of any gift or other consideration by an employee as an inducement or reward for doing any act in relation to his employer's affairs or business or for showing or forbearing to show favor or disfavor to any person in relation to his principal's or employer's affairs or business.

In order to prevent a resort to a common method of corruption, it is recommended that the law should also prohibit the giving of any such gifts or other considerations to members of the agent's or employee's family, or to any other person for his use or benefit, direct or indirect.

The facts disclosed by the Commission's investigation leads to the conclusion that present laws are not fully effective. While the practice is clearly per se an unfair method of competition, and while the Commission is acting and proposes to continue to act under the Federal Trade Commission act as to cases brought to its attention, yet because of the secret nature of the conspiracies,

which are for the mutual advantage of all the parties engaging in it, it is believed that a strong Federal enactment against the practice, striking at each person participating, both givers and recipients, coupled perhaps with immunity to the first informant, may aid greatly in stamping out the vicious practice.

For the reasons stated, and others, the need for action by Congress seems apparent. It seems also that Congress has sufficient power to strike at the entire practice, inasmuch as Congress has power not only to prohibit such transactions In interstate commerce, but, under the Minnesota rate and Shreveport cases, has power to remove any obstruction which may prevent or hamper shipments In interstate commerce. To illustrate: If a company doing business solely within one State resorts through its agents to this vicious method of competition, it will surely hamper, if not make it impossible, for a manufacturer of another State seeking to compete honestly to make any sales in such State except by resorting to like vicious and unfair practices. Congress undoubtedly has the power to remove such obstruction from the path of the Interstate competitors.

It is useless to discuss the origin of the practice. It is sufficient to know that it exists generally and appears to be spreading. The mere suggestion shows that it must engulf even those honestly Inclined if they desire to maintain their commercial life in any industry where such practices prevail. It should be also noted that the practice appears to have been most general on the part of concerns In Introducing the goods and wares of German firms. Among such concerns and their salesmen the evidence Is that the practice is recognized as a legitimate method of competition.

The Commission therefore respectfully recommends that Congress consider the enactment in the public interest, as an aid to the preservation of fair and free competition, of a sufficient law striking at the unjustifiable and Vicious practices of commercial liberty; and that such a law be so comprehensive as to strike at each person participating in any such transactions.

PROCEDURE OF THE COMMISSION.

Section 5 of the Federal Trade Commission act lays down a single principle of law. It is, "Unfair methods of competition in commerce are hereby declared unlawful." The rest of the Commission organic act is procedural, being simply a clear method of procedure laid down by the Congress.

In administering this law, the Federal Trade Commission follows scrupulously a procedure carefully laid down by the Congress. When anyone believes that unfair practices are being used to his injury, and he addressed the Federal Trade Commission with a brief statement of the facts as he understands them, the Commission makes a preliminary investigation and if, in the end, it has reason to believe that it is to the interest of the public that the matter be formally into, then it issues its complaint in writing, directed to the concern against whom the citation has been made. This issuance of the complaint is no judgment of condemnation but a resolution for an orderly trial of the matter.

The party cited is then given 40 days in which to prepare his reply in writing and thereafter a full hearing is had, the respondent being present in person or by attorney with every opportunity to cross-examine witnesses and examine documentary evidence.

After that there is placed at his disposal all the processes of the Commission so that he may produce his own witnesses and compel the production of books and papers or any other documentary evidence which he may wish to employ in his defense. In the end the Commission may find either that the acts complained of have not been committed, or, if committed, may not properly be said to be unfair. In which case the whole matter is dismissed.

If, however, it is found that the things complained of have actually been done, and that they are contrary to the public interest, the Commission's order to cease and desist from the practice complained of is issued. But thereafter the respondent may, if he believes that the decision is unfair to him, appeal to the circuit court of appeals of the United States and thence to the Supreme Court of the United States; so that every possible safeguard of law is thrown about the proceedings.

Experience has shown that about two out of three of the complaints which are brought to the Commission's attention are not such as to warrant any formal proceedings and those matters are dismissed without annoyance to the respondent, without publicity, and without public knowledge.

Since its organization, March 16, 1915, the Commission has received and filed 1,990 applications for the issuance of formal complaints. Of these , 992 were dismissed after examination as being without merit or without the jurisdiction of the Commission, 537 are in the process of examination, and the remaining 461 applications have resulted in the issuance of 611 formal complaints. That 461 applications resulted in the issuance of a greater number of formal complaints is due to the fact that many applicants name several parties in single application who could not properly be joined in formal actions.

Of the 611 formal complaints 303 were issued and 172 disposed of prior to the beginning of the present fiscal year. During the present fiscal year 308 were issued and 155 disposed of, leaving a total of 284 undisposed of formal complaints on June 30, 1920.

Complaints, findings, and orders, constituting the decisions of the Commission in the cases disposed of, are published in two volumes entitled "Decisions of the Federal Trade Commission" and may be had by purchase from the Superintendent of Documents, Government Printing Office, Washington, D. C.

METHODS OF COMPETITION CONDEMNED.

Among the methods of competition thus far condemned by the Commission may be mentioned the following:

Misbranding of fabrics and other commodities respecting the materials or ingredients of which they are composed, their quality, origin, or source.

Adulteration of commodities, misrepresenting them as pure or selling them under such names and circumstances that the purchaser would be misled into believing them to be pure.

Bribery of buyers or other employees of customers and prospective customers to secure new customers or induce continuation of patronage.

The payment of bonuses by manufacturers to salesmen of jobbers and retailers to procure their special services in selling their goods; and making unduly large contributions of money to associations of customers.

Procuring the business or trade secrets of competitors by espionage, by bribing their employees, or by similar means.

Procuring breach of competitors' contracts for the sale of products by misrepresentation or by other means.

Inducing employees of competitors to violate their contracts or enticing away employees of competitors in such numbers or under such circumstances as to hamper or embarrass them in business.

Making false or disparaging statements respecting competitors' products, their business, financial credit, etc.

The use of false or misleading advertisements.

Making vague and indefinite threats of patent infringement suits against the trade generally, the threats being couched in such general language as not to convey a clear idea of the rights alleged to be infringed, but nevertheless causing uneasiness and fear in the trade.

Widespread threats to the trade of suits for patent infringement arising from the sale of alleged infringing products of competitors, such threats not being made in good faith but for the purpose of intimidating the trade.

False claims to patents or misrepresenting the scope of patents. Intimidation for the purpose of accomplishing enforced dealing by falsely charging disloyalty to the Government.

Tampering with and misadjusting the machines sold by competitors for the purpose of discrediting them with purchaser.

Trade boycotts or combinations of traders to prevent certain whole-sale or retail dealers or certain classes of such dealers from procuring goods.

Passing off of products or business of one manufacturer for those of another by imitation of product, dress of goods, or by simulation of advertising or of corporate of trade names.

Unauthorized appropriation of the results of a competitor's ingenuity, labor and expense, thereby avoiding costs otherwise necessarily involved in production.

Preventing competitors from procuring advertising space in newspapers or other periodicals by misrepresenting their standings or other misrepresentation calculated to prejudice advertising hated to prejudice advertising mediums against them.

Misrepresentation in the sale of stock of corporations.

Selling rebuilt machines of various descriptions, rebuilt automobile tires , and old motion-picture films shortly changed and renamed as and for new products.

Harassing competitors by fake requests for estimates on bills of goods, for catalogues, etc.

Giving away of goods in large quantities to hamper and embarrass small competitors; and selling goods at cost to accomplish the same purpose.

Sales of goods at cost, coupled with statements misleading the public into the belief that they are sold at a profit.

Bidding up the prices of raw materials to a point where the business ms unprofitable for the purpose of driving out financially weaker competitors.

Loaning, selling at cost, or leasing for a nominal consideration pump and tank outfits to dealers on condition that they be used only for the distribution of the product of the particular manufacturer. Loans or leases of other equipment under similar conditions.

The use by monopolistic concerns of concealed subsidiaries for carrying on their business, such concerns being held out as not connected with the controlling company.

Intentional appropriation or converting to one own use of raw materials of competitors by diverting shipments.

Giving and offering to give premiums of unequal value, the particular premiums received to be determined by lot or chance, thus in effect setting up a lottery.

Any and all schemes for compelling wholesalers and retailers to maintain resale prices on products fixed by the manufacturer.

Combinations of competitors to enhance prices, maintain prices, bring about substantial uniformity in prices, or to divide territory or business.

PROCEEDING UNDER SUBSECTION (E) , SECTION 6, OF THE FEDERAL TRADE COMMISSION ACT.

The first proceeding conducted by the Commission pursuant to subdivision (e) , section 6 of the Federal Trade Commission act, arose on application of the Attorney General, dated September 30, 1919. This application requested the Commission to make an investigation

of the California Associated Raisin Co., alleged to be violating the antitrust acts, and to make recommendations for the readjustment of its business in order that the corporation might thereafter maintain its organization and management and conduct its business in accordance with law. Hearings had on November 20, 22, 24, 25, 26, 28, 29, December 1 and 2, were concluded on December 3, 1919. The essential facts thereby disclosed and the conclusions and recommendations of the Federal Trade Commission thereon will be found in Appendix 8.

PROCEEDINGS UNDER SECTION 5 OF THE COMMISSION ACT.

The first formal complaint was issued by the Commission February 18, 1916. It charged the use of an unfair method of competition within the meaning of section 5 of the Federal Trade Commission act. Since that date violations of this section have been charged in 572 formal complaints. Of these, 255 have resulted in the issuance of orders to cease and desist from the use of various methods of competition found by the Commission to violate the act.

PROCEEDINGS UNDER THE CLAYTON ACT.

Thirty-three complaints issued by the Commission have charged violations of section 2 of the Clayton Act, and in four of these cases final orders to cease and desist have been issued. Seventy-nine complaints have charged violations of section 3 of the act, and in 29 of these cases final orders to cease and desist have been issued. In only one case under section 3 has appeal to the court been taken from tile Commission's order. Twenty-one complaints have charged violations of section 7 of the Clayton Act, and two complaints have charged violations of section 8. No final orders to cease and desist have thus far been made under either of the last two mentioned sections.

PROCEEDINGS PENDING AND DISPOSED OF.

Proceedings pending and disposed of during the fiscal year 1920 will be found in Exhibit 8.

CHIEF EXAMINER.

The duty of the second branch of the Legal Division--that is, the staff under the chief examiner--is to do all investigating work in connection with applications for the issuance of complaints and the gathering of evidence in preparation of formal cases for trial. It also furnishes the examiners who sit at the trial of formal cases. The staff includes one assistant chief examiner, three attorneys and examiners in charge of branch offices, and a small force of investi-

gators, most of whom are attorneys, besides the necessary complement of clerical and stenographic help. In addition to the supervision of the work of these investigators, the chief examiner if charged with the duty of conducting a large preliminary correspondence with applicants for the issuance of complaints.

From the beginning the Commission has interpreted its organic act as requiring such a procedure as to make it easy for those having grievances to secure their consideration. With that end in view, the rules of practice were made quite simple, the chief essential being merely the submission of a written statement of the facts. Applicants may come in freely, either at headquarters or at one of the branches, present their applications in person, and discuss them with the Commission's representatives.

These informal preliminary applications are carefully studied in the light of the precedents and of the Commission's powers. If the statement shows upon its face that the practice complained of is not unlawful, or is something over which the Commission has no corrective jurisdiction, the applicant is so informed and the file is closed. If, however , it appears that something unlawful, over which the Commission has corrective jurisdiction, is involved, such further correspondence as may be necessary to put the application in proper form is conducted. The chief examiner then causes the file to be docketed as an "application for the issuance of a complaint," and it is assigned to an investigator for attention. Upon completion of the investigation the attorney in charge . prepares a report, recommending either dismissal or the issuance of a complaint. The file is then reviewed by the chief or assistant chief examiner to make sure, first, that the investigation is complete, and, second, that a correct conclusion, both as to the law and the facts, has been reached. It then goes to the board of review, and from that body, with their recommendation, to the Commissioner in charge of the case, who makes a report and recommendation, and the full Commission passes finally upon the question of dismissal or issuance of a complaint.

The purpose of the Commission in carrying out this important part of its work is to be at all times helpful and fair. Preliminary inquiries are given prompt attention and careful study. Investigators are instructed and expected to be at all times considerate and courteous in their dealings with business men. Parties under investigation are freely informed of the nature of the charges against them and given every opportunity to state their side of the controversy before any final action is taken; but, for obvious reasons, the identity of applicants is not unnecessarily disclosed. In deciding the question of docketing informal applications for investigation the condition and circumstances of the party by or against whom it is

presented are not controlling circumstances, and the Commission never refuses to consider an application, if it appears probable that the law has been violated.

The Commission has three branch offices, established in June, 1918, for the purpose of saving time and expense in travel and also to afford business men a better opportunity of presenting the matters they wish considered. Convenient and well-equipped quarters are maintained at No. 20 West Thirty-eighth Street, New York City; No.14 West Washington Street, Chicago; and at room 65, Appraisers' Stores Building, San Francisco. These branches have accomplished the objects in view, besides providing convenient hearing rooms and quarters for the Commission's work in the cities named and their vicinity.

From the very beginning of the Commission's work many applications were presented involving matters outside its jurisdiction. This was to be expected at the start, but that it should still continue is a matter for surprise. The fact that the Commission has no means other than the distribution of its annual report amid the publication in the press and in collected Volumes of its decisions of informing the public regarding such matters, may in part account for this. The publication of its decisions in collected volumes is expected to go far toward removing misunderstandings and bringing to the attention of business men the fact that the Commission is rapidly building up a body of business law which will afford them that "advice, definite guidance, and information" which the President suggested that such a commission could and would supply.

It is probably not an exaggeration to state that fully half the preliminary applications received by the Commission since its organization have had to be rejected on account of some obvious lack of jurisdiction, which even a superficial knowledge of the acts which the Commission administers would have disclosed. The requirement most frequently overlooked is the jurisdictional one that the matters alleged must either involve or directly and substantially affect interstate commerce. Next in frequency, perhaps, come cases of underselling not associated with discrimination or other similar unlawful features.

Another prolific source of misunderstanding is the impression, which seems to prevail even in official circles, that the Commission has power to act directly for the prevention of profiteering. This misapprehension probably grew, in part, out of the close association of the Commission during the war , with the Food Administration. It investigated and reported upon many cases of alleged abrogations of contract, but when parties were found guilty, the remedy was applied by the Food Administration by revoking the license of the offending concern and not by the Commission. In order to take

remedial action in such cases, it would be necessary for the Commission to have the power to fix prices, and such a power has never been given it.

Appeals are frequently made to the Commission for the enforcement of the terms of contracts, or for redress where there has been fraud or failure to carry out their terms; and it has been frequently necessary to point out to such applicants that the Commission is not a court and therefore can not award damages, costs, or reparation. The best remedy in such cases is usually to be found in the courts, and it is usually considered that there is little or no public interest in a proceeding by the Commission where the injured party already has an adequate remedy at law or in equity. A useful point for applicants to bear in mind is that the Commission acts primarily on behalf of the public and only secondarily, if at all, for the righting of private wrongs; and, therefore, when the contest appears to be a quarrel between two competitors and one in which the public is not particularly concerned, the Commission will ordinarily decline to interfere.

Another prolific source of misunderstanding is the impression, apparently widely prevalent, that the Commission exercises the function of a detective bureau, and that all that is necessary to set its machinery in motion is to write a letter suggesting that a certain concern or industry could profitably be investigated. Often such communications take the form of anonymous letters. While, as before stated, the Commission's doors are wide open to legitimate complaints, yet the line is drawn at anonymous communications and complaints by parties obviously animated by malice. The Commission insists upon having a definite applicant in each case, and it does not proceed by secret methods , but its investigators walk openly into the offices of concerns under investigation and inform the officers what they have come for. The investigation files are considered confidential, but after the issuance of formal complaints all proceedings are open to the public.

In the year 1915, 112 applications for complaints were docketed; in 1916, there were 134, an increase of 18 per cent; in 1917, 154, an increase of 15 per cent; in 1918, 332, an increase of 117 per cent; in 1919, 535, an increase of 61 per cent; and in 1920, 724, an increase of 35 per cent over the preceding year. This shows an average annual increase of almost 50 per cent, and at the same rate the division will be called upon to handle more than a thousand applications next year.

The force of investigators is, and always has been, quite small. At the end of the fiscal year covered by this report it consisted of 31 men, and the greatest number ever employed was 40. It is obvious that a force of this size can not handle many large investi-

gations concurrently and at the same time take care of its current work. The number of cases handled by each investigator has been steadily rising and the cost per case falling.

In addition to the large amount of important work accomplished by this division, in taking care of the investigation of the application for the issuance of complaints under section 5 of the act of September 26, 1914, it also undertook, in November, 1919, and had nearly completed at the time of this report, a very voluminous and painstaking investigation of the activities of wholesale lumber dealers' associations in the United States. This work was undertaken at the request of the Department of Justice, and it is believed, when completed, will be one of the most extensive inquiries of the kind ever made.

EXPORT TRADE DIVISION.

The export-trade act has now been on the statute books for a little over two years. Part of this time was covered by the World War. During the whole period the foreign trade of the United States has been beset by economic difficulties of all kinds. These adverse conditions, particularly in the field of credit, exchange, embargoes, consortia, and transportation, have reflected themselves to some extent on the business activities of export associations operating under the new law however , when consideration is given to the abnormal conditions obtaining in world trade generally, a number of positive and encouraging results are to be recorded which indicate that the export-trade act is a decided factor in promoting the progress of the United States in foreign markets.

Records of the Commission seem to demonstrate that the criticism so often charged against United States exporters of failing to cultivate and maintain permanent trade relations abroad and too often withdrawing from a particular foreign market as soon as more attractive opportunities present themselves at home or elsewhere will not apply to associations operating under the export-trade act.

In several cases such export associations have made a careful preliminary study of a particular foreign market through a special committee or an expert representative, and on the basis of first-hand knowledge based a decision either to establish permanent connections or to keep out of the given market as presenting too much speculative risk. If a far-sighted policy of this kind is followed generally in the future, and export associations apparently lend themselves readily to such a plan, the export trade of the United States , as a whole, can not fail to gain in prestige arising out of permanence, and one of the fundamentals of success in foreign trade will have been achieved.

The use of national trade-marks is being advocated in many of the leading industrial countries of the world. In connection with that movement a significant development in this Nation's export trade merits attention, namely, the use of collective trade-marks by export associations. Thus far eight of the associations operating under the export-trade act have adopted special trade-marks for their joint exports.

In reply to a questionnaire by the Commission requesting an expression of opinion as to the actual working out of the export-trade act, the replies received for the most part expressed satisfaction over the results obtained under the law. It was reported that the system of collective advertising and selling makes for the elimination of much useless expense and duplication of effort. Several associations

reported that their system of conducting business abroad is meeting with the hearty approval of the foreign customers.

The criticisms which were directed against this law in foreign countries shortly after its enactment have diminished to a great extent, since the aims of the measure have become better understood and since it has become clear that its administration is being effected with care. These criticisms did not come from foreign Governments or consumers but from foreign competitors.

It is significant that thus far there has not been a single complaint brought to the notice of the Federal Trade Commission from foreign consumers against "associations" operating under this law.

The act was designed especially to benefit the smaller concerns who otherwise would not be able to compete in the export trade, and this it has accomplished, as is shown by the reports of many associations which say that the pooling of export expenses has reduced their overhead expense and eliminated duplication of effort. This reduction in expense, of course, redounds to the benefit of the foreign purchaser as well.

There is another consideration which is of interest. It has been said with so much repetition that the Webb-Pomerene law would serve as a vehicle for the greater American industrial and merchandising concerns that this has come to be believed in some parts of the world as the fact. On the contrary, the greater units transacting business in such volume and with fully organized export-trade divisions have not brought themselves under the operation of the Webb-Pomerene law; and, on the contrary, smaller concerns are now able, by virtue of the law, to associate themselves together and to bring a degree of competition in the foreign market to the foreign customers of the United States which they can not bring to the domestic markets. Whereas before the passage of the law many remote markets could be reached only by the largest American concerns with little or no competition resulting, now it is possible by virtue of the law for smaller concerns to confederate and by uniting their resources project against their larger competitors a degree of competition which they are not able to bring to bear within the United States.

Another extremely important consideration seems to have escaped the attention of foreign critics, and that is that the Federal Trade Commission, to which has been assigned the administration of the Webb-Pomerene Act, has also the power to take action against any practices of unfair competition in domestic as well as export trade. It is significant to note that although combinations in great number have been formed and operate in many countries, including New Zealand, the United States is the only one, with the exception of Canada, which requires the registration of export associations, the filing of reports, and which has vested legal power in an official Government agency to suppress unfair practices of competition in export trade.

In foreign countries the number and size of combinations has grown very rapidly in recent years. A report by a committee on trusts to the British Parliament in 1919 states that there are "considerably more than 500 associations, all exerting a substantial influence on the course of industry and price, in being at the present time in the United Kingdom."

According to the British Board of Trade Journal of June 17, 1920, the Canadian Trade Commission, in an open letter to Canadian manufacturers, advocated the forming of trade groups to obtain foreign orders to be divided among Canadian factories according to their capacity. The letter is quoted as saying, in part:

> In less than five weeks 10 trade groups have been organized at the direct suggestion of the trade commission. Already reports coming in are that prospects are rosier than were even dreamed of. Big business is being booked.

A similar movement toward concentration and combination in commerce and trade is noticeable in Australia, Japan, South America, and continental Europe.

To solve the problems thus arising, official Government committees have been formed in several foreign countries to study the situation and recommend legislation or administrative remedies. Reports have been submitted by such committees to their parliaments during the past year in New Zealand, Argentina, Denmark, and Norway. Bills subsequently introduced in the parliaments of those countries follow very closely the provisions of the Federal Trade Commission and the export trade acts of the United States.

SUMMARY OF THE EXPORT TRADE ACT (WEBB-POMERENE LAW).[1]

The export trade act (40 Stat. L., 516-518), approved April 10, 1918, amends sections 1, 2, and 3 of the Sherman antitrust act (approved July 2, 1890), and section 7 of the Clayton Act (approved Oct.15, 1914), to the extent that it authorizes the formation of combinations or "associations" solely engaged in export trade. It also amends the Federal Trade Commission act of September 26, 1914, by extending the prohibition against "unfair methods of competition" and the remedies for enforcing said prohibition to "unfair methods of competition used in export trade against competitors engaged in export trade, even though the acts constituting such unfair methods are done without the territorial jurisdiction of the United States."

An "association," as provided for in the export trade act, may be "any corporation or combination, by contract or otherwise, of two or more persons, partnerships, or corporations," and must be formed for the sole purpose of engaging in export trade.

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[1] See Exhibit 7.

Export trade is defined in the act as "solely trade or commerce in goods, wares, or merchandise exported, or in the course of being exported, from the United States or any Territory thereof to any foreign nation;" and "shall not be deemed to include the production, manufacture, or selling for consumption or for resale, within the United States or any Territory thereof, of such goods, wares, or merchandise, or any act in the course of such production, manufacture, or selling for consumption or for resale."

Associations formed under the act are required to file with the Federal Trade Commission certain statements and papers, as provided by the law; and such associations may not enter into any .agreement or commit any act which is "in restraint of trade within the United States," or "in restraint of the export trade of any domestic competitor of such associations," or which "artificially or intentionally enhances or depresses prices within the United States of commodities of the class exported by such association, or which substantially lessens competition within the United States or otherwise restrains trade therein." In case of violation of these provisions, the Commission may, after due investigation and decision, recommend necessary readjustments of the business of the association in order that it may conform to the law; and if such recommendations are not complied with, the Commission shall "refer its findings and recommendations to the Attorney General of the United States for such action thereon as he may deem proper."

STATEMENTS TO BE FILED BY REPORT ASSOCIATIONS.

Section 5 of the report trade act provides that every association which engages solely in report trade shall, within 30 days after its creation, file with the Federal Trade Commission a verified written statement setting forth the location of its offices or places of business and the names and addresses of all its officers, stockholders, or members; and if a corporation, a copy of its certificate or articles of incorporation and by-laws. If the association is unincorporated it shall file a copy of its articles or contract of association.

On January 1 of each year every association is required to file with the Commission a like statement, including all amendments to and changes in its articles or certificate of incorporation, or in its articles or contract of association.

For the convenience of those who desire to file the statements required by section 5 of the act, the following printed forms have been prepared, which are available upon application, viz:

(1) First report from export associations (due within 30 days after creation). [2]
(2) Report from export associations (due Jan. 1 of each year). [2]

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[2] See Exhibits 5 and 6.

ASSOCIATIONS WHICH HAVE FILED PAPERS DURING THE PAST FISCAL YEAR.

During the past fiscal year a total of 43 associations, purporting to be under section 5 of the export trade act, have filed papers with the Federal Trade Commission. This number includes those associations which filed their annual statements with the Commission on January 1, 1920, as well as those which, subsequent to that date, filed their first reports.

The 43 associations comprise approximately 732 concerns, whose offices and plants are distributed over 43 States of the Union.

The products and commodities exported by the different associations are drawn from all sections of the country. From California go out lumber, hardware, chemicals, fertilizer, general merchandise; from Illinois, condensed milk, grain, meat, office equipment, agricultural, implements, machinery, lumber; from Wisconsin, cereals, canned goods, forest products; from Michigan, chemicals, cereals, foundry equipment, paper, furniture, meats; from New York and Pennsylvania, locomotives, cement, steel, copper, wood products, machinery, textiles, paper, alcohol, chemicals, cereals, food products, general merchandise; from Massachusetts, textiles, webbing material, copper, paper, valves and pipe fittings, chemicals, cereals, lumber; from North Carolina and the Southern States, tanning materials, lumber, phosphates, pipe fittings, meats, locomotives, clothespins, general merchandise.

The following list comprises the concerns which have filed their annual reports with the Federal Trade Commission, as of January 1, 1920, and all additional concerns which have filed their first reports since that date, in compliance with the provisions of the export trade act:

American Export Lumber Corporation, 505 Stock Exchange Building, Philadelphia, Pa.
American Locomotive Sales Corporation, 30 Church Street, New York, N. Y.
American Milk Products Corporation, 302 Broadway, New York, N.Y.
American Paper Exports (Inc.) , 136 Liberty Street, New York, N. Y.
American Pitch Pine Export Co., 522 Audubon Building, New Orleans, La.
American Provisions Export Co., 319 Royal Insurance Building, Chicago, Ill.
American Soda Pulp Export Association, 200 Fifth Avenue, New York, N. Y.
American Tanning Materials Corporation, Marion, Va.
American Textile Machinery Corporation, 60 Federal Street, Boston, Mass.
American Webbing Manufacturers' Export Corporation, 395 Broadway, New York, N.Y.
Canned Foods Export Corporation, care National Canners' Association, Washington, D. C.
Carolina Wood Export Corporation, Norfolk, Va.
Cement Export Co. (Inc.) , 280 Broadway, New York, N. Y.
Consolidated Steel Corporation, 165 Broadway, New York, N. Y.
Copper Export Association (inc.), 60 Broadway, New York, N. Y.

Douglas Fir Exploitation & Export Co., 260 California Street, San Francisco, Calif
Export Clothespin Association of America (Inc.), 90 West Broadway, New York, N Y.
Exporting Rye Millers' Association, 520 Flour Exchange Building, Minneapolis, Minn.
Florida Hard Rock Phosphate Export Association, 106 East Bay Street, Savannah, Ga.
Florida Pebble-Phosphate Export Association, 1 Wall Street, New York, N. Y.
Foundry Equipment Export Corporation, Room 114, 40 Wall Street, New York, N.Y.
General Alcohol Export Corporation, 60 Wall Street, New York, N. Y.
Grand Rapids Furniture Export Association, 214 Lyon Street, Grand Rapids, Mich.
Locomotive Export Association, 30 Church Street, New York, N.Y.
Millers' Export Association (Inc.), The, 7 West Tenth Street, Wilmington, Del.
Nashua Corporation, 30 Church Street, New York, N. Y.
Pan American Trading Co., 45 Pearl Street, New York, N.Y.
Pennsylvania Millers' Export Association, 524 Bourse Building, Philadelphia, Pa.
Phosphate Export Association, 1 Wall Street, New York, N. Y.
Pipe Fittings & Valve Export Association, care A. E. Rowe, Branford, Conn.
Redwood Export Co., 260 California Street, San Francisco, Calif.
Textile Manufacturers' Alliance (Inc.), 11 Thomas Street, New York, N.Y.
United Paint & Varnish Export Co., The, 601 Canal Road NW., Cleveland. Ohio.
United States Alkali Export Association (Inc.), 25 Pine Street, New York N.Y.
United States Forest Products Co., care Corporation Trust Co. of Delaware. Dover, Del.
United States Handle Export Co., The, Piqua, Ohio.
United States Maize Export Association, 17 Battery Place, New York, N. Y.
United States Office Equipment Export Association, 350 Broadway, New York, N.Y.
United States Provision Export Corporation, 308 Webster Building, Chicago, Ill.
Walnut Export Sales Co. (Inc.), 616 South Michigan Avenue, Chicago, Ill.
Walworth International Co., 44 Whitehall Street, New York: N. Y.
Wisconsin Canners' Export Association, Manitowoc, Wis.
Wood Pipe Export Co., 701 White Building, Seattle, Wash.

EXTRA-TERRITORIAL JURISDICTION OF THE EXPORT TRADE ACT.

The work of the Commission has broadened out during the past year, since. its extended powers regarding unfair competition, under the Export Trade Act, have become more widely known. Section 4 of the act provides that the remedies for enforcing the prohibition against unfair methods of competition contained in the Federal Trade Commission Act shall apply to export trade, and shall extend to unfair methods of competition done without the territorial jurisdiction of the United States. This extra-territorial jurisdiction applies not only to "association" operating under the act, but to American ex-

porters generally. Under this section the scope of the law reaches out to methods of competition which are unfair to an American competitor aud which are done by anyone who is engaged in exporting from the United States to a foreign nation.

A number of cases of alleged unfair competition or unfair trade practices in export trade by individual exporters (not Webb-law "associations") have been brought to the attention of the Commission by other departments of our Government as well as by private parties. After examination of the facts involved, the matters have been adjusted satisfactorily.

The economic difficulties arising out of sharpened competitive conditions in international trade, of which mention was made in the previous annual report of this Commission, have received similar consideration by a number of official and private bodies here and abroad. A committee on trusts of the Chamber of Deputies of Argentina recommended concerted action for fair dealing in commerce and trade among the nations of the world. The Second Pan American Financial Congress, at its convention in Washington in 1920, resolved that the Inter-American High Commission be requested to study the question of the creation of an inter-American tribunal for the adjustment of questions of a commercial or financial nature, involving two or more American countries, and the determination of such questions by principles of law and equity. At the recent meeting in Paris for the formation of an international chamber of commerce, the subject of unfair competition in international trade was on the program outlining the future work of the proposed organization.

COOPERATION WITH OTHER GOVERNMENT DEPARTMENTS.

The Commission has been in constant cooperation with other departments and agencies of the Government interested in the foreign trade of the United States, with a view to closer interdepartmental coordination of work.

Under an Executive order issued by the President on February 28, 1919, an interdepartmental committee was formed "to consider and make suggestions concerning questions of foreign trade and commerce, with a view to promoting full coordination of effort." The Commission has been represented on this central foreign trade committee by one of its members.

To supplement the work of the foregoing committee an interdepartmental liaison committee on foreign trade was organized by invitation of the Department of State. Members of the staff of this Commission participated at the regular weekly conferences held during the year at the office of the trade adviser of the Department of State.

FOREIGN TRADE SERIES NO. 1

In order to meet the numerous requests from manufacturers, exporters, lawyers, and business men generally for information of a general nature, as well as concerning the practice and procedure under the Webb-Pomerene law, the Commission issued a pamphlet entitled "Discussion of and Practice and Procedure under the Export Trade Act (Webb-Pomerene law) , 1919." This publication, forming Foreign Trade Series No. 1, contains:

1. Practice and procedure.
2. Discussion of the export trade act.
3. An act to promote export trade (Webb-Pomerene law) .
4. Sections 73 and 76, Wilson Tariff Act (approved Aug: 27, 1894; amended and approved Feb.12, 1913).
5. Section 6 (li) , Federal Trade Commission act (foreign investigations).

Copies of this pamphlet may be had on application to the Federal Trade Commission, Washington, D. C., and marked "Export Trade Division."

ENEMY TRADE DIVISION.

PATENTS.

The act of October 6, 1917, generally known as the "Enemy trade act," vested in the President certain powers which he, by Executive order of October 12, 1917, delegated to the Federal Trade Commission, most important among which was the authority to issue licenses under certain conditions to citizens of the United States and to corporations organized within the United States to make, use, and vend articles controlled by enemies or allies of enemies through patent, trade-mark, and copyright registrations.

In the exercise of its authority the Commission has, since the passage of the act, received and considered, through its Enemy Trade Division, 277 applications for license. Of this number, 247 related to patents, under which 71 licenses have been issued, while 62 applications were denied, either for lack of jurisdiction or for the reason that it did not appear to be for the public interest to issue the desired licenses.

The apparent inconsistency in the number of applications received and the total disposed of is explained by the fact that in many instances a single license covered a group of patents, each of which had been the subject of a separate application, this being particularly true in the case of dyes--a single license in many instances embracing a group of patents such as the "Indigo," the "Azo," and the "Anthracene" group. In other instances the patent forming the basis of a given application was added to a previously issued license.

The applications have covered a wide range of subjects, the most important perhaps embracing the classes which gave to the public the benefit of certain important drugs, notably, arsphenamine, barbital and procaine, and the patents enabling the production in this country of the dyestuffs of which Germany had long held the monopoly. Others covered important machinery, including "Pulmotor" life-saving apparatus, the Imhoff system of sewage disposal, the Rueping process of impregnating wood, sand-blast machinery, Bosch magnetos, and gyroscopic apparatus. The licenses granted have been almost without exception for the life of the patent, and save in a few instances are still in active operation under the supervision of the Commission.

Four patent licenses have been canceled by the Commission, and in two of these instances, viz, Farbwerke-Hoechst and Frederick F. Schaefer surrender was tendered and cancellation made effective

with the simultaneous issue of a new license--by reason of a reorganization affecting the name under which license had originally issued. In the other two cases, involving a license to Pfanstiehl Co. (Inc.), under patent covering pyrophoric alloy, and that to Stearns-Roger Co., under patent covering cellular drying apparatus, surrender was tendered to and incense canceled by the Commission at the request of the licensees.

The act provides that a certain royalty, the rate to be fixed in the discretion of the Commission but not exceeding 5 per cent of gross sales or 5 per cent of the value of use of the licensed invention, be payable at specified semiannual periods to the Alien Property Custodian who shall deposit the same as a trust fund for the enemy owner and the licensee, such fund to be subject to the disposition on the courts in event the enemy owner during the year following peace avails himself of the privilege accorded him by the act to file suit to recover his rights under his patent and to enjoin the licensee from further use and enjoyment thereof. In each case the rate of royalty has been fixed by the Commission after full consideration of the peculiar circumstances incident thereto. In certain classes of patents, particularly covering the production of dyes and chemicals, the insufficient disclosure of the patents has necessitated such vast expenditure in experimental and development work that the Commission reduced the rate of royalty originally prescribed until such the as a profitable commercial product is assured.

The grand total of royalties reported to date under all Federal trade licenses amounts to $833,223.30, of this amount $480,726.18 having accrued under patents; $351,828.24 under trade-marks; and $668.88 under copyrights. Total royalties during the fiscal year ended June, 30, 1920, aggregated $188,957.61, itemized as follows: $181,531.55 under patents; $7,297.88 under trade-marks; and $128.18 under copyrights. In this connection it may be added that the total expense incurred by the Enemy Trade Division of the Commission in its administration of the act amounted during the fiscal year to only $3,400.

Legislation of November 4, 1918, first vested in the Alien Property Custodian authority to seize patents in conjunction with other enemy property and, following such legislation, the Executive order of December 4, 1918, limited the licensing power of the Commission to such patents as had not been demanded or seized by the Alien Property Custodian. The logic of this is obvious, as from the moment demand was made, the title becoming vested in the Alien Property Custodian, the patent thereupon ceased to be “enemy owned or controlled” as contemplated by the act and thus no longer fell within the purview of section 10(c) governing the issue of licenses. Therefore, when in April, 1919, the Alien Property Custodian seized and

transferred to the corporation known as "The Chemical Foundation (Inc.)," the entire class of enemy dye, drug, and chemical patents (approximating 4,500), the number of applications received by the Commission began to appreciably decrease, as it was from these classes that the majority of applications were made.

In any instance, however, where demand was made affecting a patent under which the Commission had granted a license, the patent was seized with the burden of the license on it and the subsequent transfer to American ownership was made subject thereto, the license remaining under the supervision of the Commission and the royalties accruing thereunder continuing to be deposited with the Alien Property Custodian as provided by the act.

The seizure and transfer to American ownership of the most important classes of enemy patents, reduced to a minimum as heretofore stated the applications received by this Commission, and only 30 such applications were considered during the fiscal year just ended. Of this number 23 were denied for lack of jurisdiction, 3 were returned as not falling within the purview of the act, one application is yet pending, and in three cases licenses were issued, viz.: (1) The Morgan Construction Co., of Worcester, Mass., covering reel for strap iron; (2) Frederick Schaefer, of New York City, for calculating machine, and (3) the American Calculating Machine Co., of New York City, to whom license was issued under the same patent and simultaneously with the cancellation of the Schaefer license, this latter having been surrendered and the new company formed in order better to exploit the licensed invention. The application yet pending was made by the Coppus Engineering & Equipment Co., of Worcester, Mass., under patent covering "Propellor."

The signing of the treaty or proclamation of peace will automatically terminate the licensing power of the Commission, and this fact has influenced the decreasing number of applications received during the year.

In March, 1919, a license was issued by the Commission to Green & Bauer (Inc.) , of Hartford, Conn., under certain patents covering X-Ray apparatus, the record title to which stood in the name of Julius Edgar Lilienfeld, of Leipzig, Germany. In September, 1919, the Wappler Electric Co. (Inc.) , of New York City, petitioned for the cancellation of this license, claiming ownership of the beneficial interest in the patents by virtue of a prewar agreement not of record in the Patent Office, which ownership, it was alleged, rendered the patents not enemy owned and hence not within the jurisdiction of the Commission to license.

A hearing was later held at which testimony bearing on the question of title was adduced, but final decision has not yet been reached, the Commission still having the matter advisement.

One of the most vital and far-reaching accomplishments of the enemy trade act through the licensing power vested in the Commission has been the free distribution within the clinics and institutions approved by the State boards of health of the entire New England States of the necessary amounts of arsphenamine through licenses issued to the New York and Massachusetts State Departments of Health. Under these licenses, during the fiscal year just ended , 23,500 doses have been reported for free distribution.

TRADE-MARKS AND COPYRIGHTS

It may be briefly stated that the policy of the Commission has been to consider favorably applications for license under enemy trademark registrations only where the alleged mark is the name of an article covered by a patent under which license is also sought, or where the mark is the name of an article manufactured under an expired patent. The total number of trade-mark applications received by the Commission has therefore been comparatively small--12 only--on which licenses (four in number) issued as follows: Lehn & Fink, of New York City, were licensed to use the trade-mark "Pebeco" for tooth paste; Anchor Packing Co., of Philadelphia, the trade-mark "Tauril" for packing; Draeger Oxygen Apparatus Co., of Pittsburgh, to use the mark "Pulmotor" for life-saying apparatus; and Abbott Laboratories, of Chicago, the mark "Veronal" for a widely used hypnotic, under which this company also received a patent license. Eight applications were denied for various reasons. No applications were received and no licenses issued during the fiscal year just ended.

Perhaps the most important of all the trade-marks licensed was that covering. "Pebeco," to Lehn & Fink, the reported royalty under which approximated $300,000 a year. In March , 1919, this mark, owned by Beiersdorf & Co., Hamburg, Germany, was seized by the Alien Property Custodian and together with certain other assets of said company sold to Lehn & Fink, the Commission's licensee, the reported consideration being $1,000,000. Upon acquiring the record title to this registration Lehn & Fink tendered surrender of their license which was accepted and license canceled by the Commission. With this exception the trade-mark licenses are all still effective.

Eighteen applications for licenses under enemy copyright registrations have been received and considered by the Commission during its administration of the enemy trade act, of which two were received during the fiscal year just ended, viz, the application of Joseph W. Herbert, of New York City, covering the dramatic composition "Madame Troubadour," on which license issued December 19, 1919; and that of Rudolf Presburg, of New York City, covering the play "Der Weibsteufel," which is yet pending.

The following is a list of licenses issued: San Carlo Grand Opera Co., of New York City, to present the operas "The Jewels of the Madonna"; "The Secret of Suzanne"; "Hansel & Gretel"; and "Salome" ; the Ravinia Co., of Chicago, "The Secret of Suzanne" and "The Jewels of the Madonna"; the Philadelphia Operatic Co. also being licensed under "The Secret of Suzanne"; Joseph W. Herbert, in addition to license covering "Madame Troubadour" was also licensed to produce the comedy "Der Seerauber"; Houghton Mifflin Co., of Boston, to publish a German officer's description of submarine warfare; David McKay, of Philadelphia, to publish an English and Greek dictionary; and the John Crerar Library, of Chicago, to publish important technical works on dyestuffs and condiments. No surrenders of licenses under copyright registrations have been accepted by the Commission.

Section 10(a) of the enemy trade act granted to the President authority, which he delegated to the Commission by Executive order of October 12, 1917, to license citizens and corporations of the United States to file and prosecute in the country of an enemy or ally of enemy applications for patents or for registration of trademarks, prints, labels, or copyrights, or to pay any taxes, annuities, or fees in relation thereto.

In view of the many uncertainties attending the transmission of such documents and fees, the potentially dangerous character of the papers being transmitted, and because of the chaotic situation generally as regarded the filing of patent applications, the President on April 11, 1918, by Executive order revoked the authority vested in the Commission to issue such licenses. In the interim there had been licensed 248 applications to file and prosecute; 1,015 applications to pay taxes and effect workings, and on April 11, when the Executive order was promulgated, there had been denied or were still pending before the Commission approximately 600 applications to file and prosecute and 300 applications to pay taxes or effect workings. The pending applications were returned to the applicants subsequent to the promulgation of the order referred to.

After the removal of the censorship following the signing of the armistice and the resumption of communication with enemy countries by mail, postal, and cable considerable confusion arose in the minds of interested parties as to the propriety of transmitting patent documents and fees while the Executive order of April 11, never having been specifically rescinded or abrogated, was still apparently in full force and effect. The uncertainty was removed and the situation regularized, however, when the President by Executive order on November 25, 1919, restored to the Commission its former authority to license the transmission of patent documents and fees. Individual licenses being rendered unnecessary by the removal of the censorship, the Commission therefore, pursuant to the authority

revested therein, on November 29, 1919 issued a general or blanket license to all citizens of the United States and to all corporations organized within the United States to file or prosecute applications in the country of an enemy or ally of enemy for letters patent or for registration of trade-mark, print, label, or copyright , or to pay to any enemy or ally of enemy any tax, annuity, or fee in relation to patents, trade-marks, prints, labels, and copyrights. The full text of this license, with the text of the Executive orders of April 11, 1918, and November 25, 1919 will be found among the exhibits in connection with this report.

It is anticipated that with the ratification of the treaty or the issue of a proclamation of peace suits will be instituted by the enemy owners of the patents, trade-mark, and copyright registrations under which licenses have been issued unless such action shall be debarred by some stipulation of the treaty or peace proclamation which will ratify and confirm all acts done as war measures and thus prevent any contest thereunder. In anticipation thereof numerous applications for data relative to issued licenses have been received by the Commission and the desired information has been furnished attorneys representing the enemy owners. There will also doubtless be many issues raised in the courts for possession of the royalties accruing under Federal trade licenses by the American owners of the patents who have acquired title by purchase after seizure by the Alien Property Custodian. Thus far the Commission has maintained that it has no discretion in the matter, but that, pursuant to the specific stipulation of the act, all royalties accruing under Federal trade licenses must be deposited with the Alien Property Custodian as a trust fund for the enemy owner, and the licensee, until such time as the courts may otherwise direct or by the terms of the act the licensee may be relieved of the obligation to make further deposits.

Another question upon which the courts will doubtless be required to pass is the scope of protection afforded by the act to its licensees against infringers. In the absence of such court interpretation the Commission has held that it has the power to give its licensees protection against unlicensed competitors, and to this end the necessary authorization is given the licensee by the Commission to sue in its own name any infringer or infringers of the patent or patents covered in the license, any recovery of damages or profits to be reported to the Commission and held subject to its order.

All of which is respectfully submitted.

VICTOR MURDOCK, *Chairman*
HUSTON THOMPSON.
WILLIAM B. COLVER.
NELSON B. GASKILL.
JOHN GARLAND POLLARD.

EXHIBIT l.

FEDERAL TRADE COMMISSION ACT.

AN ACT To create a Federal Trade Commission, to define its powers and duties, and

for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That a commission Is hereby created and established, to be known as the Federal Trade Commission (hereinafter referred to as the commission), which shall be composed of five commissioners, who shall be appointed by the President, by and with the advice and consent of the Senate. Not more than three of the commissioners shall be members of the same political party. The first commissioners appointed shall continue in office for terms of three, four, five, six, and seven years, respectively, from the late of the taking effect of this act, the term of each to be designated by the President, but their successors shall be appointed for terms of seven years, except that any person chosen to fill a vacancy shall be appointed only for the unexpired term of the commissioner whom he shall succeed. The commission shall choose a chairman from its own membership. No commissioner shall engage In any other business, vocation, or employment. Any commissioner may be removed by the President for inefficiency, neglect of duty, or malfeasance in office. A vacancy in the commission shall not impair the right of the remaining commissioners to exercise all the powers of the commission.

The commission shall have an official seal, which shall be judicially noticed.

SEC. 2. That each commissioner shall receive a salary of $10,000 a year, payable in the same manner as the salaries of the judges of the courts of the United States. The commission shall appoint a secretary, who shall receive a salary of $5,000 a year, payable in like manner, and it shall have authority to employ and fix the compensation of such attorneys, special experts, examiners, clerks, and other employees as it may from time to time find necessary for the proper performance of its duties and as may be from time to time appropriated for by Congress.

With the exception of the secretary, a clerk to each commissioner, the attorneys, and such special experts and examiners as the commission may from time to time find necessary for the conduct of its work, all employees of the commission shall be a part of the classified civil service, and shall enter the service under such rules and regulations as may be prescribed by the commission and by the Civil Service Commission.

All of the expenses of the commission, including, all necessary expenses for transportation incurred by the commissioners or by their employees under their orders, in making any investigation, or upon official business in any other places than in the city of Washington, shall be allowed and paid on the presentation of itemized vouchers therefor approved by the commission.

Until otherwise provided by law, the commission may rent suitable offices for its use.

The Auditor for the State and Other Departments shall receive and examine all accounts of expenditures of the commission.

SEC. 3. That upon the organization of the commission and election of its chairman, the Bureau of Corporations and the offices of Commissioner and Deputy Commissioner of Corporations shall cease to exist; and all pending Investigations and proceedings of the Bureau of Corporations shall be continued by the commission.

All clerks and employees of the said bureau shall be transferred to and become clerks and employees of the commission at their present grades and salaries. All records, papers, and property of the said bureau shall become records, papers, and property of the commission, and all unexpended funds and appropriations for the use and maintenance of the said bureau, including any allotment already made to it by the Secretary of Commerce from the contingent

appropriation for the Department of Commerce for the fiscal year nineteen hundred and fifteen, or from the departmental printing fund for the fiscal year nineteen hundred and fifteen, shall become funds and appropriations available to be expended by the commission in the exercise of the powers, authority, and duties conferred on it by this act.

The principal office of the commission shall be in the city of Washington, but it may meet and exercise all its powers at any other place. The commission may, by one or more of its members, or by such examiners as it may designate, prosecute any inquiry necessary to its duties in any part of the United States.

SEC. 4. That the words defined in this section shall have the following meaning when found in this act, to wit:

"Commerce" means commerce among the several States or with foreign nations, or in any Territory of the United States or in the District of Columbia, or between any such Territory and another, or between any such Territories and any State or foreign nation, or between the District of Columbia and any State or Territory or foreign nation.

"Corporation" means any company or association incorporated or unincorporated, which is organized to carry on business for profit and has shares of capital or capital stock, and any company or association, incorporated or unincorporated, without shares of capital or capital stock, except partnerships, which is organized to carry on business for its own profit or that of its members.

"Documentary evidence" means all documents, papers, and correspondence in existence at and after the passage of this act.

"Acts to regulate commerce" means the act entitled "An act to regulate commerce," approved February fourteenth, eighteen hundred and eighty-seven, and all acts amendatory thereof and supplementary thereto.

"Antitrust acts" means the act entitled "An act to protect trade and commerce against unlawful restraints and monopolies," approved July second, eighteen hundred and ninety; also the sections seventy-three to seventy-seven, inclusive, of an act entitled "An act to reduce taxation, to provide revenue for the Government, and for other purposes," approved August twenty-seventh, eighteen hundred and ninety-four; and also the act entitled "An act to amend sections seventy-three and seventy-six of the act of August twenty-seventh, eighteen hundred and ninety-four, entitled 'An act to reduce taxation, to provide revenue for the Government, and for other purposes,'" approved February twelfth, nineteen hundred and thirteen.

SEC. 5. That unfair methods of competition in commerce are hereby declared unlawful.

The commission is Hereby empowered and directed to prevent persons, partnerships, or corporations, except banks, and common carriers subject to the acts to regulate commerce, from using unfair methods of competition in commerce.

Whenever the commission shall have reason to believe that any such person, partnership, or corporation has been or is using any unfair method of competition in commerce, and if it shall appear to the commission that a proceeding by it in respect thereof would be to the interest of the public, it shall issue and serve upon such person, partnerships or corporation a complaint starting its charges in their respect, and containing a notice of a hearing upon a day and at a place therein fixed at least thirty days after the service of said complaint. The person, partnership, or corporation so complained of shall have the right to appear at the place and time so fixed and show cause why an order should not be entered by the commission requiring such person, partnership, or corporation to cease and desist from the violation of the law so charged in said complaint. Any person, partnership, or corporation may make application, and upon good cause shown may be allowed by the commission, to intervene and appear in said proceeding by counsel or in person. The testimony in any such proceeding shall be reduced to writing and filed in the office of the commission. If upon such hearing the commission shall be of the opinion that the method of competition in question is prohibited by this act, it shall make a report in writing in which it shall state its findings as to the facts, and shall issue and cause to be served on such person, partnership, or corporation an order requiring such person, partnership, or corporation to cease and desist from using such method of competition. Until a transcript of the record In such hearing shall have been filed in a circuit court of appears of the United States, as hereinafter provided, the commission may at any time, upon such notice and in such manner as it shall deem proper, modify or set aside, in whole or in part, any report or any order made or issued by it under this section.

If such person, partnership, or corporation fails or neglects to obey such order of the commission while this same is in effect, the commission may apply to the circuit court of appeals of the United States, within any circuit where the method of competition in question was used or where such person, partnership, or corporation resides or carries on business, for the enforcement of its order, and shall certify and file application transcript of the entire record in the proceeding, including all testimony taken and the report and order of the commission. Upon such filing of the application and transcript the court shall cause notice thereof to be served upon such person, partnership, or corporation and thereupon shall have jurisdiction of the proceeding and of the question determined therein, and Shall have power to make and enter upon the pleadings, testimony, and proceedings set forth in such transcript a decree affirming, modifying, or setting aside the order of the commission. The findings of the commission as to the facts, if supported by testimony, shall be conclusive. If either party shall apply to the court for leave to adduce additional evidence, and shall show to the satisfaction of the court that such additional evidence is material, and that there were reasonable grounds for the failure to adduce such evidence in the proceeding before the commission, the court may order such additional evidence to be taken before the commission and to be adduced upon the hearing in such manner and upon such terms and conditions as to the court may seem proper. The commission may modify its findings as to the fact, or make new findings, by reason of the additional evidence so threat, and it shall file such modified or new findings, which, If supported by testimony, shall be conclusive, and its recommendation, If any, for the modification or setting aside of its original order, with the return of such additional evidence. The judgment and decree of the court shall be final, except that the same shall be subject to review by the Supreme Court upon certiorari as provided in section two hundred and forty of the Judicial Code.

Any party required by such order of the commission to cease and desist from using such method of competition may obtain a review of such order in said circuit court of appeals by filing in the court a written petition praying that the order of the commission be set beside. A copy of such petition Shall be forthwith served upon the commission, and thereupon the commission forthwith shall certify and file in the court a transcript of the record as hereinbefore provided. Upon the filing of the transcript the court shut have the same jurisdiction to affirm, set aside, or modify the order of the commission as in the case of an application by the commission for the enforcement of its order, and the findings of the commission as to the facts, if supported by testimony, shall in like manner be conclusive.

The jurisdiction of the circuit court of appeals of the United States to enforce, set aside, or modify orders of the commission Shall be exclusive.

Such proceedings in the circuit court of appeals Shall be given precedence over other cases pending therein, and shall be in every way expedited. No order of the commission or judgment of the court to enforce the same shall In any wise relieve or absolve any person, partnership, or corporation from any liability under the antitrust acts.

Complaints, orders, and other processes of the commission under this section may be served by anyone duly authorized by the commission, either (a) by delivering a copy thereof to the person to be served, or to a member of the partnership to be served, or to the president, secretary, or other executive officer or a director of the corporation to he Served ; or (b) by leaving a copy thereof at the principal office or place of business of such person, partnerships or corporation; or (c) by registering and mailing a copy thereof addressed to such person, partnership, or corporation at his or its principal office or place of business. The verified return by the person so serving said complaint, order, or other process setting forth the manner of said service shelf be proof of the same, and the return post-office receipt for said complaint, order, or other process registered and mailed as aforesaid shall be proof of the service of the same.

SEC. 6. That the commission shall also have power--

(a) To gather and compile information concerning, and to investigate front time to time the organization, business, conduct, practices, tied management of any corporation engaged in commerce, excepting, banks and common carriers and it subject to the act to regulate commerce, relation to other corporations and to Individuals, associations, and in partnerships.

(b) To require, by general or Special orders, corporations engaged in commerce, excepting, banks, and common carriers subject to the act to regulate

commerce, or any class of them, or any of them, respectively, to file with the commission in such form as the commission may prescribe annual or special, or both annual and special, reports or answers in writing to specific questions, furnishing to the commission such information as it may require as to the organization, business, conduct, practices, management, and relation to other corporations, partnerships, and individuals of the respective corporations filing such reports or answers in writing. Such reports and answers shall be made under oath, or otherwise, as the commission may prescribe, and shall be filed with the commission within such reasonable period as the commission may prescribe, unless additional time be granted in any case by the Commission.

(c) Whenever a final decree has been entered against any defendant corporation in any suit brought by the United States to prevent and restrain any violation of the antitrust acts, to make investigation, upon its own initiative, of the manner in which the decree has been or is being carried out, and upon the application of the Attorney General it shall be its duty to make such investigation. It shall transmit to the Attorney General a report embodying its findings and recommendations as a result of any such investigation, and the report shall be made public in the discretion of the Commission.

(d) Upon the direction of the President or either House of Congress to investigate and report the facts relating to any alleged violations of the antitrust acts by any corporation.

(e) Upon the application of the Attorney General to investigate and make recommendation for the readjustment of the business of any corporation alleged to be violating the antitrust acts in order that the corporation may thereafter maintain its Organization, management, and conduct of business in accordance with law.

(f) To make public from time to time such portions of the information obtained by it hereunder, except trade secrets and names of customers, as it shall deem expedient in the public interest; and to make annual and special reports to the Congress and to submit therewith recommendations for additional legislation; and to provide for the publication of its reports and decisions in such form and manner as may be best adapted for public information and use.

(g) From time to time to classify corporations and to make, rules and regulations for the purpose of carrying out the provisions of this act.

(h) To investigate, from time to time, trade conditions in and with foreign countries where associations, combinations, or practices of manufacturers, merchants, or traders, or other conditions, may affect the foreign trade of the United States, mid to report to Congress thereon, with such recommendations as it deems advisable.

SEC. 7. That in any suit in equity brought by or under the direction of the Attorney General as provided in the antitrust acts, the court may, upon the conclusion of the testimony therein, if it shall be then of opinion that the complainant is entitled to relief, refer said suit to the commission, as a master in chancery, to ascertain and report an appropriate form of decree therein. The commission shall proceed upon such notice to the parties and under such rules of procedure as tile court may prescribe, and upon the coming in of such report such exceptions may be filed and such proceedings had in relation thereto as upon the report of a master in other equity causes, but the court may adopt or reject such report, in whole or in part, and enter such decree as the nature of the case may in its judgment require.

SEC. 8. That the several departments and bureaus of the Government when directed by the President shall furnish the commission, upon its request, all records, papers, and information in their possession relating to any corporation subject to any of the provisions of this act, and shall detail from time to time such officials and employees to the commission as he may direct.

SEC. 9. That for the purposes of this act tile commission, or its duly authorized agent or agents, shall at all reasonable times have access to, for the purpose of examination, and the right to copy any documentary evidence of any corporation being investigated or proceeded against; and the commission shall naive power to require by subpena the attendance and testimony of witnesses and the production of all such documentary evidence relating to any matter under investigation. Any member of the commission may sign subpoenas, and members and examiners of the commission may administer oaths and affirmations, examine witnesses, and receive evidence.

Such attendance of witnesses, and the production of such documentary evidence, may be required from any place in the United States, at any designated place of hearing. And in case of disobedience to a subpoena the commission

may invoke the aid of any court of the United States in requiring the attendance and testimony of witnesses and the protection of documentary evidence.

Any of the district courts of the United States within the jurisdiction of which such inquiry is carried on may, in case of contumacy or refusal to obey a subpoena issued to any corporation or other person, issue an order requiring such corporation or other person to appear before the commission, or to produce documentary evidence if so ordered, or to give evidence touching the matter in question; and any failure to obey such order of the court may be punished by such court is a contempt thereof.

Upon the application of the Attorney General of the United States, at the request of the commission, the district courts of the United States shall have jurisdiction to issue writs of mandamus commanding any person or corporation to comply with the provisions of this act or any order of the commission made in pursuance thereof.

The commission may order testimony to be taken by deposition in any proceeding or investigation pending under this act at any stage of such proceeding or investigation. Such depositions may be taken before any person designated by the commission and having power to administer oaths. Such testimony shall be reduced to writing by the person taking the deposition, or under his direction, and shall then be subscribed by the deponent. Any person may be compelled to appear and depose and to produce documentary evidence In the same manner as witnesses may be compelled to appear and testify and produce documentary evidence before the commission as hereinbefore provided.

Witnesses summoned before the commission shall be paid the same fees and mileage that are paid witnesses in the courts of the United States, and witnesses whose depositions are taken and the persons taking the same shall severally be entitled to the same fees as are paid for like services in the courts of the United States.

No person shall be excused from attending and testifying or from producing documentary evidence before the commission or in obedience to the subpoena of the commission on the ground or for the reason that the testimony or evidence, documentary or otherwise, required of him may tend to criminate him or subject him to a penalty or forfeiture. But no natural person shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he may testify, or produce evidence, documentary or otherwise, before the commission in obedience to a subpoena issued by it: *Provided,* That no natural person so testifying shall be exempt from prosecution and punishment for perjury committed in so testifying

SEC. 10. That any person who shall neglect or refuse to attend and testify, or to answer any lawful inquiry, or to produce documentary evidence, if in his power to do so, in obedience to the subpoena or lawful requirement of the commission, shall be guilty of an offense and upon conviction thereof by a court of competent jurisdiction shall be punished by a fine of not less than $1,000 nor more than $5,000, or by imprisonment for not more than one year, or by both such fine and imprisonment.

Any person who shall willfully make, or cause to be made, any false entry or statement of fact in any report required to be made under this act, or who shall willfully make, or cause to be made, any false entry in any account, record, or memorandum kept by any corporation subject to this act, or who shall willfully neglect or fail to make, or to cause to be made, full, true, and correct entries In such accounts, records, or memoranda of all facts and transactions appertaining to the business of such corporation, or who shall willfully remove out of the jurisdiction of the United States, or willfully mutilate, alter, or by ally other means falsify any documentary evidence of such corporation, or who, shall willfully refuse to submit to the commission or to any of its authorized agents, for the purpose of inspection and taking copies, any documentary evidence of such corporation in his possession or within his control, shall be deemed guilty of an offense against the United States, and shall be subject, upon conviction in any court of the United States of competent jurisdiction, to a fine of not less than $1,000 nor more than $5,000, or to imprisonment for a term of not more than three years, or to both such fine and imprisonment.

If any corporation required by this act to file any annual or special report shall fail so to do within the time fixed by the commission for filing the same, and such future shall continue for thirty days after notice of such default, the corporation shall forfeit to the United States the sum of $100 for each and every day of the continuance of such failure, which forfeiture shall be payable

into the Treasury of the United States and shall be recoverable in a civil suit in the name of the United States brought in the district where the corporation has its principal office or in any district in which it shall do business. It shall be the duty of the various district attorneys, under the direction of the Attorney General of the United States, to prosecute for the recovery of forfeitures. The costs and expenses of such prosecution shall be paid out of the appropriation for the expenses of the courts of the United States.

Any officer or employee of the commission who shall make public any information obtained by the commission, without its authority, unless directed by a court, shall be deemed guilty of a misdemeanor, and, upon conviction thereof, shall be punished by a fine not exceeding $5,000, or by imprisonment not exceeding one year, or by fine and imprisonment, in the discretion of the court.

SEC. 11. Nothing contained in this act shall be construed to prevent or interfere with the enforcement of the provisions of the antitrust acts or the acts to regulate commerce, nor shall anything contained In the act be construed to, alter, modify, or repeal the said antitrust acts or the acts to regulate commerce or any part or parts thereof.

Approved, September 26, 1914.

EXHIBIT 2.

PROVISIONS OF THE CLAYTON ACT WHICH CONCERN THE FED-FEDERAL TRADE COMMISSION.

"Commerce," as used herein, means trade or commerce among the Several States and with foreign nations, or between the District of Columbia or any Territory of the United States and any State, Territory, or foreign nation, or between any insular possessions or other places under the jurisdiction of the United States, or between any such possession or place and any State or Territory of the United States or the District of Columbia or any foreign nation, or within the District of Columbia or any Territory or any insular possession or other place under the jurisdiction of the United States: *Provided*, That nothing in this act contained shall apply to the Philippine Islands.

The word "person" or "persons" wherever used in this act shall be deemed to include corporations and associations existing under or authorized by the laws of either the United States, the laws of any of the Territories, the laws of any State, or the laws of any foreign country.

SEC. 2. That it shall he unlawful for any person engaged In commerce, in the course of such commerce, either directly or indirectly to discriminate in price between different purchasers of commodities, which commodities are sold for use, consumption, or resale within the United States or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States, where the effect of such discrimination may be to substantially lessen competition or tend to create a monopoly in any line of commerce: *Provided*, That nothing herein contained shall prevent discrimination in price between purchasers, of commodities, on account of differences in the grade, quality, or quantity of the commodity sold, or that makes only due allowance for difference in the cost of Selling or transportation, or discrimination in price in the same or different communities made in good faith to meet competition: *And provided further*, That nothing herein contained shall prevent persons engaged in selling goods, wares, or merchandise in commerce from .selecting their own customers in bona fide transactions and not in restraint of trade.

SEC. 3. That it shall be unlawful for any person engaged in commerce, in the course of such commerce, to lease or make a sale. or contract for sale of goods, wares, merchandise, machinery, supplies or other commodities, whether patented or unpatented, for use, consumption, or resale within the United States or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States, or fix a price charged therefore or discount front, or rebate upon, such price, on the condition, agreement or understanding that the lessee or purchaser thereof shall not use or deal in the goods, wares, merchandise, machinery, supplies, or other commodities of a competitor or competitors of the lessor or seller, where the effect of such lease, sale, or contract for sale or such condition, agreement or understanding may be to substantially lesson competition or tend to, create a monopoly in any line of commerce.

SEC. 7. That no corporation engaged in commerce shall acquire, directly or indirectly, the whole or any part of the stock or other share capital of another corporation engaged also in commerce, where the effect of such acquisition maybe to substantially lessen competition between the corporation whose stock is so acquired and the corporation making the acquisition, or to restrain such commerce in any section or community, or tend to create a monopoly of any line of commerce.

No corporation shall acquire, directly or indirectly the whole or any part of the stock or other share capital of two or more corporations engaged in commerce where the effect of such acquisition, or the use of such stock by the voting or granting of proxies or otherwise, may be to substantially lessen competition

between such corporations, or any of them, whose stock or other share capital is so acquired, or to restrain such commerce in any section or community, or tend to create a monopoly of any line of commerce.

This section shall not apply to corporations purchasing such stock solely for Investment and not using the same by voting or otherwise to bring about, or in attempting to bring about, the substantial lessening of competition. Nor shall anything contained in this section prevent a corporation engaged in commerce from causing the formation of subsidiary corporations for the actual carrying on of their immediate lawful business, or the natural and legitimate branches or extensions thereof, or from owning and holding all or a part of tile stock of such subsidiary corporations, when the effect of such formation is not to substantially lessen competition.

Nor shall anything herein contained be construed to prohibit any common carrier subject to the laws to regulate commerce from aiding in the construction of branches or short lines so located as to become feeders to the main line of the company so aiding in such construction or from acquiring or owning all or any part of the stock of such branch lines, nor to prevent any such common carrier from acquiring and owning all or any part of the stock of a branch or short line constructed by an independent company where there is no substantial competition between the company owning the branch line so constructed land the company owning the main line acquiring the property or an interest therein, nor to prevent such common carrier from extending any of its lines through the medium of the acquisition of stock or otherwise of any other such common carrier where there is no substantial competition between the company extending its lines and tile company whose stock, property, or an interest therein is so acquired.

Nothing contained. in this section shall be held to affect or impair any right heretofore legally acquired: *Provided*, That nothing in this section shall be held or construed to authorize or make lawful anything heretofore prohibited or made illegal by the antitrust laws, nor to exempt any person from the penal provisions thereof or the civil remedies therein provided.

SEC. 8. That from and after two years from the date of the approval of this act no person at the same time shall be a director in any two or more corporations, any one of which has capital, surplus, and undivided profits aggregating more than $1,000,000, engaged in whole or in part in commerce, other than banks, banking associations, trust companies and common carriers subject to the act to regulate commerce, approved February fourth, eighteen hundred and eighty-seven, if such corporations are or shall have been theretofore, by virtue of their business and location of operation, competitors, so that the elimination of competition by agreement between them would constitute a violation of any of the provisions of any of the antitrust laws. The eligibility of a director under the foregoing provision shall be determined by the aggregate amount of the capital, surplus, and undivided profits, exclusive of dividends declared but not paid to stockholders, at the end of the fiscal year of said corporation next preceding the election of directors, and when a director has been elected in accordance with the provisions of this act it shall be lawful for him to continue as such for one year thereafter.

When any person elected or chosen as a director or officer or selected as an employee of any bank or other corporation subject to the provisions of this act is eligible at the time of his election or selection to act for such bank or other corporation in such capacity his eligibility to act in such capacity shall not be affected and lie shall not become or be deemed amenable to ally of the provisions hereof by reason of any crime in the affairs of such bank or other corporation from whatsoever cause, whether specifically excepted by any of the provisions hereof or not, until the expiration of one year from the date of his election or employment.

SEC. 11. That authority to enforce compliance with sections two, three, seven and eight of this act by the persons respectively subject thereto is hereby vested in the Interstate Commerce Commission where applicable to common carriers, in the Federal Reserve Board where applicable to banks, banking associates and trust companies, and in the Federal trade Commission where applicable to all other character of commerce, to be exercised as follows:

Whenever the Commission or Board vested with jurisdiction thereof shall have reason to believe that any person is violating or has violated any of the provisions of sections two, three, seven and eight of this act, it shall issue and serve upon such person a complaint stating its charges in that respect, and containing a notice of a hearing upon a day and at a place therein fixed at

least thirty days after the service of said complaint. The person so complained of shall have the right to appear at the place and time so fixed and show cause why an order should not be entered by the commission or board requiring such person to cease and desist from the violation of the law so charged in said complaint. Any person may make application, and upon good cause spoken may be allowed by the commission or board, to intervene and appear in said proceeding by counsel or in person. The testimony in any such proceeding shall be reduced to writing and filed in the office of the commission or board. If upon such hearing the commission or board, as the case may be, shall be of the option that any of the provisions of said sections have been or ire being violated, it shall make a report in writing in which it shall state its findings as to the facts, and shall issue and cause to be served on such person an order requiring such person to cease and desist from such violations, and divest itself of the stock held or rid itself of the directors chosen contrary to the provisions of sections seven and eight of this act, if any there be, in the manner and within the time fixed by said order. Until a transcript of the record in such notice shall have been filed in a circuit court of appeals of the United States, as hereinafter provided, the commission or board may at any time, upon such notice and in such manner as it shall deem proper, modify or set aside, in whole or in part, any report or any order made or issued by it under this section.

If such person fails or neglects to obey such order of the commission or board while the same is in effect, the commission or board may apply to the circuit Court of appeals of the United States, within any circuit where the violation complained or was or is being committed or where such person resides or carries on business, for the enforcement of its order, and shall certify and file with its application a transcript of the entire record in the proceeding including all the testimony taken and the report and order of the commission or board. Upon such filling of the application and transcript the court shall cause notice thereof to be served upon such person and thereupon shall have jurisdiction of the proceeding and of the question determined therein, and shall have power to make and enter upon the pleadings, testimony, and proceedings set forth in such transcript a decree affirming, modifying, or setting aside the order of the commission or board. The findings of the commission or board as to the facts, if supported by testimony, shall be conclusive. If either party shall apply to the court for leave to adduce additional evidence, and shall show to the satisfaction of the court that such additional evidence is material and thwart there were reasonable grounds for the failure to adduce such evidence In the proceeding before the commission or board, the court may order such additional evidence to be taken before the commission or board and to be adduced upon the hearing In such manner and upon such terms and conditions as to the court may seem proper. The commission or board may modify its findings as to the facts, or make new findings, by reason of the additional evidence so taken, and it shall file such modified or new findings, which, if supported by testimony, shall be conclusive, and its recommendation, if any, for the modification or setting aside of its original order, with the return of such additional evidence. The judgment and decree of the court shall be final, except that the same shall be subject to review by the Supreme Court upon certiorari as provided in section two hundred laid forty of the Judicial Code.

Any party required by such order of the commission or board to cease and desist from a violation charged may obtain a review of such order In said circuit court of appears by finite in the court a written petition praying that the order of the commission or board be set aside. A copy of such petition shall be forthwith served upon the commission or board, and thereupon the commission or board forthwith shall certify and file in the court a transcript of the record as hereinbefore provided. Upon the filing of the transcript the court shall have the same jurisdiction to affirm, set aside, or modify the order of the commission or board as in the case of an application by the commission or board for the enforcement of its order, and the finding of the commission or board as to the facts, if supported by testimony, shall in like manner be conclusive.

The jurisdiction of the circuit court of appeals of the United States to enforce, set aside, or modify orders of the commission or board shall be exclusive.

Such proceedings in the circuit court of appeals shall be given precedence over other cases pending therein, and shall be in every way expedited. No order of the commission or board or the judgment of the court to enforce the same shall in any wise relieve or absolve any person from any liability under the antitrust acts.

Complaints, orders, and other processes of tile commission or board under this section may be served by anyone duly authorized by the commission or board, either (a) by delivering a copy thereof to the person to be served. or to a member of the partnership to be served, or to the president, secretary, or other executive officer or a director of the corporation to be served; or (b) by leaving a copy thereof at the principal office or place of business of such person; or (c) by registering and mailing a copy thereof addressed to such person at his principal office or place of business. The verified return by tile person so serving said complaint, order, or other process setting forth the manner of said service shall be proof of the same, and the return post-office receipt for said complaint, order, or other process registered and mailed as aforesaid shall be proof of tile service of the same.

Approved, October 15, 1914.

EXHIBIT 3.

RULES OF PRACTICE BEFORE THE FEDERAL TRADE COMMISSION.

I. SESSIONS.

The principal office of the commission at Washington, D. C., is open each business day from 9 a.m. to 4:30 p.m. The commission may meet and exercise all its powers at any other place, and may, by one or more of its members, or by such examiners as it may designate, prosecute any inquiry necessary to its duties in any part of the United States.

Sessions of the commission for hearing contested proceedings will be held as ordered by the commission.

Sessions of the commission for the purpose of making orders and for the transaction of other business, unless otherwise ordered, Will be held at the office of the commission at Washington, D. C., on each business day at 10.30 a.m. Three members of the commission shall constitute a quorum for the transaction of business.

All orders of the commission shall be signed by the Secretary.

II. COMPLAINTS.

Any person partnership, corporation, or association may apply to the commission to institute a proceeding in respect to any violation of law over which the commission has jurisdiction.

Such application shall be in Writing, signed by or in behalf of the applicant, and shall contain a short and simple statement of the facts constituting the alleged violation of law and the name and address of the applicant and of the party complained of.

The commission shall investigate the matters complained of in such application, and if upon investigation the commission shall have reason to believe that there is a violation of law over which the commission has jurisdiction, tile commission shall issue and serve upon the party complained of a complaint, stating its charges and containing a notice of a hearing upon a day and at a place therein fixed at least 40 days after the service of said complaint.

III. ANSWERS.

Within 30 days from the service of the complaint, unless such time be extended by order of the commission, the defendant shall file with the commission an answer to the complaint. Such answer shall contain a short and simple statement of the facts Which constitute the ground of defense. It shall specifically admit or deny or explain each of the facts alleged in the complaint, unless the defendant is without knowledge, in which case lie shall so state, such statement operating as a denial. Answers in typewriting must be on one side of the paper only, on paper not more then 8 ½ inches wide and not more than 11 inches long, and weighing not less then 16 pounds to the ream, folio base, 17 by 22 Inches, with left-hand margins not less than 1 ½ inches wide, or they may be printed in 10 or 12 point type on good unglazed paper 8 inches wide by 10 ½ inches long, with inside margins not less than 1 inch wide.

IV. SERVICE.

Complaints, orders, and other processes of the commission may be served by anyone duly authorized by the commission, either (*a*) by delivering a copy thereof to the person to be served, or to a member of the partnership to be served, or to the president, secretary, or other executive officer, or a director of the corporation or association to be served; or (*b*) by leaving a copy thereof at

the principal office or place of business of such person, partnership, corporation, or association; or (c) by registering and mailing a copy thereof addressed to such person, partnership, corporation, or association at his or its principal office or place of business. The verified return by the person so serving said complaint, order, or other process, setting forth the manner of said service, shall be proof of the same, and the return post-office receipt for said complaint, order, or other process, registered and wailed as aforesaid, shall be proof of the service of the same.

V. INTERVENTION.

Any person, partnership, corporation, or association desiring to intervene in a contested proceeding shall make application in writing, setting out the grounds on which lie or it claims to be interested. The commission may, by order, permit intervention by counsel or in person to such extent and upon such terms as it shall deem just.

Applications to intervene must be on one side of the paper only, on paper not more than 8 ½ inches wide and not more than 11 inches long, and weighing not less than 16 pounds to the ream, folio base, 17 by 22 inches, with left-hand margin not less than 1 ½ inches wide, or they may be printed in 10 or 12 point type on good unglazed paper 8 inches wide by 10 ½ inches long, with inside margins not less than 1 inch wide.

VI. CONTINUANCES AND EXTENSIONS OF TIME.

Continuances and extensions of time will be granted at the discretion of the commission.

VII. WITNESSES AND SUBPOENAS:

Witnesses shall be examined orally, except that for good and exceptional cause for departing from the general rule the commission may permit their testimony to be taken by deposition.

Subpoenas requiring the attendance of witnesses from any place in the United States at any designated place of hearing may be issued by any member of the commission.

Subpoenas for the production of documentary evidence (unless directed to issue by a commissioner upon his own motion) will issue only upon application in writing, which must be verified and must specify, as near as may be, the documents desired and the facts to be proved by them.

Witnesses summoned before the commission shall be paid the same fees and mileage that are paid witnesses in the courts of the United States, and witnesses whose depositions are taken, and the persons taking the same, shall severally be entitled to the same fees as are paid for like services in the courts of the United States.

VIII. TIME FOR TAKING TESTIMONY.

Upon the joining of issue in a proceeding by the Commission the examination of witnesses therein shall proceed with all reasonable diligence and with the least practicable delay. Not less than 5 nor more than 10 days' notice shall be given by the Commission to counsel or parties of the time and place of examination of witnesses before the Commission, a commissioner, or an examiner.

IX. OBJECTIONS TO EVIDENCE.

Objections to the evidence before the Commission, a commissioner, or an examiner shall, in any proceeding, be in short form. starting the grounds of objections relied upon, and no transcript filed shall include argument or debate.

X. MOTIONS.

A motion in a proceeding by the Commission shall briefly state the nature of the order applied for, and all affidavits, records, and other helpers upon which the same is founded, except such as have been previously filed or served in the same proceeding, shall be filed with such motion and plainly referred to

therein.

XI. HEARINGS ON INVESTIGATIONS.

When a matter for investigation is referred to a single commissioner for examination or report, such commissioner may conduct or hold conferences or hearings thereon, either alone or with other commissioners who may sit with him, and reasonable notice of the time and place of such hearings shall be given to parties in interest and posted.

The general counsel or one of his assistants, or such other attorney as shall be designated by the Commission, shall attend and conduct such hearings, and such hearings may, in the discretion of the commissioner holding same, be public.

XII. DEPOSITIONS IN CONTESTED PROCEEDINGS.

The commission may order testimony to be taken by deposition in a contested proceeding.

Depositions may be taken before any person designated by the commission and having power to administer oaths.

Any party desiring to take the deposition of a witness shall make application in writing, setting out the reasons why such deposition should be taken, and stating the time when, the place where, and the name and post-office address of the person before whom it is desired the deposition be taken, the name and post-office address of the witness, and the subject matter or matters concerning which the witness is expected to testify. if good cause be shown, the commission will make and serve upon the parties of their attorneys an order wherein the commission shall name the witness whose deposition is to be taken, and specify the time when, the place where, and the person before whom the witness is to testify, but such time and place, and the person before whom the deposition is to be taken, so specified in the Commission's order, may or may not be the same as those named in said application to the Commission.

The testimony of the witness shall be reduced to writing by the officer before whom the deposition is taken, or under his direction, after which the deposition shall be subscribed by the witness and certified in usual form by the officer. After the deposition has been so certified it shall, together with a copy thereof made by such officer or under his direction, be forwarded by such officer under seal in an envelope addressed to the commission at its office in Washington, D. C. Upon receipt of the deposition and copy the commission shall file in the record in said proceeding such deposition and forward the copy to the defendant or the defendant's attorney.

Such depositions shall be typewritten on one side only of the paper, which shall be not more than 8 ½ inches wide and not more than 11 inches long and weighing not less than 16 pounds to the ream, folio base, 17 by 22 inches, with left-hand margin not less than 1 ½ inches wide.

No deposition shall be taken except after at least 6 days' notice to the parties, and where the deposition is taken in a foreign country such notice shall be at least 15 days.

No deposition shall be taken either before the proceeding is at issue, or, unless under special circumstances and for good cause shown, within 10 days prior to the date of the hearing thereof assigned by the Commission, and where the deposition is taken in a foreign country it shall not be taken after 30 days prior to such date of hearing.

XIII. DOCUMENTARY EVIDENCE.

Where relevant and material matter offered in evidence is embraced in a document containing other matter not material or relevant and not. intended to be put in evidence, such document will not be filed, but a copy only of such relevant and material matter shall be filed.

XIV. BRIEFS.

Unless otherwise ordered, briefs may be filed at the close of the testimony in each contested proceeding. The presiding commissioner or examiner shall fix the time within which briefs shall be filed and service thereof shall be made upon the adverse parties.

All briefs must be filed with tile secretary and be accompanied by proof of service upon the adverse parties. Fifteen copies of each brief shall be furnished for the use of the Commission, unless otherwise

ordered.

Application for extension of time in which to file any brief shall be by petition in writing, Stating the facts upon which tile application rests, which must be filed with the commission at least 5 days before the time for filing the brief.

Every brief shall contain, in the order here stated-

(1) A concise abstract, or statement of the case.

(2) A brief of the argument, exhibiting, a clear statement of the points of fact or law to be discussed, with the reference to the pages of the record and the authorities relied upon in support of each point.

Every brief of more than 10 pages shall contain on its top fly leaves a subject index with page references, the subject index to be supplemented by a list of all cases referred to, alphabetically arranged, together with references to pages where the cases are cited.

Briefs must be printed in 10 or 12 point type on good unglazed paper 8 inches *by* 10 ½ inches, with inside margins not less than 1 inch wide, and with double leaded text and single-leaded citations.

Oral arguments will be had only as ordered by the Commission.

XV. ADDRESS OF THE COMMISSION.

All communications to the commission must be addressed to Federal Trade Commission, Washington, D. C., unless otherwise specifically directed.

EXHIBIT 4.

EXTRACTS FROM THE TRADING WITH THE ENEMY ACT AND EXECUTIVE ORDER OCTOBER 12, 1917

The act of Congress approved October 6, 1917, known as the trading with the enemy act, contains the following provisions:

SEC. 10.

* * * * * * * *

(*b*) Any citizen of the United States, or any corporation organized within the United States, may, when duly authorized by the President, pay to an enemy or ally of enemy any tax, annuity, or fee which may be required by the laws of much enemy or ally of enemy nation in relation to patents and trademarks, prints, labels, and copyrights; and any such citizen or corporation may file and prosecute an application for letters patent or for registration of trademark, print, label, or copyrights in the country of an enemy, or of an ally of enemy, after first submitting such application to the President and receiving license so to file and prosecute, and to pay the fees required by law and customary agents' fees, the maximum amount of which in each case shall be subject to the control of the President.

(c) Any citizen of the United States or any corporation organized within the United States desiring to manufacture, or cause to be manufactured, a machine, manufacture, composition of matters or design, or to carry on, or to use any trademark, print, label, or cause to be carried on a process under any patent or copyrighted matter owned or controlled by an enemy or ally of enemy at any time during the existence of a state of war may apply to the President for a license; and the President is hereby authorized to grant such a license, nonexclusive or exclusive as he shall deem best, provided lie shall be of the opinion that such grant is for the public welfare, and that the applicant is able and intends in good faith to manufacture, or cause to be manufactured, the machine, manufacture, composition of matter, or design, or to carry on, or cause to be carried on, the process or to use the trademark, print, label, or copyrighted matter. The President may prescribe the conditions of this license, including the fixing of prices of articles and products necessary to the health of the military and naval forces of the United States or the successful prosecution of the war, and the rules and regulations under which such license may be granted and the fee which shall be charged therefore not exceeding $100, and not exceeding one per centrum of the fund deposited as hereinafter provided. Such license shall be a complete defense to any suit at law or in equity instituted by the enemy or ally of enemy owners of the letters patent, trade-mark, print, label, or copyright, or otherwise, against the licensee for infringement or for damages, royalty, or other money award on account of anything done by the licensee under such license, except as provided in subsection (f) hereof.

(*d*) The licensee shall file with the President a full statement of the extent of the use and enjoyment of the license, and of the prices received in such form and at such stated periods (at least annually) as the President may prescribe; and the licensee shall pay at such times as many be required to the alien property custodian not to exceed five per centum of the gross sums received by the licensee from the sale of said inventions or use of the trademark, print, label, or copyrighted matter or, if the President shall so order, five per centum of the value of the use of such inventions, trademarks, prints, labels, or copyrighted matter to the licensee as established by the President; and sums so paid shall be deposited by said alien property custodian forthwith in the Treasury of the United States as a trust fund for the said licensee and for the owner of the said patent, trade-mark, print, label, or copyright registration as hereinafter provided, to be paid from the Treasury upon order of the court, as provided in sub-

division (*f*) of this section, or upon the direction of the alien property custodian.

(*e*) Unless surrendered or terminated is provided in this act, any license, granted hereunder shall continue during the term fixed in the license or in the absence of any such limitation during the term of the patent, trademark, print, label, or copyright registration under which it is granted. Upon violation by the licensee of any of the provisions of this act, or of the conditions of the license, the President may, after due notice and hearing, cancel any license granted by him.

(*f*) The owner of any patent, trade-mark, print, label, or copyright under which a license is granted hereunder may, after the end of the war and until the expiration of one year thereafter, file a bill ill equity against the licensee in the, district court of the United States for the district in which the said licensee resides, or, if a corporation, in which it has its principal place of business (to which suit the Treasurer of the United States shall be made a party), for recovery from the said licensee for all use and enjoyment of the said patented Invention, trade-mark, print, label, or copyrighted matter: *Provided, however,* That whenever suit is brought, as above, notice shall be filed with the alien property custodian within thirty days after date of entry of suit: *Provided further*, That the licensee may make any and all defenses which would be available were no license granted. The court on due proceedings had may adjudge and decree to the said owner payment of a reasonable royalty. The amount of said judgment and decree, when final, shall be paid on order of the court to the owner of the patent from the fund deposited by the licensee, so far as such deposit will satisfy said judgment and decree; and the said payment shall be in full or partial satisfaction of said judgment and decree, as the all such judgments and decrees, facts may appear; and if, after payment of, there shall remain any balance of said deposit, such balance shall be repaid to the licensee on order of the alien property custodian. If no suit is brought within one year after the end of the war, or no notice is filed as above required, then the licensee shall not be liable to make any further deposits, and all funds deposited by him shall be repaid to him on order of the alien property custodian. Upon entry of suit and notice filed as above required, or upon repayment of funds as above provided, the liability of the licensee to make further reports to the President shall cease.

If suit is brought, as above provided, the court may, at any time, terminate the license, and may, in such event, issue an injunction to restrain the licensee from infringement thereafter, or the court, in case the licensee, prior to suit, shall have made investment of capital based on possession of the license, may continue the license for such period and upon such terms and with much royalties as it shall find to be just and reasonable.

(*g*) Any enemy, or ally of enemy, may institute and prosecute suits in equity against any person other than a licensee under this act to enjoin infringement of letter patent, trade-mark, print, label, and copyrights in the United States, owned or controlled by said enemy or ally of enemy in the same manner and to the extent that he would be entitled so to do if the United States was not at war: *Provided,* That no final judgment or decree shall be entered in favor of such enemy or ally of enemy by any court except after thirty days' notice to the alien property custodian. Such notice shall be in writing and shall be served in the same manner as civil process of Federal courts.

(*h*) All powers of attorney Heretofore or hereafter granted by an enemy or ally of enemy to any person within the United States, in so far as they may be requisite to the performance of acts authorized in subsections (*a*) and (*g*) of this section, shall be valid.

(*I*) Whenever the publication of an invention by the granting of a patent may, in the opinion of the President, be detrimental to the public safety or defense, or may assist the enemy or endanger the successful prosecution of the war, lie may order that the invention be kept secret and withhold the grant of a patent until the end of the war: *Provided*, That the invention disclosed in the application for said patent may be held abandoned upon it being established before or by the Commissioner of Patents that, in violation of said order, said invention has been published or that ,in application for a patent therefor has been filed in any other country, by the inventor or his assigns or legal representatives without the consent or approval of the commissioner or under a license of the President.

When an applicant whose patent is withheld as herein provided, and who faithfully obeys the order of the President above referred to shall tender his

invention to the Government of the United States for its use, the shall, if the ultimately receives a patent, have the right to sue for compensation in the Court of claims, such right to compensation to begin from the date of the use of the invention by the Government.

By the Executive order of October 12, 1917, the power and authority to administer the above section was vested in the Federal trade Commission, as follows:

XVII. I further hereby vest in the Federal Trade Commission the power and authority to issue licenses under such terms and conditions as are not inconsistent with law or to withhold or refuse the same, to any citizen of the United States or any corporation organized within the United States to file and prosecute applications in the country of an enemy or ally of enemy for letters patent or for registration of trademark, print, label, or copyright, and to pay the fees required by law and the customary agents' fees, the maximum amount of which in each case shall be subject to the control of such commission ; or to pay to any enemy or ally of enemy any tax, annuity, or fee which may be required by the laws of such enemy or ally of enemy nation In relation to patents, trademarks, prints, labels, and copyrights.

XVIII. I hereby vest in the Federal Trade Commission the power and authority to issue, pursuant to the provisions of section 10 (c) of the trading-with-the-enemy act, upon such terms and conditions as are not inconsistent with law, or to withhold or refuse a license to any citizen of the United States or any corporation organized within the United States, to manufacture or cause to be manufactured a machine, manufacture, composition of matter, or design, or to carry on or cause to be carried on a process under any patent, or to use any trade-mark, print, label, or copyrighted matter owned or controlled by all enemy or ally of enemy, at any time during the present war; and also to fix the prices of articles and products manufactured under such licenses necessary to the health of the military and the naval forces of the United States, or the successful prosecution of the war; and to prescribe the fee which may be charged for such license, not exceeding $100 and not exceeding 1 percent of the fund deposited by the licensee with the alien property custodian as provided by law.

XIX. I hereby further vest in the said Federal Trade Commission the executive administration of the provisions of section 10 (d) of the trading-with-the-enemy act, the power and authority to prescribe the form of, and time and manner of filing statements of the extent of the use and enjoyment of the license and of the prices received and the times at which the licensee shall make payments to the alien property custodian, and the amounts of said payments, in accordance with the trading-with-the-enemy act.

XX. I further hereby vest in the Federal Trade Commission the power and authority, whenever in its opinion the publication of an invention or the granting of a patent may be detrimental to the public safety or defense or may assist the enemy, or endanger the successful prosecuting of the war, to order that the invention be kept secret and the grant letters patent withheld until the end of the war.

XXI. The said Federal Trade Commission is hereby authorized to take all such measures as may be necessary or expedient to administer the powers hereby conferred.

By the Executive order of April 11, 1918, the power an authority vested in the Federal Trade Commission under section 10 (*b*) of the Trading with the Enemy Act ans Section XVII of the Executive order of October 12, 1917, was revoked as follows:

I hereby revoke the power and authority vested in the Federal Trade Commission by section XVII of the Executive order of October 12, 1917, to issue license to any citizen of the United States or any corporation organized within the United States, to file or prosecute application in the country of an enemy or ally of enemy for letters patent or for registration of trade-mark, print, label, or copyright, and to pay any fees or agent's fees in connection therewith or to pay to any enemy or ally of enemy any tax, annuity, or fee in relation to patents, trade-marks, prints, labels, and copyrights, and no such license shall be granted until further order.

By the Executive order of November 25, 1919, there was revested in designated officers certain powers under the trading with the enemy act as follows:

By virtue of the power and authority vested in me by "An act to define, regulate, and punish trading with the enemy, and for other purposes," approved October 6, 1917, I hereby rescind, as of the 14th day of July, 1919, the Executive order of April 11, 1918, which revoked (1) the power and authority vested in the Secretary of the Treasury by Section XI of the Executive order of October 12, 1917, to issue licenses to send, take, or transmit out of the United States any letter or other writing, book, map, plan or other paper, picture, or any telegram, cablegram, or wireless message, or other form of communication intended for or to be delivered, directly or directly, to an "enemy" or "ally of enemy," in any way relating to letters patent, or registration of trade-mark, print, label, or copyright, or to any application therefore, and (2) the power and authority vested in the Federal Trade Commission by Section XVII of the Executive order of October 12, 1917, to issue licenses to any citizens of the United States or any corporation organized within the United States, to file or prosecute applications In the country of an "enemy" or "ally of enemy" for letters patent or for registration of trade-mark, print, label, or copyright, and to pay any fees or agents' fees in connection therewith; or to pay to any "enemy" or "ally of enemy" any tax, annuity, or fee in relation to patents, trade-marks, prints, labels, and copyrights; and I do hereby order that on and after July 14, 1919, licenses to perform the acts hereinabove described may be issued under Sections XI and XVII of the Executive order of October 12, 1917, by the officials In whom the authority to issue such licenses was by said order vested; and I do hereby further order that any and all licenses issued on or after July 14, 1919, which, except for the above-mentioned order of April 11, 1918, would by their terms authorize any of the acts hereinabove described, are hereby confirmed and approved, and all such licenses shall be deemed to have full force and effect according to the terms thereof, in like manner as though said order of April 11, 1918, had been rescinded prior to July 14, 1919.

By virtue of the power and authority revested in the Commission by the Executive order of November 25, 1919, above quoted, license is hereby granted to all citizens of the United States and all corporations organized within the United States, to file or prosecute applications in the country of an enemy or ally of enemy for letters patent or for registration of trade-mark, print, label, or copyright, and to pay any fees or agents' fees in connection therewith; or to pay to any enemy or ally of enemy any tax, annuity, or fee in relation to patents, trade-marks, prints, labels, and copyrights.

Dated November 29, 1919.

FEDERAL TRADE COMMISSION,

[SEAL] (Signed) J. P. YODER, *Secretary.*

APPLICATIONS FOR LICENSES UNDER PATENTS AND COPYRIGHTS OWNED OR CONTROLLED BY AN ENEMY OR ALLY OF ENEMY.

Applicants for a license under patents or copyrights owned or controlled by an enemy or an ally of an enemy are required to file a verified statement with the Federal Trade Commission in concise and nontechnical language, covering the following points, stating in each instance the facts upon which any conclusion may be based:

(*a*) If an individual, that he is a citizen of the United States. If a corporation, that it is organized within the United States.

(*b*) That the patent or copyright desired to be licensed is owned or controlled by an enemy or an ally of an enemy. (For definitions of "enemy" and "ally of an enemy," see footnote.)

If it is claimed that the patent or copyright is controlled by an enemy or ally of an enemy, the nature and origin of the control should be plainly stated, whether by contract, agency, stock ownership, or otherwise.

(c) There shall be attached to the application a Patent Office copy of the patent and a certified abstract of title to it, or a specimen of the copyright article and a certified copy of the copyright entries and, in the case of a patent, of a certified copy of the petition and all powers of attorney in the file of the application.

DEFINITIONS OF "ENEMY" AND "ALLY OF ENEMY" IN THE TRADING WITH THE ENEMY ACT

SEC. 2. That the word "enemy" as, used herein shall be deemed to mean, for the purpose of such traditions and of this act-

(a) Any individual, partnership, or other body of individuals, of any nationality, resident within the territory (including that occupied by their military and naval forces) of any nation with which the United States is at war, or resident outside the United States and doing business within such territory, and any corporation incorporated within such territory of any nation with which the United States is at war or incorporated within any country other then the United States and doing business within such territory.

(b) The government of any nation with which the United States is at war, or any political or municipal subdivision thereof, or any officer, official, agent, or agency thereof.

(c) Such other individual, or body or class of individuals, as may be natives, citizens, or subjects of any nation with which the United States is at war, other than citizens of the United States, wherever resident or wherever doing business, as the President, if he shall find the safety of the United States or the successful prosecution of the war shall so require, may, by proclamation, include within the term "enemy."

The words "ally of enemy," as used herein, shall he deemed to mean-

(a) Any individual, partnership, or other body of individuals of any nationality, resident within the territory (including that occupied by the military and naval forces)

of any nation which is an ally of a nation with which the United States is at and doing business within such territory, and any incorporated within any country other than the United States and doing business within such territory, and any corporation incorporated within such territory of such ally nation, or incorporated within such territory of such ally nations or incorporated within any country other than the United States and doing business within such territory.

(b) The government of any nation which is ally of a nation with which the united states is at war, or any political or municipal subdivision of such ally nation, or any officer, official, agent, or agency thereof.

(c) Such other individuals, or body or class of individuals as may be natives, citizens, or subjects of any nation which is an ally of a nation with which the United States is at war, other than citizens of the United States, wherever resident or wherever doing business, as the President, if he shall find the safety of the United States or the successful prosecution of the war shall so require, may, by proclamation include within the term “ally of the enemy.”

(*d*) That licensing the applicant is for the public welfare. Specifically, that there is a demand for the patented or copyrighted article or the product of the patented process which is not being met.

(*e*) That the applicant is able to make or cause to be made the patented or copyrighted article or exercise the patented process. Specifically, that the applicant is technically and otherwise, equipped to undertake or procure the manufacture or operate the process and is in fact able to do so.

(*f*) That the applicant intends to do so in good faith.

(*g*) The application must be verified by the person applying for the license, and in the case of a, corporation by an officer thereof acquainted with the facts recited.

Each application shall be accompanied with a remittance of one hundred dollars.

A suggested form of application is appended.

A separate application is required for each patent or copyright.

The application should be prepared in duplicate and, for convenience in filing, on good unglazed paper 8 inches by 10 ½ inches, directed to the Federal Trade Commission, Patent, Trade-mark, and Copyright Division, and may be transmitted by mail or delivered personally. Personal attendance at the outset is not necessary. If any hearings are desired, notice of them will be given.

In every case where practicable notice of applications for license will be given to the attorney of the patentee or copyright proprietor whose name appears in the file of the application in the Patent Office. or the office of the Register of Copyrights.

The burden of establishing affirmatively the facts upon which under the terms of the act, license may be granted is placed upon the applicant for license.

THE TERMS OF THE LICENSE.

The act provides and the Executive order vests in the Federal Trade Commission the duty of prescribing the conditions of the license.

The form of licenses proposed to be issued is appended.

Only nonexclusive licenses will be issued unless the public interest shall otherwise require.

DURATION OF LICENSE.

The act provides (sec. 10 [*e*]) that licenses shall continue during the terms fixed in the license, or, in the absence of any such limitation, during the term of the patent * * * or copyright registration under which it is granted, and that upon violation by the licensee of any of the provisions of the act, or of the conditions of the license, after due notice and hearing, the license may be canceled.

LICENSES UNDER TRADE-MARKS, PRINTS AND LABELS OWNED OR CONTROLLED BY AN ENEMY OR ALLY OF AN ENEMY.

Licenses for the use, of trade-marks, prints, and labels will be granted only under exceptional circumstances. Applications for licenses under the following conditions will be entertained:

(1) Where the alleged trademark is the, name of a patented or copyrighted article and a license is granted tinder the patent or copyright.

(2) Where the alleged trade-mark is the name of an article manufactured under an expired patent or copyright.

THE LICENSE FEE.

The act provides that the license fee shall not exceed $100, and not exceeding 1 per cent of the sum deposited with the alien property custodian. This fund is an amount not to exceed (a) 5 per cent of the gross sums received by the licensee from the sale of the licensed subject matter, or (b) 5 per cent of the value of the use of the licensed subject matter as established by the Federal Trade Commission.

ACCOUNTING AND PAYMENT TO THE ALIEN PROPERTY CUSTODIAN.

The licensee shall file with the Federal Trade Commission, semiannually on January 1 and July 1 of each year and oftener if required, a full statement of the extent of the use and enjoyment of the license, and of the prices received from the sale or use of the subject matter of it, and within 30 days thereafter the licensee shall pay to the alien property custodian not to exceed 5 per cent of the gross sums received from the sale of the licensed subject matter, or if the Federal Trade Commission so order not to exceed 5 per cent of the value of the use of the licensed subject matter as established by the Federal Trade Commission.

FORM OF LICENSE UNDER PATENT.

Patent licenses issued by the Federal Trade Commission under the provisions of the "Trading with the enemy act" will be in substantially the following form:

Patent No ----------, dated ---------- to ---------- for ----------.

The Federal Trade Commission, under the authority of and in conformity with the "Trading with the enemy act," and of the Executive order of October 12, 1917, hereby licenses ---------- to make, use, and vend within the United States the invention described and claimed in United States letters patent to ---------- No - ---------- dated ---------- (copy annexed hereto) for the period of ---------- unless sooner terminated.

The licensee during the continuance of this license shall pay to the alien property custodian, semiannually, within 30 days after the 1st day of January and the 1st day of July, respectively, of each year, a royalty at the rate of ---------- per cent of the gross sums received by the licensee from the sale of the invention so herein licensed (or ---------- per cent of the value of the use thereof to the licensee as established by the Federal Trade Commission).

The licensee shall, during the continuance of this license, keep proper accounts and separate books containing full particulars of:

(a) All articles made or caused to be made by the licensee under the said letters patent and of the price or prices charged therefore;

(b) All items of cost incurred in the use of such invention and the manufacture and sale of articles inside thereunder; and

(c) All other matters and things which in the opinion of the Federal Trade Commission may be material for the purpose of showing the amounts from time to time payable by the licensee concerning such royalty and what is a fair and reasonable price to the public for such article.

The licensee shall, within 10 days after each of the semiannual days aforesaid, deliver a sworn statement to the Federal Trade Commission in writing showing the aforesaid particulars.

The licensee shall, during the continuance of this license, give al such information as the Federal Trade Commission may consider to be material for the purpose of ascertaining the amount of royalty payable by the licensee under this license, the cost of the use of such invention, the cost of producing and the price or prices charged by the licensee for the said article, and for that purpose shall, if requested by the Federal Trade Commission, permit such person or persons as shall be authorized in that behalf by the Federal Trade Commission at any time or times to enter upon and inspect any factory or place of bus in which the use of the said invention or the manufacture shall be carried on and all books, papers, and documents of such licensee relating to such use, manufacture, and sale.

If any payment under this license shall not be made, within one month after the same shall have become due under the provisions herein contained (whether demand therefor shall have been inside or not), or if the licensee shall or shall attempt to assign or part with the benefit of or grant any sublicense under this license, or shall make default in the performance or observance of any obligations on his part herein contained, or shall have violated any of the conditions of this license or any of the provisions of the statute under which it is granted, and if, after 10 days' notice in writing, shall have failed to comply with the aforesaid, then the Federal Trade Commission may, by notice in writing, and after a hearing, cancel and terminate this license as from the date of such notice, but without prejudice to and so as not in any annular to affect any liability hereunder on the part of the licensee which may then be subsisting of have accrued.

If in the opinion of the Federal Trade Commission the licensee has failed to use this license so as to satisfy the reasonable requirement of the public with regard to the subject matter thereof; or

If in the opinion of the Federal Trade Commission the licensee has failed to supply to thin public tire articles made under this license at reasonable prices; or

If in the opinion of the Federal Trade Commission the licensee has charged unreasonable or excessive prices for articles made under this license; or

If in the opinion of the Federal Trade Commission the articles made under this license are of unsatisfactory quality (and the licensee shall furnish to the Federal Trade Commission in the manner prescribed by it and when and as often as required, samples and specimens for inspection, analysis, and test); or

Circumstances have arisen which, in the opinion of the Federal Trade Commission, make it advisable that this license be canceled in whole or in part: Then

The Federal Trade Commission may, in its absolute discretion, terminate and cancel this license in whole or in part, and, if canceled and terminated, the same shall be without prejudice to and so as not in any manner to affect any liability hereunder on the part of the licensee which may then be subsisting or have accrued.

Any sums which may at any time be payable by the licensee under the provisions of this license shall be a debt due from the licensee to the people of the United States and shall be recovered in an appropriate action in the name of the people of the United

States against the licensee.

Dated _____, 191__.

Accepted and agreed to.

_____,

Licensee.

A copy of the patent is to be attached.

If the licensee is not to be the actual manufacturer, the licensee will be held accountable to the Federal Trade Commission for the observance of the terms of his license by the actual manufacturer of the article, and the license will contain the following addendum, naming the actual manufacturer who shall sign:

_ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _, manufacturer for _____, the licensee _____ of the article herein licensed, separately agrees to keep separate books containing full particulars of all articles manufactured, and the cost thereof, sold to _____ the licensee, and the price or prices

charged therefor, and his books and plant shall be open to inspection in the same manner as provided for the licensee. The licensee and the undersigned, during the continuance of the license, shall furnish or procure to be furnished all such information as the Federal Trade Commission may consider to be material for the purpose of ascertaining the amount of royalty payable by the licensee, the cost of producing or procuring the patented article, the price or prices charged for said article, and shall permit or procure permission to be given to such person or persons as shall be authorized in that behalf by the Federal Trade Commission at any time or times to enter upon and inspect any factory or place of business in which the manufacture of the patented article shall be carried on by the undersigned for the licensee, and all books, papers, and documents relating to such manufacture and sale.

The undersigned, manufacturer, is not authorized to make, use, or vend the invention of the patent except for _____, the licensee, and not further or otherwise, and the undersigned undertakes to observe and perform the terms and conditions of the license to _____ to which this is attached.

Dated _____, 191__.

Accepted and agreed to.

_____,

Manufacturer.

FORM OF LICENSE UNDER COPYRIGHT.

Copyright licenses issued by the Federal Trade Commission under the provisions of the "Trading with the enemy act" will be in substantially the following form:

Copyright No. _____, dated _____ to _____ for the (book, etc., as the case may be; see copyright act of March 4, 1909, sec. 5, for classification) entitled (Insert title of work).

The Federal Trade Commission, under the authority of and in conformity with the "Trading with the enemy act" and of the Executive order of October 12, 1917, hereby licenses _____ to exercise within the United States all the rights created by the copyright laws of the United States of America, being the act of March 4, 1909, as amended with respect to the subject matter of copyright to _____, No. _____, dated _____ for the (book, etc., as the case may be; see copyright act of March 4, 1909, see. 5, for classification) entitled (insert title of work), a copy of which is annexed hereto, for the period of _____, unless sooner terminated.

The licensee, during the continuance of this license, shall pay to the alien property custodian, semiannually, within 30 days after the 1st day of January, and the 1st day of July, respectively, of each year, a royalty at the rate of ___ per cent of the gross sums received by the licensee front the sale of the copyright work so herein licensed (or ___ per cent of the value of the use thereof to the licensee as established by the Federal Trade Commission).

The licensee shall, during the continuance of this license, keep proper accounts and separate books containing full particulars of-

(a) All copies of said copyright work made or caused to be inside by the licensee under the said copyright and of the price or prices charged therefor;

(b) All items of cost incurred in the use of said copyright work and in the manufacture and sale of such copyright work; and

(c) All other matters and things which, in the opinion of the Federal Trade Commission, may be material for the purpose of slowing the amounts from there to time payable by the licensee concerning such royalty and what is a fair and reasonable price to the public for such copyright work.

The licensee shall, within 10 days after each of the semiannual days aforesaid, deliver a sworn statement to the Federal Trade Commission in writing showing the aforesaid particulars.

The licensee shall the continuance of this license give all such information as the Federal Trade Commission may consider to be material for the purpose of ascertaining the amount of royalty payable by the licensee under this license, the cost of producing, and the price or prices charged by the licensee for the said copyright work, and for that purpose shall, if requested by the Federal Trade Commission, permit such person or persons as shall be authorized in that behalf by the Federal Trade Commission at any time or times to enter upon and inspect any factory or place of business of the licensee

in which the use or manufacture of the said copyright work shall be carried on, and all books, papers, and documents of such licensee relating to such use, manufacture, and sale.

If any payment under this license shall not be made within one month after the same shall have become due under the provisions herein contained (whether demand therefor shall have been made or not), or if the licensee shall or shall attempt to assign or part with the benefit of or grant any sublicense under this license, or shall make default in the performance or observance of any obligation on his part herein continued, or shall have violated any of the conditions of this license or any of the provisions of the statute under which it is granted, and if after 10 days' notice, in writing, shall have failed to comply with the aforesaid, then the Federal Trade Commission may, by notice in writing, and after a hearing, cancel, and terminate this license as from the date of such notice, but without prejudice to and so as not in any manner to affect any liability hereunder on part of the licensee which may be subsisting of have accrued.

If in the opinion of the Federal Trade Commission the licensee has failed to use this license so as to satisfy the reasonable requirement of the public with regard to the copyright work; or

If in the opinion of the Federal Trade Commission the licensee has failed to supply to the public the copyright work at reasonable prices; or if in the opinion of the Federal Trade Commission the licensee has charged unreasonable or excessive prices for said copyright work; or

Circumstances have arisen which in the opinion of the Federal Trade Commission make it just and equitable that this license be canceled in whole or in part;

The Federal Trade Commission may, in its discretion, give notice in writing o the licensee to terminate this licensee in whole or in part, and if canceled and terminated the same shall be without prejudice to and so as not in any manner to affect any liability hereunder on the part of the licensee which may then be subsisting or have accrued.

Any sums which may at any time be payable by the licensee under the provisions of this license shall be a debt due from the licensee to the people of the United States and shall be recovered in an appropriate action In the name of the people of the United States against the licensee.

Dated_____, 191___

Accepted and agreed to. _____,

Licensee.

If the licensee is not to be the actual manufacturer or producer of the copyright work, the licensee will be held accountable to the Federal Trade Commission for the observance of the terms of his license by the actual manufacturer or producer of the article, and the license will contain the, following addendum, naming the actual manufacturer or producer of the article, who shall sign:

_____, the manufacturer for _____ the licensee of the

copyright work herein licensed, separately agrees to keep separate books containing full particulars of all of such copyright works manufactured and the cost thereof, sold to_____ _____, the licensee, and the price or prices charged therefor, and his books and plant shall be open to inspection in the same manner as provided for the licensee. The licensee and the undersigned, during the continuance of the license, shall furnish or procure to be furnished till such information as the Federal Trade Commission may consider to be material for the purpose of ascertaining the amount of royalty payable by the licensee, the cost of producing or procuring the copyright work, the price or prices charged therefor, and shall permit or procure permission to be given to such person or persons as shall be authorized in that behalf by the Federal Trade Commission at any time or times to enter upon and inspect any factory or place of business in which the manufacture of the copyright work shall be carried oil by the undersigned for the licensee, and all books, papers, and documents relating to such manufacture and sale.

The undersigned, manufacturer, is not authorized to exercise any right conferred by the. copyright statutes with respect to the copyright work here in-

volved except for _____ _____, the licensee, and not further or otherwise, and the undersigned undertakes to observe and perform the terms and conditions of the license to _____ to which this is attached.

Dated _____, 191__.

Accepted and agreed to.

_____,

Manufacturer.

A surety company bond may be required of the licensee, if, in the opinion of the Federal Trade Commission, it is necessary to safeguard the public interest.

FORM OF APPLICATION FOR LICENSE.

TRADING WITH THE ENEMY ACT.

To the FEDERAL TRADE COMMISSION:

Application of _____ for a license under patent to ____, date _____No._____.

(If under copyright, state title of work, name of copyright proprietor, and date of copyright registration.)

The undersigned. for the purpose of securing a license, represents to the Federal Trade Commission as follows:

(*a*) The undersigned is a citizen of the United States, residing at street, in the city of ____, State of _____, United States of America. (If a corporation, state under the laws of what State it is organized;
the location of its corporate offices, its business offices, and plants or factories.)

(*b*) The undersigned is desirous of being licensed hinder the patent (or copyright) above United, which is owned or controlled by a citizen or subject of _____. (State the enemy country or the ally of the enemy of which the patentee or copyright proprietor is a citizen or subject, or if a corporation where it is incorporated. and if the patent or copyright is not owned but is claimed to be controlled state fully the facts which establish the nature and origin of the enemy or ally of enemy control, wether it is means of an agency, by contract, by stock ownership in corporations, or otherwise.)

(c) Attached here is a Patent copy of the letters patent and a certified abstract of its title, from the Patent Office and a certified copy of the petition and all powers of attorney in the file of the application (or, in the ease of a copyright, a specimen of the copyrighted work, and a certified copy of the copyright entries from the office of the Register of Copyrights).

(*d*) It is for the public welfare that the license applied for be granted because--(Here state briefly but completely and in nontechnical language the reason why it is for the public benefit that the license be granted and specifically the demand for the article prior to the war, the demand for the article at the present time whether or not this demand is being met or can be met, prices obtained prior to the war and prices at the present time.)

(*e*) Applicant is able to make or cause to be made the patented or copyrighted article because (Here state specifically the applicant's experience in the production of articles

of the kind covered by the patent or copyright, his technical equipment for manufacturing and selling such articles and his ability to do so, the estimated cost of manufacture and price proposed to be charged if the license is granted.)

(If the applicant does not intend to manufacture but to procure the manufacture of the article, state specifically what arrangements have been made or proposed to this end and their terms and conditional. State the name and address of the manufacturer proposed to be employed and his technical equipment,. etc., and article copies of any contracts or proposals.)

(*f*) The license desired is exclusive or nonexclusive for the following reasons:(Here state reasons why, in the opinion of the applicants the license be exclusive or nonexclusive.)

(*g*) The license is desired-

(1) For the term of the patent or copyright, (2) the duration of the war, or (3) any other period,

stating reasons in each case.

(*h*) The application is also to contain the following: "The undersigned intends in good faith to manufacture or cause to be manufactured the article licensed and understands that the license, if granted, may not be assigned and may be canceled by the Federal Trade Commission, after due notice of hearing upon violation by the undermined of any of the provisions of the "Trading with the enemy act ' or of any of the conditions of the license."

(Signed)_____,

Applicant.

OATH FOR AN INDIVIDUAL.

STATE OF _____
County of _____, *ss:*

_____, being duly sworn, deposes and states that he is the same person whose name is signed to the foregoing statement; that he has read this statement and' knows and understands its contents; and that it is true.

_____
Subscribed and sworn to before me this _____ day of _____ , 191__.

_____,
Notary Public.

OATH FOR A CORPORATION.

STATE OF _____
County of _____, *ss*:

_____, being duly sworn, deposes and states that he is the _____ of _____, the corporation whose name is signed to the foregoing statement; that the is duly ,authorized to swear to such statement on behalf of such corporation; that the has read this statement and knows and understands its contents; and that it is true.

_____
Subscribed and sworn to before me this _____ day of _____, 19__.

_____,
Notary Public.

EXHIBIT 5.

FEDERAL TRADE COMMISSION,
WASHINGTON, D. C.

FIRST REPORT FROM EXPORT ASSOCIATIONS,
DUE WITHIN 30 DAYS AFTER CREATION.

1. Name

Address

(Here insert address of principal office.)

2. *Statement.*--This corporation or association was organized or entered into for the sole purpose of engaging in export trade, and is now or about to be solely engaged in the export trade as defined in the export trade act, approved April 10, 1918, viz: "Trade or commerce in goods, wares, or merchandise exported or In the course of being exported from the United States or any territory thereof, to any foreign nation."

3. There is hereunto annexed and made a part hereof a schedule, showing In paragraph "A" *the location of its offices or places of business;* In paragraph "B," the *names* and *addresses* of all its *officers* and *directors;* in paragraph "C" the *names* and *addresses* of all Its *stockholders* or *members;* in paragraph "D," the products to be exported; and in paragraph "E," the capital authorized and paid in.

4. There is also annexed (F) a brief statement describing its methods and plan under which it is doing business a statement of its relations with other associations, corporations, and individuals, and such other information as this company or association deems should be in the export files of the Federal Trade Commission.

5. If a corporation, a copy of its certificate or articles of incorporation and by-laws is annexed and filed, and if unincorporated, a copy of its articles of contract of association.

By ----------

STATE OF ----------

ss:

COUNTY OF ----------

---------- , being first duly sworn, on oath deposes and says that he is an officer, to-wit, ---------- of the above-named corporation or association; that he has read the foregoing report and schedules annexed and that the same are in all respects true and correct.

(Verifying officer sign here.)

Subscribed and sworn to before me this ---------- day of --------, 19----

---

Notary Public

SCHEDULE 1.

(A) The following are the locations of all offices and places of business:

(B) The following officers or directors, as at January 1, 1919:

Names.	Office held.	Addresses.

(C) The following were stockholders or members January 1, 1919:

Names.	Addresses.	Number of shares.

(D) It desires to be classified as engaged in exporting the following products, viz:

(Please limit to products now or about to be exported and supplement by letter when others are taken on.)

(E) Capital:

(1) Authorized preferred, $----; par value, $----; issued, $----; paid in, $----

(2) Authorized common, $----; par value, $----; issued, $----; paid in, $----

---

(F) The following briefly describes the methods and plan under which our business is done and states our relations with other associations, corporations, and individuals, with such other information as we deem should be In the export files of the Federal Trade Commission:

NOTES.

1. The information required by this report is to be furnished to the Federal Trade Commission under "An act to promote export trade, and for other purposes," approved April 10, 1918 (the export trade act), which provides in section 5 thereof as follows:

SEC. 5. That every association now engaged solely in export trade, within sixty days after the passage of this act, and every association entered into hereafter which engages solely in export trade, within thirty days after its creation, shall file with the Federal Trade Commission a verified written statement setting forth the location of its offices or places of business and the names and addresses of all its officers and of all its stockholders or members, and if a corporation, a copy of its certificate or articles of incorporation and by-laws, and if unincorporated, a copy of its articles or contract of association,. and on the first day of January of each year thereafter it shall make a like

statement of the location of its offices or places of business and the names and addresses of all its officers and of all its stockholders or members and of all amendments to and changes in its articles or certificates of incorporation or in its articles or contract of association. It shall also furnish to the commission. such information. as the commission may require as to its organization, business, conduct, practices, management, and relation to other associations, corporations, partnerships, and individuals. Any association which shall fail (so to do) shall not have the benefit of the provisions of section two and section three of this act, and it shall also forfeit to the United States the sum of $100 for each and every day of the continuance of such failure, which forfeiture shall be payable into the Treasury of the United States, and shall be recoverable in a civil suit in the name of the United States brought in the district where the association has its principal office, or in any district in which it shall do business. It shall be the duty of the various district attorneys, under the direction of the Attorney General of the United States, to prosecute for the recovery of the forfeiture. The costs and expenses of such prosecution shall be paid out of the appropriation for the expenses of the courts of the United States. * * *

2. The word "association" wherever used in the "export trade act" or in this report means "any corporation or combination, by contract or otherwise, of two or more persons, partnerships, or corporations."

EXHIBIT 6.

FEDERAL TRADE COMMISSION,
WASHINGTON, D. C.

REPORT FROM EXPORT ASSOCIATIONS,

DUE JANUARY 1, -----, OF:

1. Name ----------

Address ----------

(Here insert address of principal office.)

2. *Statement.--This* corporation or association was organized or entered into for the sole purpose of engaging in export trade and is now solely engaged in the export trade as defined in the export trade act, approved April 10, 1918, viz: "Trade or commerce in goods, wares, or merchandise exported or in the course of being exported from the United States or any Territory thereof, to any foreign nation."

3. There is hereunto annexed and made a part hereof a schedule, showing in paragraph "A" *the location of its offices or places of business;* in paragraph "B," the *names* and *addresses* of nil its *officers* and *directors;* in paragraph "C," the *names* and *addresses* of all its *stockholders* or *members;* in paragraph "D," all *amendments* to and changes in its articles or certificate of incorporation, or articles or contract of association and by-laws, since its last report to the Federal Trade Commission.

4. There is also annexed (E) a brief statement describing its methods and plan under which it is doing business, a statement of its relations with other associations, corporations, and individuals, and such other information as this company or association deems should be in the export files of the Federal Trade Commission.

By ----------

State of ----------

ss:

County of ----------

----------, being first duly sworn, on oath deposes and says that he is an officer, to wit, ---------- of the above-named corporation or association; that he has read the foregoing report and schedules annexed and that the same are In all respects true and correct.

(Verifying officer sign here.)

Subscribed and sworn to before me this --------- day of -------, 19---.

Notary Public.

SCHEDULE 1.

(A) The following are the locations of all offices and places of business:

(B) The following were officers or directors, as at January 1, 1919:

Names.	Office held.	Addresses.

(C) The following were stockholders or members January 1, 1919:

Names.	Addresses.	Number of shares.
----------	----------	_____
----------	----------	_____

(D) Since the last report to the Federal Trade Commission the articles of or certificate of incorporation, articles of association, and by-laws have been amended or changed as follows:

(E) The following briefly describes the methods and plan under which our business Is done and states our relations with other associations, corporations, and Individuals, with such other information as we deem should be in the export files of the Federal Trade Commission:

NOTES.

1. The information required by this report is to be furnished to the Federal Trade Commission under "An act to promote export trade, and for other purposes," approved April 10, 1918 (the export trade act), which provides Ill section 5 thereof, as follows:

SEC. 5. That every association now engaged solely in export trade, within sixty days after the passage of this act, and every association entered into hereafter which engages solely in export trade, within thirty days after its creation, shall file with the Federal Trade Commission a verified written statement setting forth the location of its offices or places of business and the names and addresses of all its officers and of all its stockholders or members, and if a corporation, a copy of its certificate or articles of incorporation and by-laws, and if unincorporated, a copy of its articles or contract of association, and on the first day of January of each year thereafter it shall make a like statement of the location of its offices or places of business and the names and addresses of all its officers and of all its stockholders or members and of all amendments to and changes in its articles or certificate of incorporation or In its articles or contract of association. It shall also furnish to the Commission such information as the Commission may require as to its organization, business, conduct, practices, management, and relation to other associations, corporations, partnerships, and individuals. Any association which shall fail so to do shall not have the benefit of the provisions of section two and section three of this act, and it shall also forfeit to the United States the sum of $100 for each and every day of the continuance of such failure, which forfeiture shall be payable into the Treasury of the United States, and shall be recoverable in a civil suit in the name of the United States brought in the district where the association has its principal office, or in any district in which it shall do business. It shall be the duty of the various district attorneys, under the direction of the Attorney General of the United States, to prosecute for the recovery of the forfeiture. The costs and expenses of such prosecution shall be paid out of the appropriation for the expenses of the courts of the United States * * *

2. The word "association" wherever used in the "export trade act" or in this report means "any corporation or combination, by contract or otherwise, of two or more persons, partnerships, or corporations."

EXHIBIT 7.

[PUBLIC--NO. 126--65TH CONGRESS.]

[H. R. 2316.]

An Act To promote export trade, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States Of America in Congress assembled, That the words "export trade" wherever used in this act mean solely trade or commerce in goods, wares, or merchandise exported, or in the course of being exported from the United States or any Territory thereof to any foreign nation; but the words "export trade" shall not be deemed to include the production, manufacture, or selling for consumption or for resale, within the United States or any Territory thereof, of such goods, wares, or merchandise, or any act in the course of such production, manufacture, or selling for consumption or for resale.

That the words "trade within the United States" wherever used in this act mean trade or commerce among the several States or in any Territory of the United States, or in the District of Columbia, or between any such Territory and another, or between any such Territory or Territories and any State or States or the District of Columbia, or between the District of Columbia and any State or States.

That the word "association" wherever used in this act means any corporation or combination, by contract or otherwise, of two or more persons, partnerships, or corporations.

SEC. 2. That nothing contained in the act entitled "An act to protect trade and commerce against unlawful restraints and monopolies," approved July second, eighteen hundred and ninety, shall be construed as declaring to be illegal an association entered into for the sole purpose of engaging in export trade and actually engaged solely in such export trade, or an agreement made or act done in the course of export trade by such association, provided such association, agreement, or act is not in restraint of trade within the United States, and is not in restraint of the export trade of any domestic competitor of such association: *And provided further*, That such association does not, either in the United States or elsewhere, enter into any agreement, understanding, or conspiracy, or do any act which artificially or intentionally enhances or depresses prices within the United States of commodities of the class exported by such association, or which substantially lessens competition within the United States or otherwise restrains trade therein.

SEC. 3. That nothing contained in section seven of the act entitled "An act to supplement existing laws against unlawful restraints and

monopolies, and for other purposes," approved October fifteenth, nineteen hundred and fourteen, shall be construed to forbid the acquisition or ownership by any corporation of the whole or any part of the stock or other capital of any corporation organized solely for the purpose of engaging in export trade, and actually engaged solely in such export trade, unless the effect of such acquisition or ownership may be to restrain trade or substantially lessen competition within the United States.

SEC. 4. That the prohibition against "unfair methods of competition" and the remedies provided for enforcing said prohibition contained in the act entitled "An act to create a Federal trade commission, to define its powers and duties, and for other purposes," approved September twenty-sixth, nineteen hundred and fourteen, shall be construed as extending to unfair methods of competition used in export trade against competitors engaged in export trade, even though the acts constituting such unfair methods are done without the territorial jurisdiction of the United States.

SEC 5. That every association now engaged solely in export trade, within sixty days after the passage of this act, and every association entered into hereafter which engages solely in export trade, within thirty days after its creation, shall file with the Federal Trade Commission a verified written statement setting forth the location of its offices or places of business and the names and addresses of all its officers and of all its stockholders or members, and if a corporation, a copy of its certificate or articles of incorporation and by-laws, and if unincorporated a copy of its articles or contract of association , and on the first day of January of each year thereafter it shall make a like statement of the location of its offices or places of business and the names and addresses of all its officers and of all its stockholders or members and of all amendments to and changes in its articles or certificate of incorporation or in its articles or contract of association. It shall also furnish to the commission such information as the commission may require as to its organization, business, conduct, practices, management, and relation to other associations, corporations, partnerships, and individuals. Any association which shall fail so to do shall not have the benefit of the provisions of section two and section three of this act, and it shall also forfeit to the United States the sum of $100 for each and every day of the continuance of such failure, which forfeiture shall be payable into the Treasury of the United States, and shall be recoverable in a civil suit in the name of the United States brought in the district where the association has its principal office, or in any district in which it shall do business. It shall be the duty of the various district attorneys, under the direction of the Attorney General of the United States, to prosecute for the recovery of the forfeiture. The costs and expenses of such prosecution shall be paid out of the appropriation for the expenses of the courts of the United States.

Whenever the Federal Trade Commission shall have reason to believe that an association or any agreement made or act done by such association is in restraint of trade within the United States or in restraint of the export trade of any domestic competitor of such association, or that an association either in the United States or elsewhere has entered into any agreement, understanding, or con-

spiracy, or done any act which artificially or intentionally enhances or depresses prices within the United States of commodities of the class exported by such association, or which substantially lessens competition within the United States or otherwise restrains trade therein it shall summon such association, its officers, and agents to appear Therefore it, and thereafter conduct an investigation into the alleged violations of law. Upon investigation, if it shall conclude that the law has been violated, it may make to such association recommendations for the readjustment of its business, in order that it may thereafter maintain its organization and management and conduct its business in accordance with law. If such association fails to comply with the recommendations of the Federal Trade Commission, said commission shall refer its findings and recommendations to the Attorney General of the United States for such action thereon as he may deem proper.

For the purpose of enforcing these provisions the Federal Trade Commission shall have all the powers, so far as applicable, given it in "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes."

Approved, April 10, 1918.

EXHIBIT 8.

PROCEEDINGS PENDING AND DISPOSED OF.

PROCEEDINGS PENDING JUNE 30, 1920.

Complaint No. 25.-Federal Trade Com mission *v*. J. F. Hillerich & Son Co. Charge: Unfair methods of competition in connection with the manufacture, marketing and sale of baseball bats by fixing resale prices and refusing to supply those who do not agree to maintain such selling prices, or who do not sell at the prices fixed, in alleged violation of section 5 of the Federal Trade Commission act; price discrimination, the effect of which may be to substantially lessen competition or tend to create a monopoly, In alleged violation of section 2 of the Clayton Act. Status: This proceeding is awaiting decision of the Supreme Court of the United States in the Beech-Nut Packing Co. case, now pending on a writ of certiorari to the United States Circuit of Appeals, second circuit, which court reversed an order of time Commission against the Beech-Nut Packing Co. to cease and desist the practice in question.

Complaint No. 28.--Federal Trade Commission *v.* Ward Baking Co. Charge: Stifling and suppressing competition by fixing resale prices and refusing to sell to those who will not agree to maintain such standard resale prices or who do not resell at such standard selling prices, in alleged violation of section 5 of the Federal Trade Commission act. Status: (Ante, complaint No.25).

Complaint No. 30.--Federal Trade Commission *v.* Western Clock Co. Charge: Attempting to eliminate competition in the sale of certain alarm clocks by fixing resale prices and refusing to sell to those who fail to maintain such prices, in alleged violation of section 5 of the Federal Trade Commission act; price discrimination, the effect of which may be to substantially lessen competition or tend to create a monopoly in alleged violation of section 2 of the Clayton Act. Status: (Ante, complaint No.25).

Complaint No. 40.--Federal Trade Commission *v.* The Colorado Milling & Elevator Co. Charge: Attempting to eliminate competition by fixing resale, prices and by refusing to sell to those who will not agree to maintain such prices, in alleged violation of sect ion 5 of the Federal Trade Commission act. Status: (Ante, complaint No.25).

Complaint No. 82.--Federal Trade Commission *v.* Photo-Engravers' Club of Chicago. Charge: Adopting a standard scale of uniform prices at which the members sell their products, with the in tent of stifling and suppressing competition In the manufacture and sale of photo-engravings, the respondent having entered into an agreement with the Chicago Photo-Engravers' Union No.5, I. P. E. U., by the terms of which the respondent's members employ only union labor in their manufacturing plants amid the members of the union do not accept employment from any manufacturing photo-engraver not a member of the respondent club. In furtherance of such agreement time union has adopted a, rule whereby union labor is to cease working in photo-engraving plants which do not maintain such standard scale of prices, and has initiated a series of lines arid threats to withdraw labor, thereby compelling members to maintain such prices against their will, all in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is pending before the commission,

Complaint No. 87.--Federal Trade Commission *v.* Crescent Manufacturing Co. Charge: Stifling and suppressing competition in the manufacture, marketing, and sale of baking powder, spices, teas, coffees, and flavoring extracts by tiling resale prices and refusing to sell those who will not agree to maintain such specified standard resale prices, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 89.--Federal Trade Commission *v.* L. E. Waterman Co. Charge: Stifling and suppressing competition in the manufacture, marketing, and sale of fountain pens by fixing standard specified resale prices and by refusing to sell to those who will not agree to maintain such prices, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 90.--Federal Trade Commission *v.* Cluett, Peabody & Co. (Inc.). Charge: Stifling and suppressing competition in the manufacture, marketing, and sale of men's collars by fixing and maintaining resale prices, requiring the purchasers to maintain such prices, and refusing to sell to those who refuse to maintain such prices, in alleged violation of section 5 of the Federal Trade Commission act. Status: (Ante, complaint No.25).

Complaint No. 91.--Federal Trade Commission *v.* Massachusetts Chocolate Co. Charge: Stifling and suppressing competition In the manufacture, marketing, and sale of candy by fixing resale prices and refusing to sell to those who will not agree to maintain such specified standard resale prices, in alleged violation of section 5 of the Federal Trade Commission act. Status: (Ante, complaint *No.25.).*

Complaint No. 123.--Federal Trade Commission v. American Can Co. Charge: Price discrimination and price fixing on condition that the purchasers shall not use or deal in the product of competitors, the effect of which is to substantially lessen competition and to tend to create a monopoly in the tin-can business in alleged violation of sections 2 and 3 of the Clayton Act; stifling and suppressing competition in the manufacture and sale of tin cans by attempting to induce customers to enter into long-term contracts by giving certain customers more favorable terms than others in reference to allowances for leaky cans and storage privileges, by rebating if prices are lowered, and by other discriminations, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue on the complaint of the Commission and the answer of the respondent, and is now in preparation for trial.

Complaint No. 126.--Federal Trade Commission *v.* Ironite Co., Master Builders' Co., and United Products Co. Charge: Stifling and suppressing competition in connection with the manufacture amid sale of cement amid concrete hardener containing crushed iron particles by entering into an agreement by which a consent decree was obtained with the intent and purpose of securing a patent monopoly, by threatening suit for alleged infringement against those who refuse to enter into license agreements, by misleading statements as to time extent and effect of the consent decree, by concealing the true agreement by which the suit was settled, by misleading statements as to the scope of their patent, by false and disparaging statements regarding competitors, and by resale price fixing, In alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue on the complaint of the Commission and time answer of the respondent, and negotiations are in progress with a view to agreeing on the facts and submitting the matter to the Commission for final disposition.

Complaint No. 185.--Federal Trade Commission *v.* Standard Oil Co. of Louisiana. Charge: Unfair methods of competition in the sale of petroleum and in

the sale of automatic measuring pumps, tanks, etc., the product of the Gilbert & Barker Manufacturing Co. (post, complaint No.130), by falsely representing the product of certain of its competitors to be unsatisfactory, defective, and that such would not operate and was being sold at exorbitant prices; by inducing competitors' customers to cancel orders; selling and lending pumps, etc., without adequate consideration; threatening to sell oil direct by retail unless dealers used the Gilbert & Barker product; and by holding itself out to be the agent of its competitors, as well as of the Gilbert & Barker Manufacturing Co., quoting exorbitant prices, in alleged violation of section 5 of the Federal Trade Commission act; price discrimination, the effect of which may be to substantially lessen competition or tend to create a monopoly in alleged violation of section 2 of the Clayton Act. Status: This proceeding is now at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 141.--Federal Trade Commission v. The Evans Dohlar Pen Co. Charge: Stifling and suppressing competition in the manufacture, marketing, and sale of its fountain pens, as a means of securing the trade of dealers and with the purpose of eliminating competition in the selling price of its fountain pens by fixing certain specified standard resale prices and by refusing to sell to those who will not agree to maintain such resale prices, in alleged violation of section 5 of the Federal Trade Commission act. Status: (Ante, complaint No. 25.)

Complaint No. 157.--Federal Trade Commission v. Saenger Amusement Co. Charge: Stifling and suppressing competition in the purchase and sale, lease and exhibition of moving-picture films by forcing exchanges to accept its terms on threat to cause exhibitors to refuse to handle otherwise; causing contracts between exhibitors and exchanges to be broken by divers means and methods, including prior exhibition of films in neighboring theaters after "first exhibition" had been advertised by the other; threatening withdrawal of patronage if exchanges continued to supply exchanges; threatening curtailing supply unless exhibitors dealt with respondent; inducing employees of competitors to leave their employment, all in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent, and is in course of trial.

Complaint No. 159.--Federal Trade Commission *v.* The United Rendering Co., M. L. Shoemaker & Co. (Inc.), The Berg Co., The D. B. Martin Co., Consolidated Dressed Beef Co., Baugh & Sons Co., Winfield S. Allen, Nathan Berg, F. W. English, Christopher Offenhauser. Charge: Stifling and suppressing competition in the business of refining animal fats and the manufacture and sale of products therefrom, by engaging in a combination or conspiracy to purchase and offer to purchase raw materials in certain local areas at prices unwarranted by trade conditions and prohibitive to small competitors, thus punishing the latter for refusing to enter into a working arrangement to eliminate competitive bidding, and by interfering with competitors' business by causing their trucks to be followed for the purpose of spying on competitors' business and customers, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondents and is in course of trial.

Complaint No. 163.--*Federal* Trade Commission *v.* Armour & Co. Charge: Stifling and suppressing competition in the manufacture and sale of dairy products by concealing its control of and affiliation with Beyer Bros. Co., a creamery company, while directing the efforts and business of said company; discriminating in prices paid for butter fat or cream; and by purchasing and offering to purchase butter fats or cream in certain localities at prices unwar-

ranted by trade conditions and so high as to be prohibitive to small competitors, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon he complaint of the Commission amid answer of' the respondent.

Complaint No. 167.--Federal Trade Commission *v.* United Electric Co. Charge: Stifling and suppressing competition in the manufacture, marketing, selling, and reselling of its vacuum cleaning machines by fixing standard resale prices and refusing to sell to those who fail to maintain such prices, in alleged violation of section 5 of the Federal Trade Commission act; price fixing and establishing discounts or rebates on condition that the purchasers shall not use or deal in the goods of competitors, the effect of which is to substantially lessen competition or to tend to create a monopoly, in alleged violation of section 3 of the Clayton Act. Status: (Ante, complaint No.25.)

Complaint No. 168.--Federal Trade Commission *v.* The National Wholesale Druggists' Association et al. Charge: Engaging in a combination or conspiracy among themselves with the intent, purpose, and effect of discouraging, stifling, and suppressing competition in the wholesale drug trade and of unfairly hampering arid obstructing certain of their competitors l)y inducing or compelling manufacturing to refuse to recognize competitors as jobbers amid as entitled to the benefits such competitors as jobbers would receive, by means of oral and written notices to manufacturers to the effect that certain competitors, not eligible to membership in the association, were not entitled to recognition as jobbers; the appointment of committees to confer with manufacturers to the end that they adopt sales methods in harmony with the policies of the association, written and oral notices by the secretary of the association to manufacturers to the effect that competitors are selling below the manufacturers' established resale price, or that such competitors are persistent price cutters; the compilation and distribution among manufacturers and wholesalers of lists of so-called legitimate jobbers, and by bringing influence to bear on various local associations of drug jobbers and wholesalers to adopt policies in harmony with the policies of the association, in alleged violation of section 5 of the Federal Trade Commission act. Status: This case is pending before the Commission on motion by respondent to dismiss the proceeding.

Complaint No. 170.--Federal Trade Commission *v.* Kryptok Sales Co. Charge: Stifling and suppressing competition in the sale of "Kryptok" spectacle lenses by fixing and maintaining resale prices, requiring dealers to maintain such resale prices, and refusing to sell to those who will not maintain such resale prices, in alleged violation of section 5 of the Federal Trade Commission act. Status: (Ante, complaint No.25.)

Complaint No. 171.-Federal Trade Commission *v.* The Goodyear Tire & Rubber Co. Charges: Stifling and suppressing competition in the sale of automobile tires by fixing arid maintaining resale prices, requiring dealers to maintain such t resale prices, and refusing to sell to those who will not maintain such resale prices; falsely advertising that it furnishes certain unique services, which are such as are ordinarily furnished by retail dealers; compelling dealers to carry excessive stocks, refusing to allow dealers to make adjustments on unsatisfactory tires; requiring dealers who also handle automobiles to specify Goodyear tires on all automobiles, motor trucks, and motor cycles ordered by them; requiring dealers to permit respondent to make Inventories of all tires handled by such dealers; compelling dealers to refrain from selling competitor's tires as substitutes for respondent's when such dealer is unable to furnish the particular size of respondent's tire requested; selling tire-applying machinery to dealers, but restricting the use of it to respondent's tires;

selling consumers direct at the same price as dealers when such consumers will agree to use respondent's tires exclusively, in alleged violation of section 5 of the Federal Trade Commission act; selling its products on the condition, agreement, or understanding that the purchasers shall not use or deal In the goods of a competitor, the effect of which is to substantially lessen competition or tend to create a monopoly, in alleged violation of section 3 of the Clayton Act. Status: (Ante, complaint No.25.)

Complaint No. 173.--Federal Trade Commission *v.* D. M. Ferry & Co. Charge: Stifling and suppressing competition In the sale of garden and flower seeds by fixing and maintaining resale prices, requiring dealers to maintain such resale prices, and refusing to sell to those who will not maintain such resale prices, in alleged violation of section 5 of the Federal Trade Commission act. Status: (Ante, complaint No.25.)

Complaint No. 182.--Federal Trade Commission *v.* The Hoover Suction Sweeper Co. Charge: Stifling and suppressing competition in the sale of vacuum cleaners by fixing and maintaining resale prices, requiring dealers to maintain such resale prices, and refusing to sell to those who will not maintain such resale prices, in alleged violation of section 5 of the Federal Trade Commission act. Status: (Ante, complaint No. 25.)

Complaint No. 183.--Federal Trade Commission *v.* The Vortex Manufacturing Co. Charge: Stifling and suppressing competition in the manufacture and marketing of metal holders, paraffin paper cups and dishes by fixing and maintaining resale prices, requiring dealers to maintain such resale prices, and refusing to sell to those who will not maintain such resale prices, in alleged violation of section 5 of the Federal Trade Commission act; selling and making contracts of sale of metal holders, paraffin paper cups and dishes on the condition, agreement, amid understanding that the purchasers thereof shall not use or deal in the products of competitors, the effect of which is to substantially lessen competition or tend to create a monopoly, in alleged violation of section a of the Clayton Act. Status: (Ante, complaint No.25.)

Complaint No. 184.-Federal Trade Commission *v.* Enders Sales Co. (Inc.). Charge: Stifling and suppressing competition in the sale of safety razors and blades by fixing and maintaining resale prices, requiring dealers to maintain such resale prices, and refusing to sell to those who will not maintain such resale prices, in alleged violation of section 5 of the Federal Trade Commission act; and discriminating in price between different purchasers of respondent's product, the effect of which may be to substantially lessen competition or tend to create a monopoly, in alleged violation of section 3 of the Clayton Act. Status: (Ante, complaint No.25.)

Complaint No. 189.--Federal Trade Commission *v.* H. L. Hildreth Co. Charge: Stifling and suppressing competition In the sale of candy by fixing amid maintaining resale prices, requiring dealers to maintain such resale prices, and refusing to sell to those who will not maintain such resale prices, in alleged violation of section 5 of the Federal Trade Commission act. Status: (Ante, complaint No.25).

Complaint No. 196.-Federal Trade Commission *v.* DeMiracle Chemical Co. Charge: Stifling and suppressing competition in the sale of depilatories and other toilet specialties by fixing and maintaining resale prices, requiring dealers to maintain such resale prices, and refusing to sell to those who will not maintain such resale prices, in alleged violation of section 5 of the Federal Trade Commission act. Status: (Ante, complaint No.25).

Complaint No. 205.-Federal Trade Commission *v.* The Tobacco Products Corporation et al. Charge: Stifling and suppressing competition by concealing

its ownership and control of other corporations and holding them out as independent companies; paying commissions to its customers and its competitor's customers, with the understanding that the customers will not advertise the goods of competitors, and by paying to one of its customers a rebate proportionate to the increased amount of purchases made in one year over the preceding year, in alleged violation of section 5 of the Federal Trade Commission act; discriminating in price between different purchasers of respondent's products, the effect. of which may be to substantially lessen competition or tend to create a monopoly, in alleged violation of section 2 of the Clayton Act; and acquiring the whole of the stock and share capital of various tobacco companies, where the effect of such acquisition may be and Is to substantially lessen competition and create a monopoly, in alleged violation of section 7 of the Clayton Act; and several of the individual respondents, acting as directors in several of respondent corporations, thereby through agreements eliminating competition among these corporations, in alleged violation of section 8 of the Clayton Act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent and Is now In preparation for trial.

Complaint No. 206.--Federal Trade Commission *v.* Marinello Co. et al. Charge: Stifling and suppressing competition in the sale of cosmetics, toilet articles, and preparations by fixing and maintaining resale prices, requiring dealers to maintain such resale prices, and refusing to sell their products to those who will not maintain such resale prices; maintaining a school of cosmeticians and granting to graduates of such schools licenses to practice the "Marinello System" and use the name "Marinello" upon condition that the licensees shall maintain such resale prices and not deal in the products of competitors; threatening to revoke the licenses of such graduates who refuse to maintain such resale prices and deal exclusively in the products of respondents, and threatening to establish competitive shops adjacent to those of their competitors and others who refuse to deal exclusively in respondent's products and who do not maintain the resale prices of such products, in alleged violation of section 5 of the Federal Trade Commission act; selling cosmetics, toilet articles, and preparations under condition, agreement, or understanding that the purchasers thereof shall not use or deal In the products of competitors, the effect of which is to substantially lessen competition or tend to create a monopoly, in alleged violation of section 3 of the Clayton Act. Status: (Ante, complaint No.25).

Complaint No. 207.--Federal Trade Commission *v.* The Cleveland Macaroni Co. Charge: Using unfair methods of competition in the sale of macaroni, noodles, and kindred products, viz, giving premiums of jewelry, silverware, and other personal property to salesmen of jobbers handling respondent's products, and giving dinners to jobbers and their salesmen, retail buyers, customers, and prospective customers of respondent, and competitor's customers and prospective customers, as an inducement to influence them to purchase respondent's macaroni, noodles, and kindred products, and to refrain from purchasing those of respondent's competitors, In alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is now before the Commission for final disposition.

Complaint No. 213.-Federal Trade Commission *v.* American Thermos Bottle Co. Charge: Stifling and suppressing competition in the sale of temperature-retaining vessels by fixing and maintaining resale prices, requiring dealers to retain such resale prices, and refusing to sell to those who will not maintain such resale prices in alleged violation of section 5 of the Federal Trade Commission act; discriminating in price between different purchasers of respondent's products, the effects of which may be to substantially lessen competition

or tend to create a monopoly, In violation of section 2 of the Clayton Act. Status: (Ante, complaint No.25).

Complaint No. 215.--Federal Trade Commission *v.* Minerals Separation (Ltd) . et al. Charge: Stifling and suppressing competition in lines of commerce dependent upon apparatus and processes and other commodities used in the separation and concentration of ores, by entering into and enforcing and attempting to enter into and enforce agreements which are for the purposes of preventing independent concerns from selling or licensing any independent commodities without respondents' permission, permitting no independent concern to manufacture, license, or lease independent commodities except by the payment of an exorbitant commission for such permission; of discriminating in the amount of commissions exacted from different independent concerns; of compelling mine operators and others not in respondents' employ to surrender to them the ownership and control of inventions respecting the separation and concentration of ores; of preventing mine operators and others from publishing any data or other information respecting the separation or concentration of ores except with respondents' permission; of compelling mine operators and others not in respondents' employ to withhold advice and information regarding apparatus and other commodities from anyone against whom the respondents may be engaged in patent litigation; of exacting from mine operators an exorbitant royalty for the use of commodities controlled by respondent including operations involving the use of commodities not controlled by respondent and discriminating as to royalties between different mine operators; by false and malicious disparagement of Independent commodities, concerns, and those dealing with independent concerns, false assertions of exclusive rights under patents and otherwise in excess of those actually possessed by respondent's, threats of suits for patent infringement not made in good faith, threats to withhold licenses from mine operators and others unless they refrain from using independent commodities, and intimidation of independent concerns and others to join in the aforesaid agreement, in alleged violation of section 5 of the Federal Trade Commission act; discriminating in price between different purchasers of time products handled by respondents, the effects of which may be to substantially lessen competition or tend to create a monopoly, in alleged violation of section 5 of the Clayton Act; selling commodities handled by respondents on time condition, agreement, or understanding that the purchasers thereof shall not use or deal in the goods of a competitor the effect of which is to substantially lessen competition or tend to create a monopoly in alleged violation of section 3 of the Clayton Act. Status: This proceeding is at issue on complaint of time Commission and answer of the respondent and is now In course of trial.

Complaint No. 217.-Federal Trade Commission *v.* Klaxon Co. Charge: Stifling and suppressing competition in the sale of automobile horns by fixing and maintaining resale prices, requiring dealers to maintain such resale prices, and refusing to sell to those who will not maintain such resale prices; selling amid making contracts for sale of its products to dealers in automobile accessories upon the condition, agreement, or understanding that said dealers shall at all times carry a stock of Klaxon warning signals in the minimum amount of $300, in alleged violation of section 5 of the Federal Trade Commission act; selling and making contracts for sale of its products on the condition, agreement, or understanding that the purchasers thereof shall not use or deal in the warning signals of competitors, the effect of which is to substantially lessen competition or tend to create a monopoly, in alleged violation of section 3 of the Clayton Act. Status: (Ante, complaint No. 25).

Complaint No. 218.--Federal Trade Commission v. The Proctor & Gamble Co., and the Proctor & Gamble Distributing Co. Charge: Stifling and suppressing competition in the sale of soap and kindred articles by fixing and maintaining resale prices, requiring dealers to maintain such resale prices, refusing to sell to those who will not maintain such resale prices, and refusing to sell mixed car-load lots of its products unless the purchaser thereof will also buy from them respondents' "Ivory" soap, in alleged violation of section 5 of the Federal Trade Commission act. Status: (Ante, complaint No.25).

Complaint No. 224.--Federal Trade Commission *v.* National Bridge Co., Daniel B. Luten and Frank H. Drury. Charge: Using unfair methods of competition, consisting of threats of patent infringement and demands for royalty made to) municipalities, bridge builders, and contractors; procuring consent decrees for patent infringements in favor of respondent and publishing them without showing that they were entered by consent; publishing and circulating among bridge contractors and builders false and misleading advertisements to the effect that such consent decrees were entered after full trials upon the merits, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue on complaint of the Commission and answer of the respondent, and is now in preparation for trial.

Complaint No. 227.--Federal Trade Commission *v.* Helvetia Milk Condensing Co. Charge: Using unfair methods of competition in the sale of evaporated milk, viz., guaranteeing its customers against decline in the price of goods purchased and not resold at the time of any subsequent decline in the market price, and in the event of such decline refunding to such purchasers an amount equal to the difference between the purchase price of the undisposed goods and the market price to which they had declined, in alleged violation of section 5 of the Federal Trade Commission act. Status: Respondent's motion to dismiss denied, and the proceeding is now in course of further trial.

Complaint No. 228.--Federal Trade Commission *v.* The De Laval Separator Co. Charge: Stifling and suppressing competition In the sale of cream separators by fixing and maintaining resale prices, requiring dealer's to maintain such resale prices, and refusing to sell to those who will not maintain such resale prices, in alleged violation of section 5 of the Federal Trade Commission act; selling and making contracts for sale of its cream separators on the condition, agreement, or understanding that the purchasers thereof shall not use or deal In the cream separators of a competitor, the effect of which is to substantially lessen competition or tend to create a monopoly, in alleged violation of section 3 of the Clayton Act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 237.--Federal Trade Commission *v.* General Chemical Co. Charge: Stifling and suppressing competition in the sale of baking powder by fixing and maintaining resale prices, requiring dealers to maintain such resale prices, and refusing to sell to those who will not maintain such resale prices, in alleged violation of section 5 of the Federal Trade Commission act. Status: (Ante, complaint No.25).

Complaint No. 240.--Federal Trade Commission *v.* Buffalo Specialty Co. Charge: Stifling and suppressing competition in the sale of liquid veneer, tire fluids, and similar products by fixing and maintaining resale prices, requiring dealers to maintain such resale prices, and refusing to sell to those who do not maintain such resale prices, in alleged violation of section 5 of the Federal Trade Commission act; and discriminating in price between different purchasers of respondent's products, the effect of which may be to substantially lessen competition or tend to create a monopoly, in alleged violation of section

2 of the Clayton Act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 248.--Federal Trade Commission v. Aluminum Co. of America. Charge: Acquiring and owning a large part of the stock and share capital of the Aluminum Rolling Mill Co., the effect of such acquisition being to substantially lessen competition between the respondent and the Aluminum Rolling Mill Co. and tend to create a monopoly, in alleged violation of section 7 of the Clayton Act. Status: This proceeding is now before the Commission awaiting final argument.

Complaint No. 250.--Federal Trade Commission *v.* Borden's Farm Products Co. (Inc.). Charge: Acquiring and owning the whole of the stock and share capital of the Alexander Campbell Milk Co., the effect of such acquisition being to substantially lessen competition between the respondent and the Alexander Campbell Milk Co. and tend to create a monopoly, in alleged violation of section 7 of the Clayton Act. Status: This proceeding is at issue under the complaint of the Commission and answer of the respondent, and is now in course of trial.

Complaint No. 251.--Federal Trade Commission *v.* American Sheet & Tin Plate Co. Charge: Discriminating in price between different purchasers of the products manufactured and sold by respondent, the effect of which may be to substantially lessen competition or tend to create a monopoly, in alleged violation of section 2 of the Clayton Act. Status: This proceeding is at issue under the complaint of the Commission and answer of the respondent, and is now in preparation for trial.

Complaint No. 259.-Federal Trade Commission *v.* Oldbury Electro-Chemical Co., J. L. & D. S. Biker (Inc.), and Central Railway Signal Co. Charge: Using unfair methods of competition in time manufacture and sale of railway signal fusees by an alleged combination between the respondents whereby the Oldbury Co., through its sales agent, J. L. & D. S. Riker (Inc.), refuses to manufacture and sell any chlorate of potash in addition to the amount required by the Central Railway Signal Co., and thus giving the latter a monopoly in the manufacture and sale of the railway signal fusees, in alleged violation of section 5 of the Federal Trade Commission act. Status: Proceeding is at issue under complaint of the Commission and answer of respondent, amid is now in preparation for trial.

Complaint No. 266.-Federal Trade Commission *v.* Pictorial Review Co. Charge: Using unfair methods of competition in the sale of paper dress patterns, consisting of selling patterns to dealers under a contract permitting the dealers to return all unsold patterns on the termination of contract at three-fourths of the cost thereof, upon the condition that during the continuance of such contracts they have sold no patterns except those manufactured by respondent or shall have sold such patterns at the prices fixed by respondent, in alleged violation of section 5 of the Federal Trade Commission act; selling and making contracts for sale of its paper dress patterns on the condition, agreement, or understanding that the purchasers thereof shall not use or deal in the patterns of competitors, the effect of which is to substantially lessen competition or tend to create a monopoly in violation of section 3 of the Clayton Act. Status: This proceeding is at issue under the complaint of the Commission and answer of the respondent, and is in preparation for trail.

Complaint No. 268.--Federal Trade Commission *v.* The Aeolian Co. Charge: Stifling and suppressing competition in the sale of pipe organs, perforated music rolls musical instruments of time phonograph type, and parts and accessories thereto, and phonograph records, by fixing and maintaining resale prices, re-

quiring dealers to maintain such resale prices, refusing to sell to those who will not retain such resale prices, maintaining a system of requiring dealers who deal in other types of phonograph instruments, records, or talking machines to advertise, promote, and sell respondent's products as the best and unqualified leaders of any and all goods of the phonograph type, and refusing to sell and prohibit dealers who sell Aeolian instruments, parts, and accessories from selling the perforated music rolls therefor to anyone other than the purchaser of an Aeolian pipe organ, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue under the complaint of the Commission and answer of the respondent.

Complaint No. 269.--Federal Trade Commission *v.* American Graphophone Co., Columbia Graphaphone Co., and Columbia Graphophone Manufacturing Co. Charge: Using unfair methods of competition in connection with the sale of talking machines and records, viz., the American Graphophone Co. and Columbia Graphophone Manufacturing Co. fix and maintain certain specified resale prices by issuing catalogues periodically, addressing circular letters to retail dealers, and printing notices upon the paper envelopes designed and commonly used as wrappers or containers for Columbia records; respondent's American Graphophone Co. and Columbia Graphophone Manufacturing Co. through the Columbia Graphophone Co. require retail dealers to maintain specified resale prices fixed upon Columbia products and refuse to sell their products to dealers who will not agree to maintain such specified resale prices, in alleged violation of section 5 of the Federal Trade Commission act. Status: (Ante, complaint No.25.)

Complaint No. 272.--Federal Trade Commission *v.* Wm. Waltke & Co. Charge: Stifling and suppressing competition in the sale of soaps and toilet sundries by fixing and maintaining resale prices, requiring dealers to retain such prices, and refusing to sell to those who will not retain such resale prices, in alleged violation of section 5 of the Federal Trade Commission act. Status: (Ante, complaint No.25.)

Complaint No. 277.--Federal Trade Commission *v.* Boston Piano & Music Co. Charge: Using unfair methods of competition in connection with the sale of talking machines by purchasing talking machines under the brand name of "Masterphone"; selling such machines by the use of a sales plan consisting of false representations and fraudulent schemes and practices, such as providing the salesmen with what purports to be order blanks, which are in reality, when signed, binding contracts of purchase; extravagant statements regarding the quality and nature of the machine and records, the facility with which they may be disposed of, the representation that machines are sent on approval, and that respondent operates its own factory; that under respondent's plan a dealer can lose no money; that respondent will conduct an advertising campaign for the benefit of such dealers; and that the salesmen will return and lend their personal aid in a selling campaign, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is now before the Commission for final disposition.

Complaint No. 293.--Federal Trade Commission *v.* Non-Derrick Drilling Machine Co. (Inc.). Charge: Using unfair methods of competition in connection with the sale of Its corporate stock, consisting of publishing, advertising, and circulating extravagant, false, and misleading statements, promises, and predictions concerning the business, organization, assets, capital stock, financial standing, and prospective profits of respondent, and concealing from the public material facts relating to and affecting the plans, organization, business, and capital stock of the respondent, and making, publishing, and circulating false statements regarding the existence, character, strength, efficiency, and operation

of a drilling device or apparatus for the manufacture of which the respondent was ostensibly organized, and also falsely stating, representing, and advertising that it is engaged in business as a drill contractor, whereas its activities have been confined solely to the sale of its capital stock, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at Issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 303.--Federal Trade Commission *v.* Utah-Idaho Sugar Co., Amalgamated Sugar Co., E. R Wooley, A. P. Cooper, and E. F. Cullen. Charge: Using unfair methods of competition in connection with the manufacture and sale of beet sugar, consisting in the circulation of false and misleading reports concerning the business methods and financial standing of competitors and the inability of competitors to produce sugar, due to the alleged fact that all the producing territory is controlled by respondent; making long-term contracts with growers in territories where competitors were intending to erect factories; causing railroads to delay building tracks and other facilities for competitors and causing banks to withhold credit; spying upon the private and business affairs of competitors; establishing factories and buying up supplies in territories about to be occupied by competitors; preventing manufacturers of machinery from supplying competitors; secretly paying others to institute litigation against competitors and furnishing money to secret agents for the purpose of acquiring the controlling interest in the business of competitors in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon complaint of the Commission and answer of the respondent and is now in course of trial.

Complaint No. 305.--Federal Trade Commission *v.* Thomas K. Brushart, doing business under the trade name of Motor Fuel & Lubricating Co. Charge: Using unfair methods of competition in the business of purchasing and selling refined oil and gasoline and the leasing and loaning of oil pumps, storage tanks, or containers and their equipments by selling, leasing, or loaning oil pumps, storage tanks, or containers, etc., at prices which do not represent a reasonable return on the investment, many such sales, leases, or loans being made at prices below the cost of producing and vending the same, and many of the contracts for the lease or loan of such devices, etc., providing, or being entered into, with the understanding that the lessee or borrower shall not place in such devices or use in connection therewith any refined oil or gasoline of a competitor in alleged violation of section 5 of the Federal Trade Commission act; and leasing and making contracts for the lease of its devices, etc., on the condition, agreement, or understanding that the lessees thereof shall not use or purchase or deal In the products of a competitor or competitors of respondent in alleged violation of section 3 of the Clayton Act. Status: This proceeding is now before the Commission for final disposition.

Complaint No. 306.--Federal Trade Commission *v.* High Rock Knitting Co. Charge: Stifling and suppressing competition in the sale of knit underwear by fixing and maintaining certain specified standard prices at which the knit underwear manufactured and sold by respondent shall be resold to the purchasers thereof; requiring purchasers to agree to maintain or resell such knit underwear at such standard selling prices; refusing to sell its products to dealers who will not agree to maintain such specified standard resale prices and compelling wholesalers, jobbers, and dealers to refuse to sell its products to other wholesalers, jobbers, and dealers who do not maintain the resale prices fixed by respondent in alleged violation of section 5 of the Federal Trade Commission act. Status: (Ante, complaint No.25).

Complaint No. 307.--Federal Trade Commission v. St. Louis Lightning Rod Co., Monarch Lightning Rod Co., and Franklin Lightning Rod Co. Charge: Using unfair methods of competition by respondents, who are engaged In the manufacture and sale of lightning rods, fixtures, and ornaments generally, by concealment of the true ownership of respondent companies; use of trade names employed by competitors, spying upon competitors' businesses, misbranding of products, disparagement of competitors, and the payment of large sums of money to employees of its competitors for confidential Information, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is now before the Commission for final disposition.

Complaint No. 308.--Federal Trade Commission *v.* The Ohio Cities Gas Co. Charge: (Ante, complaint No.305.) Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent and is in course of trial.

Complaint No. 310.--Federal Trade Commission *v.* Oklahoma Producing & Refining Corporation of America. Charge: (Ante, complaint No. 305.) Status: this proceeding is at issue upon the complaint of the Commission and answer of the respondent and is in course of trial.

Complaint No. 315.--Federal trade Commission *v.* Kentucky Independent Oil Co. Charge: (Ante, complaint No.305.) Status: This proceeding is at issue upon the complaint of the Commission amid answer of the respondent and Is In course of trail.

Complaint No. 319.--Federal Trade Commission *v.* Hickok Producing Co. Charge: (Ante, complaint No. 305.) Status: This proceeding is now before the Commission for final disposition.

Complaint No. 321.--Federal Trade Commission *v.* The Columbus Oil Co. Charge: (Ante, complaint No.305.) Status: This proceeding is now before the Commission for final disposition.

Complaint No. 322.--Federal trade Commission *v.* The Carbonless Oil Co. Charge: (Ante, complaint No.305.) Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent and is in course of trial.

Complaint No. 324.--Federal Trade Commission *v.* The Factory Oil Co. Charge: (Ante, complaint No.305.) Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent and is in course of trial.

Coni plaint No. 325.-Federal Trade Commission *v.* The American Oil & Supply Co. Charge: .(Ante, complaint No.305). Status: This proceeding is at issue upon time complaint of time Commission and answer of the respondent.

Complaint No. 328.--Federal Trade Commission *v.* Time Springfield Oil Products Co. (Inc.). Charge: (Ante, complaint No. 305). Status: This proceeding Is at issue upon the complaint of the Commission and answer of respondent, and Is in course of trial.

Complaint No. 329.-Federal Trade Commission *v.* The Lubric Oil Co. Charge: (Ante, complaint No.305). Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent, and is in course of trial.

Complaint No. 332.--Federal Trade Commission *v.* The Lubric Oil Co Charge: (Ante, complaint No.305). Status: This proceeding is now at issue upon the complaint of time Commission and answer of the respondent, and is in course of trial.

Complaint No. 338.-Federal trade Commission v. United States Food Products Corporation, Liberty Yeast Corporation, the Fagin Co., and Herman Cheifetz. Charge: Using unfair methods of competition in the manufacture, sale,

and distribution of yeast and other products by concealing from the public the fact that the Fagin Co. and Herman Cheifetz are selling agents of the respondents, United States Food Products Corporation and Liberty Yeast Corporation, and permitting them to be advertised as wholly independent, and that the yeast manufactured by said selling agents are In fact the yeast of the United States Food Products Corporation and the Fagin Co.; enticement of employees of competitors by means of increased salaries and other considerations; inducing employees of competitors to deliver samples of respondents' yeast from wagons of such competitors; obtaining valuable trade secrets, formulas, and methods of competitors through enticement of their employees; circulating false, misleading, and disparaging statements concerning the business and practices of competitors; selling yeast at prices which are less than the cost of producing and selling the same in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is now before the Commission for final disposition.

Complaint No. 339.--Federal Trade Commission *v.* The Pictorial Review Co. and The Oklahoma Publishing Co. Charge : Unfair methods of competition inn the sale of magazines and periodicals by the procuring by the Pictorial Review Co., through the Oklahoma Publishing Co., a list of dealers throughout the State of Oklahoma handling magazines of competitors and the number of copies sold by such dealers, without disclosing to the dealers the purpose for which it was sought, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is now at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 341.--Federal Trade Commission *v.* W. A. Case & Son Manufacturing Co. (Inc.). Charge: Use of unfair methods of competition in the manufacture and sale of water-closet tanks by advertising such water-closet tanks as " Vitro," and advertising, holding out, and selling such product as being composed of vitreous material, whereas in fact it is a compound of asbestos fiber, rosin, and lime, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue on the complaint of the Commission and answer of the respondent and is in course of trial.

Complaint No. 342.--Federal Trade Commission *v.* Curtis & Co. Manufacturing Co. and Curtis Pneumatic Machinery Co. Charge: Stifling amid suppressing competition in the manufacture and sale of various automobile accessories, particularly compressors, outfits, tanks, and pneumatic machinery, by fixing and manufacturing certain specified standard prices at which the various automobile accessories manufactured and sold by respondents shall be resold to the purchasing public; requiring purchasers to agree to maintain or resell such automobile accessories at said standard selling prices; and refusing to sell their products to dealers who will not agree to maintain such specified standard resale prices, in alleged violation of section 5 of the Federal Trade Commission act; and by entering into contracts and giving or allowing rebates or discounts to purchasers on the condition, agreement, or understanding that they shall purchase all of their needs amid requirements of certain commodities sold by respondents from respondents, in alleged violation of section 3 of the Clayton Act; and by discriminating in price between the different purchasers of the products manufactured, handled, and sold by respondent, in alleged violation of section 2 of the Clayton Act. Status: This proceeding is at issue on complaint of the Commission and answer of the respondent.

Complaint No. 343.--Federal Trade Commission *v.* Guarantee Veterinary Co. and George L. Owens. Charge: Unfair methods of competition in the distribution of advertising matter containing false and misleading statements as to the medicinal ingredients contained in the "Sal-Tonik" blocks sold by

respondents; that the respondents operate a number of factories in various parts of the United States, the total produce of one of which are purchased and indorsed by the Quartermaster Department of the United States Army; and that the respondents own and operate certain large and extensive machinery necessary for the manufacture of said product, in alleged violation of section 5 of the Federal Trade Commission act. Status: The proceeding is at issue upon the complaint of the Commission and answer of the respondent and is. now in course of trial.

Complaint No. 344.--Federal Trade Commission *v.* The Oakes Co. Charge: Using unfair methods of competition in the sale of automobile fans (pressed steel) by employing a private detective agency to spy upon the business of one of its competitors; attempting to induce a certain manufacturer to refrain from selling its products to the competitor of respondent by statements that a salesman of said manufacturer was selling supplies to the competitor at too how a price and by intimating that there was collusion between the salesman of said competitor; by threatening that if the manufacturer continued to sell respondent's competitor at such prices, respondent would engage in the same line of business as the manufacturer; making false and misleading statements as to the cost of manufacture of the roller-bearing type fan manufactured by a competitor of respondent, causing time purchasing public to believe that its competitors who manufacture the roller-bearing type of fan are selling same at more than a fair price; and offering to sell and selling the roller-bearing fans at less than cost, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is before the Commission for final disposition.

Complaint No. 347.--Federal Trade Commission *v.* Ward & Mackey Biscuit Co. Charge: Unfair methods of competition in the sale of stock and securities by circulating false statements concerning the identity of persons promoting time corporation, its assets, financial standing and prospects, facilities and equipment in connection with the sale of its stock; and assuming its corporate name because of its similarity to "Ward-Makey Co.," a corporation previously engaged in the same line of business, widely advertised, and successfully operated in the same city, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is now at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 350.--Federal Trade Commission *v.* H. Norwood Ewing, doing business under the firm name and style of Liberty Paper Co.. Charge: Using unfair methods of competition in the sale of paper products by respondent selling its paper products in commerce under the firm name and style of Liberty Paper Co., the name of a company long established and well known and engaged in the manufacture and sale in like territory of various paper products, with the effect of causing embarrassment and confusion, and of securing to the respondent the benefit of the advertising of the original corporation of the same name; and falsely representing to the public and the paper-buying trade that respondent is a manufacturer of paper, when in fact he is not a manufacturer of paper, but a purchaser of paper In bulk, which is converted into the finished product, thereby gaining an advantage over other jobbers who are not and do not hold themselves out to be manufacturers of paper, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is before the Commission for final disposition.

Complaint No. 351.--Federal Trade Commission *v.* Armour & Co. Using unfair methods of competition by acquiring the capital stock of E. H. Stanton Co., engaged In a similar business to that of respondent, and prior to such acquisition directly in competition with respondent, with the effect of substantially

lessening competition between these two companies, restraining commerce in certain sections of the United States, and tending to create a monopoly in the purchase of live stock and sale of meat and meat products, in alleged violation of section 7 of the Clayton Act. Status: This proceeding is now at issue upon complaint of Commission and answer of respondent, and is now in course of trial.

Complaint No. 352.--Federal Trade Commission *v.* L. I. Wolper and H. B. Wolper, copartners, trading under the name and style of Errant-Knight Co., Lewis Grocery Co., and Ira Lester Co. Charge: Use of unfair methods of competition in the sale of groceries by circulating false statements regarding respondent's business and its ability to sell goods at prices lower than other dealers; and selling certain staple commodities, such as sugar and flour, at a loss. and charging prices on other products sold in combination so that the assortment as a whole yields respondent a satisfactory profit, in alleged violation of section 5 of time Federal Trade Commission act. Status: This proceeding is now at issue on complaint of the Commission and answer of the respondent and is now in course of trial.

Complaint No. 353.--Federal Trade Commission *v.* The Domestic Engineering Co. (Inc.), et al. Charge: Stifling and suppressing competition in the sale of electric lighting system, by adopting and maintaining a system of fixed prices at which its products ("Delco Lights") shall be resold by its distributors; by requiring purchasers to agree to maintain standard selling prices; by refusing and threatening to refuse to sell its products to dealers who do not agree to maintain such standard system of prices, in alleged violation of section 5 of the Federal Trade Commission act; and by making contracts conditional upon purchasers dealing exclusively in respondent's products, and by refusing to sell its products unless purchasers comply with the terms of such exclusive contracts, with the effect of lessening competition and tending to create a monopoly, in alleged violation of section 3 of the Clayton Act. Status: (Ante, complaint No.25).

Complaint No. 355.--Federal Trade Commission *v.* Adder Machine Co. Charge: U n f a i r methods of competition by giving to purchasers of its products at the end of each calendar year, or at the end of a definite period, certain rebates or discounts based or estimated upon the aggregate of the purchases made by such dealers during time calendar year or fixed period, with the object of causing such purchasers to confine their purchases to respondent's products and to hinder its competitors from making sales to such purchasers except at a loss; and giving rebates or discounts based on the number of machines used by a purchaser irrespective of make or manufacture, thereby giving an undue advantage to the large purchaser and hindering the small user or purchaser of such machines from obtaining the same discounts and rebates as a large purchaser, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent and is in course of trial.

Complaint No. 356.--Federal Trade Commission *v.* Remington Typewriter Co. Charge: Using unfair methods of competition by giving to purchasers of its products at the end of each calendar year, or at the end of a definite period, certain rebates or discounts based or estimated upon the aggregate of the purchases made by such dealers during the calendar year or fixed period, with the object of causing such purchasers to confine their purchases to respondent's products and to hinder its competitors from making sales to such purchasers except at a loss; and giving rebates or discounts based on the number of machines used by a purchaser irrespective of make or manufacture, thereby giving an undue advantage to the large purchaser and hindering the small user

or purchaser of such machines from obtaining the same discounts and rebates as a large purchaser, in alleged violation of section 5 of the Federal Trade Commission act; and by adopting and maintaining the practice of giving rebates or discounts to purchasers on condition that they purchase all or a large percentage of their typewriters, parts and supplies therefor, from the respondent; and by entering upon contracts upon the express condition that purchasers named therein would purchase all or a large percentage of their typewriting, calculating, or adding machines from respondent, with the effect of preventing competitors of respondent from selling their products to aforesaid purchasers, with the further effect of substantially lessening competition and tending to create a monopoly, in alleged violation of section 3 of the Clayton Act. Status: This proceeding is now before the Commission for final disposition.

Complaint No. 357.--Federal Trade Commission *v.* Royal Typewriter Co. Charge: (Ante, complaint No.356). Status: This proceeding is now before the Commission for final disposition.

Complaint No. 358.--Federal Trade Commission *v.* L. C. Smith & Bros. Type-writer Co. Charge: (Ante, complaint No. 355). Status: This proceeding is now before the Commission for final disposition.

Complaint No. 359.-Federal Trade Commission *v.* Underwood Typewriter Co. Charge: (Ante, complaint No.355). Status: This proceeding is now before the Commission for final disposition.

Com plaint No. 360.--Federal Trade Commission *v.* Woodstock . Typewriter Co. Charge: (Ante, complaint No.355). Status: This proceeding is now before the Commission for final disposition.

Complaint No. 361.--Federal Trade Commission *v.* Accounting Machine Co. (Inc.). Charge: (Ante, complaint No. 355). Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent, and is in course of trial.

Complaint No. 362.--Federal Trade Commission *v.* Burroughs Adding Machine Co. Charge: (Ante, complaint No.355). Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent, and is m course of trial.

Complaint No. 363.--Federal Trade Commission *v.* Corona Typewriter Co. (Inc.). Charge: (Ante, complaint No.355). Status: This proceeding is now before the Commission for final disposition.

Complaint No. 364.--Federal Trade Commission *v.* The Dalton Adding Machine Co. Charge: (Ante, complaint No. 355). Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent, and is in course of trial.

Complaint No. 365.--Federal Trade Commission *v.* Ellis Adding-Typewriter Co. Charge: (Ante, complaint No.355). Status: This proceeding is now before the Commission for final disposition.

Complaint No. 366.--Federal Trade Commission v. International Money Ma chine Co. Charge: (Ante, complaint No.355). Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent and is in course of trial.

Complaint No. 367.-Federal Trade Commission *v.* Merchant Calculating Machine Co. Charge: (Ante, complaint No.355). Status: This proceeding is at Issue upon the complaint of the Commission and answer of the respondent and is in course of trial.

Complaint No. 368.-Federal Trade Commission *v.* The Noiseless Typewriter Co. Charge: (Ante, complaint No.355). Status: This proceeding is now be fore the Commission for final disposition.

Complaint No. 369.--Federal Trade Commission *v.* Rockford Milling Machine Co. Charge: (Ante, complaint *No.355).* Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent, and is in course of trial.

Complaint No. 370.--Federal Trade Commission *v.* Teetor Adding Machine Co. Charge: (Ante, complaint No.355). Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent, and Is in course of trial.

Complaint No. 372.--Federal Trade Commission *v.* Standard Oil Co. of Kentucky. Charge: (Ante, complaint No. 305). Status: This proceeding is now at issue upon the complaint of the Commission and answer of respondent, and Is in course of trial.

Complaint No. 374.--Federal Trade Commission *v.* Lasker & Bernstein. Charges: Using unfair methods of competition by deceptively increasing and falsifying the weight of sponges by loading them with foreign material and selling such loaded sponges by weight, thereby creating a fictitious price for said sponges, defrauding and misleading customers, and causing prejudice and in jury to competitors, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is now at issue upon the complaint of the Commission and answer of respondent, and is in course of trial.

Complaint No. 375.--Federal Trade Commission *v.* Joseph Bloch (Inc.). Charge: (Ante, complaint No.374). Status: This proceeding is now at issue upon the complaint of the Commission and answer of respondent, and is in course of trial.

Complaint No. 376.--Federal Trade Commission *v.* Max Fuchs Co. Charge: (Ante, complaint No.374). Status: This proceeding is now at issue upon the complaint of the Commission and answer of respondent, and is in course of trial.

Com plaint No. 377.--Federal Trade Commission v. American Sponge & Chamois Co. Charge: (Ante, complaint No. 374). Status: This proceeding Is now at issue upon the complaint of the Commission and answer of respondent, and is in course of trial.

Complaint No. 378.--Federal Trade Commission *v.* Meyer Bros. Drug Co. Charge: (Ante, complaint No.374). Status: This proceeding is now at issue upon the complaint of the Commission and answer of respondent, and is in course of trial.

Complaint No. 379.-Federal Trade Commission *v.* H. L. Eitman Sponge Co. Charge: (Ante, complaint No.374). Status: This proceeding is now at issue upon the complaint of the Commission and answer of respondent, and is in course of trial.

Complaint No. 380.--Federal Trade Commission *v.* Greek American Sponge Co. Charge: (Ante, complaint No.374). Status: This proceeding is now at issue upon the complaint of the Commission and answer of respondent, and is in course of trial.

Complaint No. 381.--Federal Trade Commission *v.* Peter Van Schaack & Sons. Charge: (Ante, complaint No.374). Status: This proceeding is not at issue upon the complaint of the Commission and answer of respondent, and is in course of trial.

Complaint No. 382.--Federal Trade Commission *v.* The Jos. Niehause Co. Charge: (Ante, complaint No.374). Status: This proceeding is now at issue upon the complaint of the Commission and answer of respondent, and Is in course of trial.

Complaint No. 383.--Federal Trade Commission *v.* National Sponge & Chamois Co. Charge: (Ante, complaint No.374). Status: This proceeding is now at issue

upon the complaint of the Commission and answer of respondent, and is in course of trial.

Complaint No. *384*.--Federal Trade Commission *v.* Atlantic Sponge Co. Charge: (Ante, complaint No. *374)* . Status: This proceeding is now at issue upon the complaint of the Commission and answer of respondent, and is in course of trial.

Complaint No. *385*.--Federal Trade Commission *v.* A. Isaacs & Co. Charge: (Ante, complaint No.374). Status: This proceeding is now at issue upon the complaint of the Commission and answer of respondent and is in course of trial.

Complaint No. 386.--Federal Trade Commission *v.* Albert Bloch & Sons. Charge: (Ante, complaint No. 374). Status: This proceeding is now at issue upon the complaint of the Commission and answer of respondent, and is in course of trial.

Complaint No. 387.--Federal Trade Commission *v.* Freirich & Mansell. Charge: (Ante, complaint No.374). Status: This proceeding is now at issue upon the complaint of the Commission and answer of respondent, and is in course of trial.

Complaint No. 388.--Federal Trade Commission *v.* Leousi Clonney & Co. Charge: (Ante, complaint No.374). Status: This proceeding is now at issue upon the complaint of the Commission amid answer of respondent, and is in course of trial.

Complaint No. 389.--Federal Trade Commission *v.* Schroeder & Tremayne. Charge: (Ante, complaint No.374). Status: This proceeding is now at issue upon the complaint of the Commission and answer of respondent, and is in course of trial.

Complaint No. 390.-Federal Trade Commission *v.* S. Perlinan & Co. Charge: (Ante, complaint No.374). Status: This proceeding is now at issue upon the complaint of the Commission and answer of respondent, and is in course of trial.

Complaint No. 391.--Federal Trade Commission *v.* F. L. Lampel. Charge: (Ante, complaint No.374). Status: This proceeding is now at issue upon the complaint of the Commission amid answer of respondent, and is in course of trial.

Complaint No. 392.--Federal Trade Commission *v.* Emil Bloch. Charge: (Ante, complaint No.374). Status: This proceeding is now at issue upon the complaint of the Commission and answer of respondent, and is in course of trial.

Complaint No. 393.--Federal Trade Commission v. Florida Sponge & Chiamois Co. Charge: (Ante, Complaint No. 374). Status: This proceeding is now at issue upon the Complaint of the Commission and answer of respondent, and is in course of trial.

Complaint No. 394.--Federal Trade Commission *v.* Levy Bros. Charge: (Ante, complaint No.374). Status: This proceeding is now at issue upon the complaint of the Commission and answer of respondent, and is in course of trial.

Complaint No. 395.-Federal Trade Commission *v.* David Davis Sons. Charge : (Ante, complaint No.374). Status: This proceeding is now at issue upon the complaint of the Commission and answer of respondent, and is in course of trial.

Complaint No. 396.--Federal Trade Commission *v.* John K. Chayney. Charge: (Ante, complaint No. 374.) Status: This proceeding is now at issue upon the complaint of the Commission and answer of respondent, and is in course of trial.

Complaint No. 397.--Federal Trade Commission *v.* George M. Emmanuel & Co. Charge: (Ante, complaint No. 374). Status : This proceeding is now at issue upon the complaint of the Commission and answer of respondent, and is in course of trial.

Complaint No. 398.--Federal Trade Commission *v.* R. B. Blaum. Charge: (Ante, complaint No.374.) Status: This proceeding is now at issue upon the complaint of the Commission and answer of respondent, and is in course of trial.

Complaint No. 399.--Federal Trade Commission *v*. American Dental Trade Association, The Dental Manufacturers' Club, American Retail Dental Dealers' Association, et al. Charge: Using unfair methods of competition by combining and conspiring with the intent of monopolizing the business of manufacturing and selling dental goods, and with the intent of stifling and suppressing competition by enforcing adherence to resale prices fixed by respondents, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is now at issue upon the complaint of the Commission and answer of respondent, and is in course of trial.

Complaint No. 400.--Federal Trade Commission *v*. The Music Publishers' Association of the United States, National Association of Sheet Music Dealers, Thomas F. Delaney, individually and as president; E. Grant Ege, individually and as vice president; J. M. Priaulx, individually and as secretary and treasurer of the National Association of Sheet Music Dealers; Walter Fischer, J. Elmer Harvey, Charles W. Homeyer, William J. Kearney, Edward P. Little, Holmes T. Maddox, L. W. Miller, Harold Orth, Gustav Schirmer, S. Ernest Philpitt, Paul A. Schmitt, Clayton F. Summy, Charles H. Willis, W. H. Witt, Harvey J. Wood, individually and as directors of the National Association of Sheet Music Dealers, and all the members of said association. Charge: Using unfair methods of competition by conspiring with the intent and intent of stifling competition in the business of selling musical publications, and fixing and maintaining. standard resale prices; and by agreeing upon policies of increase in price and upon uniform rates and schedules of prices of certain classes of musical publications, with the result that the price of such publications were increased and enhanced, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is now at Issue upon complaint of the Commission and answer of the respondent.

Complaint No. 401.--Federal Trade Commission *v.* Commonwealth Co. Charge: Using unfair methods of competition in the sale of groceries, by advertising to sell groceries in combination orders at a fixed aggregate price, well-known and staple articles being sold at less than cost, while less familiar articles are sold at Increased prices sufficient to give respondent a satisfactory profit on the aggregate sales, with the effect of deceiving and misleading the public, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is now at issue upon the complaint of the Commission and answer of the respondent, and is in course of trial.

Complaint No. 402.--Federal Trade Commission v. S. J. Cox et al. Charge: Using unfair methods of competition in the sale of stocks and securities by circulating false information and false advertising and suppressing other facts relating to the Prudential Trust & Securities Co., the Prudential Oil & Refining Co., and the General Oil Co., all of Texas, for the purpose of misleading and deceiving the general public into buying stock amid stock subscriptions, In alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is now at issue upon the complaint of the Commission and answer of respondent.

Complaint No. 404.--Federal Trade Commission *v.* Buffalo Steam Roller Co. Charge: Using unfair methods of competition by giving and offering to give to public officials and employees of both its customers and prospective customers, and its competitors' customers and prospective customers gratuities of different

kinds, including sums of money and expenses to the respondent's place of business for the purpose of inspecting the respondent's products, as an inducement to influence their employers to purchase or contract to purchase road machinery, steam rollers, and kindred products from the respondent, or to influence such employers to refrain from dealing or contracting to deal with competitors of respondent, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is now at issue upon complaint of Commission and answer of respondent.

Complaint No. 405.--Federal Trade Commission *v.* J. H. Haney, W. A. McKey, and W. M. Dutton, copartners, doing business under the firm name and style of J. H Haney & Co. Charge: Stifling and suppressing competition in the sale of automobile tire pumps by adopting and maintaining a system of fixed prices at which its products shall be resold, with the effect of eliminating competition among dealers, and by refusing to sell to dealers who do not agree to maintain such standard resale prices, in alleged violation of section 5 of the Federal Trade Commission act. Status: (Ante, complaint No.25.)

Complaint No. 414.--Federal Trade Commission *v.* Marshall Oil Co., a corporation, trading as Tungsten Manufacturing Co. Charge: Stifling and suppressing competition in the sale of spark plugs by fixing and maintaining certain specified standard prices at which the spark plugs manufactured and sold by respondent shall be resold to the purchasers thereof; requiring purchasers to agree to maintain or resell such spark plugs at said standard selling prices; and refusing to sell its products to dealers who will not agree to maintain such specified standard resale prices, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 424.--Federal Trade Commission *v.* Lautz Bros. & Co. Charge: Using unfair methods of competition in the sale of soap and washing powders by guaranteeing its jobbers in the wholesale grocery trade against the decline In price of goods purchased and not resold by such customers at the of any subsequent decline in the respondent's list price thereof; and in the event of decline in price of goods giving to such jobbers rebates equal to the difference between the purchase price of such products as were undisposed of and respondent's lower list price therefor, subsequently made, with the effect of obtaining for respondent an unfair and undue advantage over competitors who do not follow this practice; relieving respondent's jobbers from risk of loss and encouraging such jobbers to hold in stock excessively large quantities of respondent's product for the purpose of realizing a speculative profit thereby, and deterring respondent from reducing list prices of its product in accordance with reductions In cost of manufacturing, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is now at issue upon complaint of the Commission and answer of the respondent.

Complaint No. 425.--Federal Trade Commission *v.* Fels & Co. Charge: Using unfair methods of competition in the sale of soap and soap powders. (Ante, complaint No.425.) Status: This proceeding is now at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 426.--Federal Trade Commission *v.* The Globe Soap Co. Charge: Using unfair methods of competition in the sale of soap, soap powders, and other cleansing compounds. (Ante, complaint No. 424.) Status: This proceeding is now at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 427.-Federal Trade Commission *v.* B. T. Babbitt (Inc.). Charge: Using unfair methods of competition in the sale of soap, soap pow-

ders, and other cleansing compounds. (Ante, complaint No. 424.) Status: This proceeding is now at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 428.--Federal Trade Commission *v.* Curtice Brothers Co. Charge: Using unfair methods of competition in the sale of canned food products. (Ante, complaint No. 424.) Status: This proceeding is now at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 429.--Federal Trade Commission *v.* Joseph Campbell Co. Charge: Using unfair methods of competition in the sale of canned soups. (Ante, complaint No.424.) Status: This proceeding is now at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 430.--Federal Trade Commission *v.* Russell Grader Manufacturing Co. Charge: (Ante, complaint No. 404.) Status: This proceeding is now at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 431.--Federal Trade Commission *v.* The Barber Asphalt Paving Co. Charge: (Ante, complaint No.404.) Status: This proceeding is now at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 432.--Federal Trade Commission *v.* Time Dyar Supply Co. Charge: (Ante, complaint No.404.) Status: This proceeding is now at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 433.--Federal Trade Commission *v.* Chas. Hvass & Co. (Inc.). Charge: (Ante, complaint No. 404.) Status: This proceeding is now at issue upon the complaint of the Commission amid answer of the respondent.

Complaint No. 434.--Federal Trade Commission *v.* The Austin-Western Road Machinery Co. Charge: (Ante, complaint No.404.) Status: This proceeding is now at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 435.--Federal Trade Commission *v.* Stockland Road Machinery Co. Charge: (Ante, complaint No.404). Status: This proceeding is now at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. *436*.--Federal Trade Commission *v.* Galion Iron Works & Manufacturing Co. Charge: (Ante, complaint No.404). Status: This proceeding is now at issue upon time complaint of the Commission and answer of the respondent.

Complaint No. 437.--Federal Trade Commission *v.* J. D. Adams, R. E. Adams, et ah., copartners doing business under the name and style of J. D. Adams & Co. Charge: (Ante, complaint No.404). Status: This proceeding is now at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 438.--Federal Trade Commission *v.* The Barr Sales Co. Charge: (Ante, complaint No.404). Status: This proceeding is now at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 439.--Federal Trade Commission *v.* The Good Roads Machinery Co. Charge: (Ante, complaint No. 404). Status: This proceeding is now at Issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 440.-Federal Trade Commission *v.* The Chamberlain Road Machine Co. Charge: (Ante, Complaint No.404). Status: This proceeding is now at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 441.--Federal Trade Commission *v.* Acme Road Machinery Co. Charge: (Ante, Complaint No.404). Status: This proceeding is now at issue upon the complaint of the

Commission and answer of the respondent.

Complaint No. 444.-Federal Trade Commission *v.* The Gates Rubber Co. And J. R. Hurt and William H. Klinefelter, copartners, doing business under

the firm name and style of J. R. Hunt & Co. Charge: Stifling and suppressing competition In the sale of fan belts, tires, brake linings, fire patches, and other automobile accessories by fixing and maintaining certain specified standard prices at which such products shall be resold to the purchasers there of; requiring purchasers to agree to maintain or resell the above-mentioned commodities at said standard selling prices; refusing to sell said commodities to jobbers or dealers who will not agree to maintain or resell the said commodities at standard resale prices fixed by respondents, or who do not resell such products at such fixed prices; inducing and requiring jobbers or dealers to spy upon others dealing in the said commodities who have not maintained said standard prices or who have resold to jobbers or dealers to whom respondents have directed that the said products should not be resold; refusing to sell to jobbers or dealers engaged in the mail-order business; and employing divers other means, in alleged violation of section 5 of the Federal Trade Commission act. Status: (Ante, complaint No.25).

Complaint No. 446.--Federal Trade Commission *v.* Van Camp Packing Co. and Van Camp Products Co. Charge: Using unfair methods of competition in the sale of canned food products. (Ante, complaint No.424.) Status: This proceeding has been consolidated with complaint No.227 (ante).

Complaint No. 449.--Federal Trade Commission *v.* Wilson & Co. (Inc.) Charge: That the respondent purchased all the property of the Morton Gregson Co., a Nebraska corporation, theretofore engaged In the same line of business as respondent and in active competition with it, and thereafter organized under the laws of the State of Delaware a subsidiary corporation called the "Morton Gregson Company," which proceeded to take over the property thus purchased and to operate the business of the said Nebraska corporation, with the effect of eliminating competition previously existing between Morton Gregson Co., the Nebraska corporation, and the respondent, in alleged violation of section 5 of the Federal Trade Commission act and section 7 of the Clayton Act. Status: This proceeding is at issue upon the complaint of the Commission and the answer of the respondent.

Complaint No. 450.--Federal Trade Commission *v.* Wilson & Co. (Inc.). Charge: That the respondent acquired the whole of the common or voting stock of the Paul O. Reyman Co., a corporation, the effect of such acquisition being to enable respondent to completely dominate the business and policy of said Paul O. Reyman Co., to restrain competition between said respondent and said Paul O. Reyman Co., and to tend to create a monopoly in the sale of meats and like products, in alleged violation of section 5 of the Federal Trade Commission act and section 7 of the Clayton Act. Status: This proceeding is at issue upon the complaint of the Commission and the answer of the respondent.

Complaint No. 451.--Federal Trade Commission *v.* The Cudahy Packing Co. Charge: That respondent acquired 55 per cent of the shares of capital stock of the Nagle Packing Co., a competitor; 95 per cent of the capital stock of the D. E. Wood Butter Co., a competitor; and that a subsidiary corporation, the Dow Cheese Co., purchased the business and good will of a competitor; the A. C. Dow Co., with the effect that respondent has dominated the business of the Nagle Packing Co. and the D. E. Wood Butter Co. and has eliminated competition theretofore existing between the three above-mentioned companies and the respondent, in alleged violation of section 5 of the Federal Trade Commission act and section 7 of the Clayton Act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 452.-Federal Trade Commission *v.* Morris & Co. Charge: That the respondent acquired approximately 75 per cent of the capital stock of the Crescent City Stock Yard &

Slaughter House Co., a competitor; that it

acquired stock in the Bluefield Produce & Provision Co.; that it acquired the whole of the capital stock of the Holland Butterine Co. and held the same out to the public as wholly independent and without connection with respondent; that it acquired 66 per cent of the common stock of the Providence Churning Co., a competitor, and organized a corporation to take over and succeed to the business and property of said Providence Churning Co.; that it acquired one-half of the entire capital stock of the Eckerson Co., a competitor; that it acquired one-half of the capital stock of the Jacob Marty Co., a competitor; that it acquired one-half of the capital stock of the C. A. Straubel Co., a competitor; and acquired $64,300 of the capital stock of the Sherman, White Co., whose entire stock was $123,700; and that the result of such acquisition is the domination by respondent of some of the above-mentioned companies, the elimination of competition theretofore existing between the above-mentioned companies and the respondent, and the creation of conditions which tend to create a monopoly, in alleged violation of section 5 of the Federal Trade Commission act and section 7 of the Clayton Act. Status: This proceeding is at issue on the complaint of the Commission and answer of the respondent.

Complaint No. 453.--Federal Trade Commission *v*. Swift & Co. Charge: That respondent purchased 956 shares of the total 966 shares of the capital stock of the Moultrie Packing Co., a competitor, causing the same to be transferred on the books of the company to officers and employees of the respondent, who at a stockholders' meeting of said company elected as directors and stockholders for the transfer of property of the said company to respondent; that it purchased all the capital stock of the Andalusia Packing Co., a competitor, and acquired the business of the company by a procedure similar to that employed in acquiring the Moultrie Packing Co.; and acquired one-half of the capital stock of the England, Walton Co. (Inc.), a competitor, securing control of the remaining stock of said company by receiving said stock as security for money loaned to Mulford & Bryan to purchase it, and that the result of such acquisitions is the elimination of competition theretofore existing between the above-mentioned companies and the respondent and the creation of conditions which tend to create a monopoly, in alleged violation of section 5 of the Federal Trade Commission act and section 7 of the Clayton Act. Status: This proceeding is at issue on the complaint of the Commission and answer of the respondent.

Complaint No. 454.--Federal Trade Commission *v.* Swift & Co. and United Dressed Beef. Co. Charge: That the respondent caused its subsidiary, United Dressed Beef Co., to acquire all of the capital stock of J. J. Harrington & Co. (Inc.), which acquisition resulted In the control by Swift & *Co.* of the business theretofore conducted and controlled by said J. J. Harrington & Co. (Inc.), elimination of competition between respondents, Swift & Co. and United Dressed Beef Co. and J. J. Harrington & Co. (Inc.), and a tendency to create for respondent, Swift & Co., a monopoly, in alleged violation of section 5 of the Federal Trade Commission act and section 7 of the Clayton Act. Status: This proceeding Is at issue on the complaint of the Commission and answer of the respondent.

Complaint No. 455.-Federal Trade Commission *v.* Armour & Co. Charge: That respondent acquired three-fifths of the capital stock of Harold L. Brown Co. (Inc.), a competitor, which company had previously acquired the capital stock and business of Beyer Bros. Commission Co.; and also the capital stock and business of Beyer Bros. Co.; that it acquired, as vendee and pledgee, a controlling amount of the capital stock of the Eau Claire Creamery Co.; that it acquired through its agents 503 of the 1,000 shares of stock of the Louden Packing Co., an Ohio corporation, which corporation transferred all its busi-

ness and property to the Louden Packing Co., a Delaware corporation, in consideration of all the stock of the Delaware corporation, consisting of 1,000 shares, 503 of which are held by agents of respondent in trust for respondent; that it acquired one-half of the capital stock of the A. S. Kinimmonth Produce Co.; that it acquired the entire capital stock of the Pacific Creamery, which company the respondent held out and advertised as wholly independent without connection with respondent; and acquired 501 shares of the capital stock of Smith, Richardson & Conroy, a Florida corporation, and that the result of such acquisitions by respondent is the domination by respondent of the business of some of the above-mentioned companies, the elimination of competition between respondent and above-mentioned companies, and the creation of conditions which tend to create a monopoly, in alleged violation of section 5 of the Federal Trade Commission act and section 7 of the Clayton Act. Status: This proceeding is at issue on the complaint of the Commission and answer of the respondent, and is in course of trial.

Complaint No. 456.--Federal Trade Commission *v.* Western Meat Co. Charge: That the respondent acquired all of the capital stock of the Nevada Packing Co., which acquisition resulted in the elimination of competition theretofore existing between respondent and said Nevada Packing Co., and the creation of a monopoly in meat and its by-products in communities adjacent to Reno, Nev., in violation of section 5 of the Federal Trade Commission act and section 7 of the Clayton Act. Status: This proceeding is at issue on the complaint of the Commission and answer of the respondent, and is in course of trial.

Complaint No. 457.--Federal Trade Commission *v.* Western Meat Co. and Nevada Packing Co. Charge That respondents have violated section 5 of the Federal Trade Commission act and section 8 of the Clayton Act by having F. L. Washburn a director of both the Western Meat Co. and the Nevada Packing Co. (between which companies competition existed), and illegally acquiring by the Western Meat Co. of the capital stock of the Nevada Packing Co., which acquisition suspended between respondents competition which theretofore existed between them and tended to create a monopoly. Status : This proceeding is at issue on the complaint of the Commission and answer of the respondent, and Is in course of trial.

Complaint No. 458.--Federal Trade Commission *v.* D. A. Winslow, J. Jones, and D. H. Robishaw, a copartnership, doing business under the name and style of D. A. Winslow & Co. Charge: Using unfair methods of competition by giving and offering to give to employees of both its customers and prospective customers, and its competitors' customers and prospective costumers, gratuities of different kinds, including large sums of money, as an inducement to influence their employers to purchase or contract to purchase from respondent, or to influence such employers to refrain from dealing or contracting to deal with competitors of respondent, in alleged violation of section 5 of the Federal Trade Commission act. Status : This proceeding is at issue on the complaint of the Commission and answer of the respondent, and is in course of trial.

Complaint No. 459.--Federal Trade Commission *v.* United Typothetae of America, Benjamin P. Moulton, Arthur E. Southworth, Charles L. Kinsley, George H. Gardner, E. H. James, Fred W. Gage, and Joseph A. Borden. Charge: Using unfair methods of competition by inaugurating a campaign known as the "three-year plan," for the purpose of collecting assessments from manufacturers and merchants who sell paper, printing presses, type, ink, and other supplies to employing printers and other associations allied to the printing industry, the money to be used mainly for the purpose of inducing employing printers to use a uniform system of cost accounting and a standard price

list compiled by the respondent; using coercive methods to obtain subscriptions to the "three-year plan" fund; adopting, through its "trade matter committee," a practice of attempting to control the matter of terms on which manufacturers of printing presses, etc., sell their output to printing establishments, and attempting to have such manufacturers refuse to place any of their presses, etc., in any printing establishment until a cash payment equal to 25 per cent of the amount of the total purchase price be paid; urging printers to adopt a "standard cost system" and "standard price list," for the purpose of establishing a uniform scale of prices throughout the printing industry, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is now at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 460.--Federal Trade Commission *v.* Raymond Bros.-Clark Co. Charge: Using unfair methods of competition by taking possession of products intended for delivery to one of its competitors and' declining to allow delivery of the same to the competitor unless the shipper of said products paid to the respondent the sum of $100 as and for a jobber's profit upon the sale of said goods; attempting to coerce and compel T. A. Snider Preserve Co. to refuse to recognize one of its competitors as a jobber and to refuse to sell to it by representing that said competitor was not a legitimate jobber but was engaged in the retail grocery business, and by threatening to withdraw its patronage if said company sold to or recognized said competitor as a jobber and refused to pay the $100 aforementioned; that the purpose and effect of the aforesaid acts is to cut off supplies of respondent's competitors, to suppress competition, and to interfere with the right to said competitor to obtain supplies, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is now before the Commission for final disposition.

Complaint No. 461.--Federal Trade Commission *v.* E. I. du Pont de Nemours & Co. Charge: Using unfair methods of competition by giving gratuities of different kinds to employees of competitors' customers to influence them to refuse to use the product of competitors of respondent, to inaugurate strikes in case such competitors' products were used, and the actually inauguration of a strike for a period of 16 days when their employer used the product of a competitor, and by reason of such strike succeeded in intimidating others to discontinue the use of any product which competed with that of respondent, in alleged violation of section 5 of time commission act, and by entering into an agreement with various producers of coal whereby respondent was to furnish blasting powder at a fixed price on the condition that said producers would not use the product of any competitor, and that time effect of such agreement has been to substantially lessen competition, in alleged violation of section 3 of the Clayton Act. Status: This proceeding is now at issue on the complaint of the Commission and the answer of the respondent.

Complaint No. 462.--Federal Trade Commission v. Sunbeam Chemical Co. (Inc.). Charge: Using unfair methods of competition by falsely advertising that it has obtained injunctions against competitors, restraining them from manufacturing dye soaps; threatening suits against any person dealing in or advertising the products of competitors, with the effect of intimidating customers and prospective customers of competitors and inducing them to refuse to deal in such products of competitors and causing publications to refuse to accept advertising from said competitors and canceling contracts already entered into for such publication; by purchasing from dealers such stocks of competitors as said dealers had on hand, thereby removing such products from the market and to obtain for respondent the exclusive trade of dealers han-

dling dyestuffs; and by making derogatory and false statements regarding the quality and usefulness of the soap so sold by competitors, all in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is now at issue on the complaint of the Commission and the answer of the respondent and is in course of trial.

Complaint No. 468.--Federal Trade Commission *v.* H. A. Metz & Co. (Inc.). Charge: Using unfair methods of competition in the sale of dyestuffs and chemicals by giving and offering to give to employees of both its customers and prospective customers and its competitors' customers and prospective customers sums of money as an inducement to influence their employers to purchase or contract to purchase from the respondent, or to influence such employers to refrain from dealing or contracting to deal with competitors of respondent, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is now at issue upon the complaint of the Commission an'] answer of the respondent.

Complaint No. 472.--Federal Trade Commission *v.* Pioneer Paper Co. Charge : Using unfair methods of competition by falsely advertising its products as "rubber" and using the terms "one ply," "two ply," and "three ply" to designate and describe the different degrees of thickness of its product when the different degrees of thickness consists of but one layer or ply, with the effect of misleading and deceiving the public and giving respondent's products an undue preference over products of competitors who do not use such methods, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is now at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 473.--Federal Trade Commission *v.* Western Elaterite Roofing Co. Charge: (Ante, complaint No. 472.) Status: This proceeding is now at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 474.--Federal Trade Commission *v.* Sifo Products Co. Charge: (Ante, complaint No.472). Status: This proceeding is now at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 475.--Federal Trade Commission *v.* Oertell Roofing Manufacturing Co. Charge: (Ante, complaint No.472.) Status: This proceeding is now at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 476.--Federal Trade Commission *v*. Stowell Manufacturing Co. Charge : (Ante, complaint No.472.) This proceeding is now at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 477.--Federal Trade Commission *v.* Beckman-Dawson Co. Charge: (Ante, complaint No.472). Status: This proceeding is now at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 478.--Federal Trade Commission *v.* Durable Roofing Manufacturing Co. Charge: (Ante, complaint No.472). Status: This proceeding is now at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 479.--Federal Trade Commission *v.* McHenry-Millhouse Manufacturing Co. Charge: (Ante, complaint No.472). Status: This proceeding is now at issue upon the complaint of the Commission and answer of the respondent

Complaint No. 480.--Federal Trade Commission *v*. International Roofing Manufacturing Co. Charge: (Ante, complaint No.472). Status: This proceeding is now at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 481.--Federal Trade Commission v. Amalgamated Roofing Co. Charge : (Ante, complaint No.472).- Status : This proceeding is now at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 482.--Federal Trade Commission *v.* The Chatfield Manufacturing Co. Charge: (Ante, complaint No.472). Status : This proceeding is now at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 483.--Federal Trade Commission *v.* H. W. John-Mansville Co. Charge : (Ante, complaint No.472). Status: This proceeding is now at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 484.--Federal Trade Commission *v.* Keystone Roofing Manufacturing Co. Charge: (Ante, complaint No.472). Status : This proceeding is now at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 485.-Federal Trade Commission *v.* The Barrett Co. Charge: (Ante, complaint No.472). Status: This proceeding is now at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 486.--Federal Trade Commission *v.* Patent Vulcanite Roofing Co. Charge: (Ante, complaint No.472). Status: This proceeding is now at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 487.--Federal Trade Commission *v.* Philip Carey Manufacturing Co. Charge: (Ante, complaint No.472). Status: This proceeding is now at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 488.--Federal Trade Commission *v.* H. F. Watson Co. Charge: (Ante, complaint No.472).- Status: This proceeding is now at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 489.--Federal Trade Commission *v.* The Paraffine Co. (Inc.). Charge : (Ante, complaint No.472). Status : This proceeding is now at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 490.--Federal Trade Commission *v.* Sylvester L. Weaver, trading as the Weaver Roof Co. Charge: (Ante, complaint No. 472). Status: This proceeding is now at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 492.-Federal Trade Commission *v.* The Great Republic Tire & Rubber Manufacturing Co. Charge : Using unfair methods of competition in the sale of automobile tires and inner tubes by adopting and using as its corporate title "The Great Republic Tire & Rubber Manufacturing Company," and by using as a brand name on automobile tires and Inner tubes sold by it the words "Great Republic," which corporate title and brand name so closely resemble the brand name of "Republic" and the corporate title "The Republic Rubber Company," of a competitor which has widely and extensively advertised its automobile and inner tubes and created a valuable good will thereby, as to deceive and mislead the purchasing public and cause them to believe that the respondent and the Republic Rubber Co. are one and the same, and by holding itself out to the purchasing public that it is a manufacturer of automobile tires and Inner tubes, when in fact it is not, thereby inducing the public to give to the respondent such preference as might be given by them to manufacturers over dealers in the purchase of the products of the respondent or in investing in its corporate stock, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent, and a proposed agreed statement of facts has been submitted to the Commission for its approval.

Complaint No. 494.--Federal Trade Commission v. Super-Tread Tire Co. Charge: Using

unfair methods of competition in the sale of automobile tires

by advertising as new, old and discarded automobile tires repaired and coated with rubber coating, with the effect of deceiving and misleading the public. Status: The respondent is in the hands of a receiver and this proceeding is in abeyance pending the outcome of such receivership.

Complaint No. 496.--Federal Trade Commission *v*. Universal Road Machinery Co. Charge: (Ante, complaint No. 404). Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 497.--Federal Trade Commission *v*. New England Road Machinery Co. Charge: (Ante, complaint No.404). Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 499.--Federal Trade Commission *v*. New Bayer Co. (Inc.). Charge: Using unfair methods of competition by publishing in newspapers advertisements containing statements and implications to the effect that the word "aspirin" is only properly used to designate the product of respondent; that respondent's said product is the only genuine, unadulterated, and safe drug product manufactured and sold as aspirin; that the products manufactured and sold by competitors as and for aspirin are spurious and adulterated and composed of other materials, such as talcum powder and the like, all of which statements and implications are false and misleading to the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 500.-Federal Trade Commission *v*. Pennsylvania Salt Manufacturing Co. Charge: Using unfair methods of competition in the sale of salt by entering into certain understandings with dealers that they shall maintain specified standard resale prices prescribed and determined by respondent, and refusing to sell to dealers who do not maintain said specified standard resale prices, with the effect of stifling and suppressing competition, in alleged violation of section 5 of the Federal Trade Commission act. Status: (Ante, complaint No.25).

Complaint No. 501.--Federal Trade Commission *v*. Wholesale Grocers' Association of El Paso, Tex.; The F. S. Ainsa Grocery (Inc.); M. Ainsa & Sons (Inc.); American Grocery Co. (Inc.) ; Bray & Co. (Inc.); The James A. Dick Co.; The H. Lesinsky Co.; Trueba-Zozaya-Seggerman (Inc.); Western Grocery Co. (Inc.); Dan T. White and John H. Grant, doing business under the name of White-Grant Co.; J. W. Lorentzen & Co.; W. H. Constable Co. (Inc.); H. W. Taylor and H. C. Smith, doing business under the name of Taylor & Smith; John H. McMahon, doing business under the name of John McMahon & Co.; W. T. Bush; and The George H. Griggs Co. Charge: Using unfair methods of competition by combining and conspiring to prevent the Standard Grocery Co. from obtaining commodities dealt in by it from manufacturers and manufacturers' agents and other usual sources of supply; hampering and obstructing and attempting to hamper and obstruct the said Standard Grocery Co. by inducing and compelling and attempting to induce and compel manufacturers of grocery products and their agents to refuse to sell to said Standard Grocery Co. upon the terms, conditions, and at the prices usually accorded to dealers who buy and sell in wholesale quantities, and to compel said Standard Grocery Co. to pay for the commodities purchased by it prices higher than those charged to other dealers who buy and sell in wholesale quantities, with the effect of stifling and suppressing competition in the sale of grocery products at wholesale, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent and is in course of trial.

Complaint No. 503.--Federal Trade Commission *v*. The Upjohn Co. Charge: Using unfair methods of competition in the sale of pharmaceutical supplies by

entering into agreements with dealers to maintain prices specified by respondent, refusing to sell to dealers who will not maintain such prices, and by maintaining In its business a system of giving cumulative discounts, or discounts based upon accumulations of purchases during a year, in alleged violation of section 5 of the Federal Trade Commission act. Status: (Ante, complaint No.25).

Complaint No. 504.--Federal Trade Commission *v.* F. Hecht, Louis Friedheim, and T. I. Ghynn, partners styling themselves F. Hecht & Co. and T. I. Glynn Leather Co. (Inc.). Charge: Using unfair methods of competition by selling to customers in foreign countries leather which does not conform in value to the samples sent to said customers, the leather sold by sample and billed as "calf" being of the inferior grade known to the trade as "kips," and leather sold by sample and billed as "cabretta" being an inferior grade of sheepskin, In alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent and is in course of trial.

Complaint No. 505.--Federal Trade Commission *v.* The C. D. Kenny Co. Charge: Using unfair methods of competition in the sale of sugar by adopting the policy of refusing to sell sugar unless a customer will at the same time purchase from respondent the same number of pounds of coffee, thereby coercing a customer into purchasing a quantity of coffee in excess of his needs or demands, and coercing, during the recent shortage in sugar, customers into purchasing an inferior grade of coffee, at prices above the fair market value of same, in order that such customers might purchase sugar from respondent to satisfy their needs and requirements, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is now before the Commission for final disposition.

Complaint No. 506.-Federal Trade Commission *v.* Sparrows Point Store Co. Charge : Using unfair methods of competition by giving and offering to give to employees of both its customers and prospective customers, gratuities of different kinds, including large sums of money, as an inducement to influence their employers to purchase or contract to purchase from the respondent, or to influence such employers to refrain from dealing or contracting to deal with competitors of respondent, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 512.--Federal Trade Commission *v.* The Ronald Press Co. Charge: Using unfair methods of competition by entering into agreements and understandings with wholesalers, jobbers, and dealers throughout the United States for the sale to them of periodicals of respondent upon the condition that such wholesalers, jobbers, and dealers resell at prices fixed by respondent, refusing to sell to those who do not observe the prices fixed, inducing others to refuse to sell respondent's publications to dealers who do not maintain such prices, with the effect of injuring competitors who do not practice the aforesaid policy, eliminating competition in prices between dealers in periodicals and enhancing the prices of said periodicals, in alleged violation of section 5 of the Federal Trade Commission act. Status: (Ante, complaint No.25.)

Complaint No. 513.--Federal Trade Commission *v.* The Champion Blower & Forge Co. Charge: Using unfair methods of competition by threatening in bad faith, with the intent, purpose, and effect of Intimidating customers of competitors, to Institute suits against customers of its competitors for alleged infringements of patents of respondent, and advertising its products as covered by letters patent of the United States owned and controlled by the respondent, when in truth and fact said patents have long since expired and have no legal

force or effect, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent, and is in course of trial.

Complaint No. 515.--Federal Trade Commission *v.* The Helier & Merz Co. Charge: (Ante, complaint No.506). Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent, and a proposed agreed statement of facts has been submitted to the Commission for its approval.

Complaint No. 516.--Federal Trade Commission *v.* The Mountain City Mill Co., a corporation, styling itself the Chattanooga Bakery. Charge: Using unfair methods of competition by adopting the scheme of offering to pay to traveling salesmen employed by the wholesale grocers through whom respondent markets its products, certain prices or bonuses, with the effect of inducing the salesmen employed by the said wholesale grocers through whom respondent markets its products to flood the market with respondent's goods and to exclude from such channels of distribution the bakery products of respondent's competitors, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 517.--Federal Trade Commission *v.* The Franklin Import & Export Co. (Inc.). Charge: Using unfair methods of competition by giving and offering to give to employees of both its customers and prospective customers, and Its competitors' customers and prospective customers, sums of money as an inducement to influence their employers to purchase or contract to purchase from the respondent, or to influence such employers to refrain from dealing or contracting to deal with competitors of respondent, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 519.--Federal Trade Commission *v.* Colgate & Co. Charge: Using unfair methods of competition by pursuing the policy of fixing and maintaining resale prices at which each of its products shall be sold by its customers, circulating among its customers a list of such resale prices, urging customers to adhere to such resale prices, refusing to sell to those who fail to observe such resale prices, and guaranteeing its customers against the decline in price of goods purchased and not resold by such customers at the time of any subsequent decline in the respondent's list price therefor, and paying rebates equal in amount to the difference between the price paid to respondent for such products actually on hand and unsold and the reduced price therefor subsequently put into effect by respondent, in alleged violation of section 5 of the Federal Trade Commission act. Status: (Ante, complaint No.25).

Complaint No. 520.--Federal Trade Commission *v.* Procter & Gamble Distributing Co. Charge: Using unfair methods of competition In the sale of soap. (Ante, complaint No. 424*).* Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 522.--Federal Trade Commission *v.* Rub-No-More Co. Charge: Using unfair methods of competition in the sale of soaps. (Ante, complaint No. 424). Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 523.--Federal Trade Commission *v.* Louis Wolper, Jacob Wolper, and Albert Wolper, partners, styling themselves Alben-Earley. Charge: (Ante, complaint No.401). Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 524.--Federal Trade Commission *v.* The Sheets Elevator Co. Charge: Using unfair methods of competition in the sale of poultry feed and similar products by adopting a

policy of resale price maintenance, inducing

and coercing dealers to observe such resale prices, and refusing to sell to those dealers who fail to observe such resale prices, and urging others not to sell respondent's products to dealers who fail to observe such resale prices, in alleged violation of section 5 of the Federal Trade Commission act. Status: (Ante, complaint No.25).

Complaint No. 525.--Federal Trade Commission *v.* New York Color & Chemical Co. Charge: (Ante, complaint No. 506). Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 526.--Federal Trade Commission *v.* Louis Rosenthal, doing business under the name and style of the United Chemical & Color Co. Charge: (Ante, complaint No. 506). Status: This proceeding is at issue upon the complaint of the Commission and answer of respondent.

Complaint No. 528.--Federal Trade Commission *v.* Arkansas Distributing Co. Charge : Ante, complaint No.506). Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 529.--Federal Trade Commission *v.* Max B. Kaesche, doing business under the name and style of F. Bredt & Co. Charge: (Ante, complaint No.517.) Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 530.--Federal Trade Commission *v.* Vacuum Cleaner Specialty Co. (Inc.), Imperial Vacuum Cleaner Co., F. R. Muenzen, W. H. Kappelle, J. P. McGrath, A. J. Muenzen, J. M. Leddy, and J G. Waschen. Charge: Using unfair methods of competition by the respondent Vacuum Cleaner Specialty Co. holding itself out by advertising and otherwise that it is a vacuum-cleaner specialist and an impartial adviser, when, as a matter of fact, it Is the agent of the respondent, Imperial Vacuum Cleaner Co. and invariably recommends the "Imperial" cleaner, the product of the respondent Imperial Vacuum Cleaner Co.; by disparaging of competitors' devices; and by tampering with and failing to properly adjust such competitive cleaners as they demonstrate, while properly adjusting those in which it has an interest, thus giving prospective customers the impression that such competitive cleaners are less efficient than they are in fact and facilitating the sale of the cleaners in which respondent is especially interested, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding has been dismissed as to the respondents Imperial Vacuum Cleaner Co., F. R. Muenzen, A. J. Muenzen, W. H. Kappelle, J. P. McGrath, J. M. Leddy, and J. C. Waschen, and the proceeding is now in preparation for trial as to the respondent Vacuum Cleaner Specialty Co.

Complaint No. 531.--Federal Trade Commission *v.* Armour & Co. Charge: Organizing apparently independent companies for the purpose of taking over the business and property of the Lookout Refining Co. and the Chattanooga Oxygen Gas Co. and the Harris Tannery Co., competitors of respondent, the capital stock of the independent companies being held by officers and employees or agents of respondents with the purpose or effect of restraining and eliminating competition and tending to create a monopoly in alleged violation of section 5 of the Federal Trade Commission act and section 7 of the Clayton Act. Status: This proceeding is at issue on the complaint of the Commission and answer of the respondent.

Complaint No. 532.--Federal Trade Commission v. L. Richardson, H. Smith Richardson, and L. Richardson, jr., copartners, doing business under the name and style of The Vick Chemical Co. Charge: Using unfair methods of competition by adopting the practice of fixing prices at which its product shall be resold, refusing to sell and threatening to refuse to sell to dealers who

failed to maintain such resale prices, with the purpose and effect of eliminating competition in price among dealers handling the product of respondent, depriving said dealers of the opportunity to resell such products at prices which they may deem adequate, and unduly securing the trade of dealers in such products and obtaining their aid and cooperating in enlarging the sale thereof, to the prejudice of competitors who do not follow this practice, in alleged violation of section 5 of the Federal Trade Commission act. Status: (Ante, complaint No.25).

Complaint No. 533.--Federal Trade Commission *v.* American Mutual Seed Co.- Charge : Using unfair methods of competition by making use of catalogs and other advertising matter to carry certain false and misleading statements concerning the grade and quality of the seeds sold by respondent, in alleged violation of section 5 of the Federal Trade Commission act.- Status : This proceeding is at issue upon the complaint of the Commission and answer of the respondent and is now in course of trial.

Complaint No. 535.--Federal Trade Commission *v.* The Silvex Co. and Aircraft & Motor Products Co. Charge: Using unfair methods of competition by publishing in periodicals, magazines, etc., advertisements containing misleading statements as to Government approval of the spark plugs manufactured by respondents, and denying similar claims of competitors, In alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 536.--Federal Trade Commission *v.* The Taiyo Trading Co. (Inc.). Charge: Using unfair methods of competition by selling matches manufactured in Japan in containers or boxes similar in size and style and material to those containing matches manufactured in Sweden and with Swedish inscriptions, which have become well-known to the trade and purchasing public to be of a certain quality and to be manufactured in Sweden; with the effect of deceiving the trade and general public into the belief that the matches contained in the boxes or containers, so inscribed, are in fact manufactured in Sweden, whereas they are manufactured in Japan, in alleged violation of section 5 of the Federal Trade Commission act. Status : This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 537.--Federal Trade Commission *v.* Shibakawa & Co. (Inc.). Charge: Using unfair methods of competition by labeling safety matches, one of its products, in Swedish, which matches are made in Japan, and upon the boxes containing such matches in some inconspicuous type is the statement "Made in Nippon," but the name of the brand printed in Swedish is an exact duplication of the name of a brand of matches made in Sweden and imported into the United States and resold by a competitor of respondent, with the effect of confusing the trade and enabling respondent to compete unfairly for the trade of its competitors, and misleading the purchasing public into the belief that the matches sold by respondent were in fact made in Sweden, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 539.--Federal Trade Commission v. Royal Baking Powder Co.-Charge : Using unfair methods of competition by misbranding and falsely advertising its product as containing substantially the same ingredients as the product of its predecessor, Price Baking Powder Co., which predecessor's product had a large trade and valuable good will for 60 years and had a standard retail price of 40 to 50 cents per can of 12 ounces and other sizes in like proportions, and that the prices advertised by respondent, although about half

the former prices of its said predecessor's product, were still much in excess of the current and reasonable prices of baking powders such as respondent was in fact selling, thus injuring and restraining the business of its competitors and deceiving and misleading purchasers and consumers, in alleged violation of section 5 of the Federal Trade Commission act. Status : This proceeding is at issue upon the complaint of the Commission and answer of the respondent, and is in course of trial.

Complaint No. 540.--Federal Trade Commission *v.* Royal Baking Powder Co.-Charge : Using unfair methods of competition by unfairly representing and charging that its competitors' products contain alum, to wit, sodium aluminum sulphate (SaS) and are harmful, unhealthful, deleterious, and dangerous to users and consumers of such baking powders, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 541.-Federal Trade Commission *v.* Story & Clark Piano Co. Charge: Using unfair methods of competition by circulating and causing to be circulated advertisements so worded as to deceive the purchasing public into the belief that its pianos and player pianos are newly manufactured and unused musical instruments, when in fact they are not; advertising unused pianos and player pianos of its own manufacture upon which were stenciled resale prices which were calculated to deceive the purchasing public into the belief that such stenciled prices were prices representing the manufacturers' bona fide resale prices, when in fact such prices were not the manufacturers' bona fide resale prices, but were abnormally and unreasonably high and fictitious prices from which respondent could and did offer and make radical reductions and abnormal discounts, which heft the net resale price far below such stenciled prices, but equal to reasonable and full resale values usually received by respondent's competitors for pianos and player pianos of similar grade and quality, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 542.--Federal Trade Commission *v.* Edwin S. Jones, doing business under the name and style of Philadelphia Textile Chemical Works. Charge: Using unfair methods of competition by giving and loaning to employees of his customers, without the knowledge and consent of their employers, sums of money as an inducement to influence their said employers to purchase or contract to purchase from the respondent soap and wood oil, or to influence such customers to refrain from dealing or contracting to deal with competitors of the respondent, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 543.--Federal Trade Commission *v.* Ricco Co. (Inc.). Charge: (Ante, complaint No.517). Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 544.--Federal Trade Commission *v.* Valvoline Oil Co. Charge: (Ante, complaint *No. 305).* Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 545.--Federal Trade Commission *v.* Irving Abraham, doing business under the name and style of Abraham Bros. Charge: (Ante, complaint No.517). Status: This proceeding is at issue upon the complaint of the Coin-mission and answer of the respondent.

Complaint No. 547.--Federal Trade Commission *v.* Big Four Grocery Co. Charge : Using unfair methods of competition by offering, through advertisements, for sale to the general public, groceries and other merchandise in com-

bination lots or assortments at and for certain fixed prices, it being necessary for the purchaser to buy the entire lot or assortment to obtain such prices which are advertised and held out to be less than the average retail price. charged for such merchandise by competitors of respondent; and advertising price lists, comparing the prices charged by it to the average retail prices charged by its competitors, such retail prices so advertised being false and misleading and calculated to mislead the trade and general public into the belief that such average retail prices are higher than they are in truth and in fact, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 548.--Federal Trade Commission *v.* Vacuum Oil Co. Charge: Using unfair methods of competition by maintaining in its business a system of giving cumulative discounts or rebates in the sale of its products whereby purchasers of its products obtain at the end of each calendar year, or at the end of a definite period, certain rebates or discounts based and estimated upon the aggregate of the separate purchases made by such dealers during the calendar year, or such fixed period; selling lubricating oils to automotive manufacturers for use in their machines, being sold at list prices, that Is to say, prices to consumers, less 40 per cent discount, irrespective of amount, and an additional 5 per cent on carload lots; and giving and offering to give an additional rebate of the cost of a half gallon of oil per machine sold to all such manufacturers who will agree to recommend In their instruction booklets issued to purchasers, or attach to their machines a plate recommending the use of the respondent's lubricating oils, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent, and is in course of trial.

Complaint No. 549.--Federal Trade Commission *v.* Cement Securities Co. Charge: Using unfair methods of competition by purchasing the whole of the stock and share capital of the Oklahoma Portland Cement Co., a competitor; purchasing and acquiring $392,300 of preferred stock of a total of $400,000, and $195,750 of the common stock of a total of $199,750 of the United States Portland Cement Co.; and purchasing and acquiring all of the preferred stock of the Nebraska Cement Co., in alleged violation of section 5 of the Federal Trade Commission act and section 7 of the Clayton Act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 550.--Federal Trade Commission *v.* B. S. Pearsall Butter Co. Charge: Using unfair methods of competition by adopting and maintaining a practice of offering, giving, and allowing certain benefits and advantages to purchasers in the way of free advertising, services of specialty salesmen, and payment of dealers' license fees, on the condition that such purchasers agree to purchase all or a large percentage of their supplies of butterine and oleomargarine from the respondent, in alleged violation of section 5 of the Federal Trade Commission act; and entering into contracts with a large number of purchasers of its said products at prices, in quantities, and for periods therein specified upon the condition, agreement, or understanding in the case of each contract that the purchaser named therein shall purchase all or a large percentage of the oleomargarine and butterine needed by said purchaser of the respondent, in alleged violation of section 3 of the Clayton Act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent and is in course of trial.

Complaint No. 551.--Federal Trade Commission v. Armour & Co. Charge: (Ante, complaint No. 550). Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 552.--Federal Trade Commission *v.* Swift & Co. Charge: (Ante, complaint No.550). Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 553.--Federal Trade Commission *v.* Downey-Farrell Co. Charge : (Ante, complaint No.550). Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 554.--Federal Trade Commission *v.* Wm. J. Moxhey (Inc.). Charge: (Ante, complaint No.550). Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 555.--Federal Trade Commission v. The Ed.- S. Vail Butterine Co. Charge: (Ante, complaint No.550). Status: This proceeding is at issue upon the complaint of the Commission ai)d answer of the respondent.

Complaint No. 556.--Federal Trade Commission *v.* The G. H. Hammond Co. Charge: (Ante, complaint No.550). Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 557.--Federal Trade Commission *v.* Morris & Co. Charge: (Ante, complaint No.550). Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 558.-Federal Trade Commission *v.* Wilson & Co. Charge: (Ante, complaint No.550). Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 559.--Federal Trade Commission *v.* Troco Nut Butter Co. Charge: (Ante, complaint No. 550). Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 560.--Federal Trade Commission *v.* Friedman Manufacturing Co. Charge : (Ante, complaint No.550.) Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 562.--Federal Trade Commission *v.* Shotwell Manufacturing Co. Charge: Using unfair methods of competition by giving and offering to give valuable premiums and presents, consisting of watches, valuable jewelry, and other valuable personal property to the salesmen of merchants and jobbers handling the products of the respondent and of respondent's competitors, as an inducement to influence such salesmen to push the sale of respondent's products to the exclusion of similar products of its competitors, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at Issue upon the complaint of the Commission and answer of the respondent, and a proposed agreed statement of facts has been submitted to the respondent for its final approval.

Complaint No. 563.--Federal Trade Commission *v.* Rueckheim Bros. & Eckstein. Charge : (Ante, complaint No.562). Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 564.--Federal Trade Commission *v.* Turner & Harrison Pen Manufacturing Co. (Inc.).- Charge : Using unfair methods of competition by selling and offering to sell gold-plated pen points, upon which are stamped “14 karat gold plated,” the words of this stamp being so arranged that the word “plated” occurs near the heel of the pen point and is obscured by the barrel or holder of the pen point into which it is inserted, while the words “14 karat gold” remain

visible; with the effect of misleading the trade and general public into the belief that such pen points are 14 karat gold pens, when in truth and in fact they are only gold plated, in alleged violation of section 5 of the Fed-

eral Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 565.--Federal Trade Commission *v.* C. Howard Hunt Pen Co. Charge: (Ante, complaint No.564 *)*. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 566.--Federal Trade Commission *v.* The E J. O'Neill Medicine Co. Charge: Using unfair methods of competition by simulating in the marketing of its products, the trade-mark, advertising matter, form of contracts for special agency, the containers, and the product itself of the A. H. Lewis Medicine Co., with the design of deceiving and misleading the purchasing public and causing purchasers to believe that respondent's product is one and the same as that manufactured and sold by A. H. Lewis Medicine Co., and by printing on its advertising matter respondent's trade name or mark and the words "Registered U. S. Pat. Office," when said trade name or mark has not been registered in the United States Patent Office, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 567.--Federal Trade Commission *v.* Acme Coal Mining Co. Charge: Using unfair methods of competition by organizing, with full knowledge of the existence of the Wittenberg Coal Co. and of the widespread use and meaning of its trade name "Acme" when used in connection with coal, under the corporate name of "Acme Coal Mining Company," for the purpose of appropriating for the respondent the good will established by the said Wittenberg Coal Co. for its brand name "Acme" when used in connection with coal, with its principal office in the same city in which the Wittenberg Coal Co. also has an office for the transaction of its business of selling coal, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is now before the Commission for final disposition.

Complaint No. 568.--Federal Trade Commission v. Darling & Co. Charge: Using unfair methods of competition by causing, through its agents, servants, and employees, its competitor's trucks to be followed and their business spied upon for the purpose of ascertaining and acquiring a list of the dealers from whom respondent's competitors obtain their raw material and offering and purchasing said raw material from said dealers at and for prices greatly In excess of those paid by its competitors and at prices unwarranted by trade conditions and so high as to be prohibitive to its competitors, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent and is in course of trial.

Complaint No. 569.--Federal Trade Commission *v.* Edward Perlman and Samuel Gerber, copartners trading under the name and style of Liberty Whole-sale Grocers. Charge: Using unfair methods of competition by advertising, through the medium of catalogs and other advertising matter, for sale to the general public groceries in combination lots or assortments at and for certain fixed prices, it being necessary for the purchaser to buy the entire lot or assortment to obtain such prices, which are advertised and held out to be less than the average retail price charged for such groceries; and representing, through advertisements, that respondents are regularly engaged in the business of merchandising grocers at wholesale and that purchasers from respondents save from 30 to 50 per cent on goods purchased from them, when in truth respondents are in no sense engaged in the business of merchandising groceries at wholesale, but sell goods direct to consuming purchasers in comparatively small combination lots, and the prices paid by respondents for the goods so sold in combination lots of assortments, as whole, are substantially

the same or greater than the prices which retail grocers generally obtain for like assortments as a whole, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent, and is in course of trial.

Complaint No. 570.--Federal Trade Commission *v.* Consaco Sales Co. (Inc.). Charge: (Ante, complaint No. 536). Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent, and is in course of trial.

Complaint No. 571.--Federal Trade Commission *v.* Cupples Co. Charge: Using unfair methods of competition by putting up in boxes bearing the brand "The Best Black Eagle" with wording on the box or label pasted on said box bearing distinctive Scandinavian words, matches imported by respondent from Japan, with the effect of deceiving the purchasing public into the belief that said matches are of Scandinavian origin and manufacture, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 572.--Federal Trade Commission *v.* William H. Plunkett, trading as Plunkett Chemical Co. Charge: Using unfair methods of competition by circulating false and misleading statements in advertisements disparaging drip cans, the products of competitors, and stating that such drip disinfectors have been condemned by the United States Public Health Service, when such is not the fact, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding Is at Issue upon the complaint of the Commission and answer of the respondent, and an agreed statement of facts has been submitted to the Commission for its approval.

Complaint No. 573.--Federal Trade Commission *v.* Owens-Bottle-Machine Co. and L. S. Stoehr. Charge: That respondents have violated section 3 of the Clayton Act by entering into licensing agreements for the use of Its glass-blowing machines with the principal manufacturers in the United States of glass bottles, jars, and other glass products, upon the express condition, agreement, and understanding in each licensing agreement that the licensee named therein shall not use respondent's machine in connection with the machines or devices of competitors, with the effect of excluding and debarring competitors of respondent from securing sales of their machines or devices in commerce and lessening competition therein; that respondent has violated section 7 of the Clayton Act by acquiring 4,836 shares of the capital stock of the Whitney Glass Works, a competitor, the whole of the capital stock of the American Bottle Co., a competitor, and the whole of the capital stock of the Graham Glass Co., with the effect of eliminating competition in sections and communities theretofore served by said companies; and that respondents have violated section 8 of said Clayton Act by having L. S. Stoehr a director of both the American Bottle Co. and the Graham Glass Co.- since respondent acquired the capital stock of said companies. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 574.--Federal Trade Commission *v.* Waverly Brown, Mrs. Waverly Brown, T. F. Conley, Illinois Storage Co., Chicago Storage Co., Chicago Storage Sales Co., and Tyrolia Talking Machine Co. Charge: Using unfair methods of competition by advertising to deceive the purchasing public into the belief that slightly used phonographs of standard make of highest value are being offered for sale by private owners at abnormal and unusual reductions from full standard resale values, when in fact said phonographs are not privately owned, but are unused and of grade and quality much inferior

to phonographs of the standard makes which they are made to imitate, and are manufactured by respondents and sold to purchasers for less than one-third of the standard resale prices at which they are listed in respondent's advertising matter; and that phonographs so advertised have been stored for safe keeping with one or the other of respondents, Illinois Storage Co. or Chicago Storage Co. or Chicago Storage Sales Co., and are being offered for sale for the purpose of reimbursing one or the other of said respondents for unpaid storage charges, when in fact such phonographs have never been so stored, nor do said respondents now nor have they or any of them at any time since March, 1919, conducted a storage or warehouse business of any kind, but respondents have been and are using the titles, Illinois Storage Co., Chicago Storage Co., and Chicago Storage Sales Co. as sham trade names for the purpose and with the effect of accomplishing said deceptions in selling phonographs of their own manufacture, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 575.--Federal Trade Commission *v.* P. Tyrrell Ward, trading under the name and style of Household Storage Co. Charge: Using unfair methods of competition by putting in catalogues and advertising matter false and misleading statements that respondent is regularly engaged in the storage or warehouse business, and by reason thereof comes into possession of a single phonograph, or of single lots of phonographs, which have never been removed from the cases in which they left the factory; these new phonographs being advertised by respondent as of value vastly in excess of the value at which respondent is offering them for sale to the public, such offers of sale being limited to a single phonograph, or a single lot of phonographs, and will not be so offered again, when in fact respondent is not now, and for more than a year last has not been engaged m the storage or warehouse business, but is regularly engaged m the business of merchandizing phonographs of a grade and quality which are manufactured to sell at resale and are customarily sold at resale by respondent in the regular course of his business at less than one-third of the resale price at which they are listed in respondent's catalogue, respondent using said trade name for the purpose and with the effect of accomplishing deceptions in the sale of phonographs, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of respondent.

Complaint No. 576.--Federal Trade Commission v. P. A. Starck Piano Co. Charge: Using unfair methods of competition In falsely advertising reduced prices, special sales, and economical shipping methods, and falsely advertising that the fictitious prices stenciled on its pianos are the manufacturers' bona fide resale prices when such is not the fact, but are abnormally and unreasonably high fictitious values so that radical reductions may be made therefrom, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 577.--Federal Trade Commission *v.* Holland Piano Manufacturing Co. Charge: Using unfair methods of competition by stenciling abnormally and unreasonably high fictitious prices on pianos manufactured by it and allowing radical reductions therefrom, with the effect that the purchasing public is led to believe that the pianos are sold at reduced prices, when in truth such prices are equal to the full resale prices received for pianos of equal quality and grade, m alleged violation of section 5 of the Federal Trade Commission act. Status: Testimony has been taken in this proceeding,

and briefs on behalf of the Commission and the respondent are in course of preparation.

Complaint No. 578.--Federal Trade Commission *v.* Swift & Co., Libby, McNeill & Libby (of Illinois), and Libby, McNeill & Libby (Ltd.) (of Honolulu). Charge: That the respondent, Libby, McNeill & Libby, a subsidiary of the respondent, Thomas Pineapple Co., acquired all of the share capital of the Thomas Pineapple Co., the share capital, property, and business of Honolulu Pineapple Co., Kahaluu Pineapple & Range Co. (Ltd.), and Koolau Fruit Co. (Ltd.), with the effect of substantially lessening competition in the sale of pineapples in the territory of Hawaii and creating a condition which tended to create for respondents a monopoly m the growing and sale of pineapples, in alleged violation of section 7 of the Clayton Act and section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 579.--Federal Trade Commission *v.* The Atlanta Wholesale Grocery, City Salesmen's Association, J. J. Barnes-Fain Co., Kelley Bros. Co., McCord Stewart Co., Marett.-Streeter Co., Oglesby Grocery Co., H. L. Singer Co., Walker Bros. Co., A. McD. Wilson Co., Conley & Ennis, Johnson-Fluker & Co.-, McDaniel & Co., Paradles & Rich, R. W. Davis & Co., Charles I. Brennan, J. N. Hirsch, O. T. Camp, and R. O. Estes. Charge: Using unfair methods of competition by conspiring and confederating together to prevent the Unity Grocery Co. and the Merchants' Wholesale Grocery Co. from obtaining commodities dealt in by them from manufacturers and other usual sources from which a wholesale dealer in groceries must obtain supplies, and inducing manufacturers of grocery products and brokers representing such manufacturers, by boycott and threats of boycott and other unlawful means, to refuse to sell their products to the above-named grocery companies, and informing such manufacturers and brokers that they would refuse to buy from them if they sold to the above-named grocery companies, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 580.--Federal Trade Commission *v.* D. Fairfax Bush, William Dette, George A. Crocker, Jr., and Leah R. Crocker, copartners doing business under the firm name and style of Crocker Bros.; W. A. Rogers, D. B. Meacham, A. D. Fowler, J. K. Pollock, W. T. Shepard, and W. S. Rogers, copartners doing business under the firm name and style of Rogers, Brown & Co.; Frank Samuel, S. M. Tomlinson, and S. A. Cochran, copartners doing business under the firm name and style of Frank Samuel; W. F. B. Leavitt and Charles D. Robb, copartners doing business under the firm name and style of C. W. Leavitt & Co. Charge: Using unfair methods of competition by selling ferromanganese imported from respondents' British principals at prices substantially less than the actual market value at the time of exportation from England plus freight and expenses incident to importation and sale in the United States, with the intent of stifling the industry which had developed in the United States by persons other than respondent during the late war owing to the British embargo on the exportation thereof, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 581.--Federal Trade Commission *v.* L. B. Silver Co. Charge: Using unfair methods of competition by false and misleading circulars, advertisements, etc., setting forth that it is a breeder of hogs, whereas it is not a breeder, but buys It hogs from farmers; representing that the Ohio Improved Chester breed of hogs are superior to the Chester White Breed and offering to

sell the latter at 25 per cent less, but when requested to deliver the Chester Whites fails to do so upon one pretext or another; false statements that the Ohio Improved Chester hogs are not susceptible to cholera and other diseases, that it has bred these hogs for 53 years, and other false and misleading statements, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent, and is in course of trial.

Complaint No. 582.--Federal Trade Commission *v*. Universal Motor Co. and Universal Products. Charge: Using unfair methods of competition by advertising and selling and offering for sale to the trade and general public lighting plants for which they have adopted and assumed the trade names of Universal Lighting Unit, Universal Unit Lighting Plants, and Universal Farm Lighting Unit, when the trade name "Universal" had previously become well known and established as the product of the Universal Battery Co. and its predecessor Universal Electric Storage Battery Co., with the effect of confusing the trade amid general public and misleading dealers, customers, and prospective customers into the belief that the lighting plants of the respondents and Universal Battery Co. are one and the same, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 583.--Federal Trade Commission *v*. G. Slocum, doing business under the name and style of Ginso Chemical Co. and Ginso Chemical Co., a Missouri corporation. Charge : Using unfair methods of competition by marketing germicide, one of its products, under the name of "B-D Bacilli Destroy," thus simulating the trade-mark "B-K Bacili-Kil," a germicide manufactured by the General Laboratories which has built up a valuable good will for its products; simulating the copyrighted circular and labels of the said General Laboratories, with the effect of misleading and deceiving the purchasing public into believing that the product of respondents is the product of said General Laboratories; false and misleading advertising that respondent's product is a powerful and useful disinfectant and germicide, although in fact it has little or no antiseptic or germicidal value, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 584.--Federal Trade Commission *v*. John Bene & Sons (Inc.). Charge: Using unfair methods of competition by circulating false and misleading statements regarding an analysis made by it of samples of one of its competitor's goods to the effect that such products were harmful, dangerous, and of no benefit, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 585.--Federal Trade Commission *v*. Larabee Flour Mills Corporation. Charge: Using unfair methods of competition by offering to give and giving to any grocer, dealer, or merchant who purchased 25 barrels of respondent's flour know as Larabee's Best Flour a 10-year guaranteed gold-filled watch; and offering to give and giving for each 25 barrels of flour thereafter ordered or sold to such grocer, dealer, or merchant a similar watch to any one of his clerks or the cashier, to be designated by him, until everyone in the store of such grocer, dealer, or merchant had received one of such watches, which practice operates to the detriment and disadvantage of competitors selling and dealing in flour and not engaged in such practice, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is now before the Commission for final disposition.

Complaint No. 586.--Federal Trade Commission *v.* Southern Macaroni Manufacturing. Charge: Using unfair methods of competition by offering and giving to jobbers and salesmen of jobbers handling respondent's products bonuses and cash prizes based on the increase in the sales of one or more of respondent's products, and graduated according to the percentage of such increase; and conducting, in pursuance of said offers of bonuses and cash prizes, correspondence encouraging and setting forth the advantages of those who made special efforts to sell respondent's goods by reason of said offers, with the effect of tending to cause and create extra and abnormal financial interest to said jobbers and said salesmen of jobbers m the sale of respondent's products and thereby tending to induce said jobbers and said salesmen of jobbers to give special attention and efforts to selling respondent's products, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 587.--Federal Trade Commission *v.* Tide-Water Oil Co., Tide Water Oil Sales Corporation, and Tide Water Oil Co. of Massachusetts. Charge: (Ante, complaint No.305). Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 588.--Federal Trade Commission *v.* Esco Hosiery Co. (Inc.). Charge: Using unfair methods of competition by labeling, advertising, stamping, and branding on packages containing hosiery bought and sold by it representations that the hose contained in said packages are silk, when in truth and in fact the material in said hose is not all silk, but only a portion of such material in such hose is silk, the remaining portion being composed of material of inferior quality and of less value than silk, with the effect of misleading and deceiving the trade and general public, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 589.-Federal Trade Commission *v.* Ex-Zact Food Products Co. Charge: Using unfair methods of competition by offering to give a bonus or cash commission of 10 per cent on all sales of products manufactured by respondent and other premiums to salesmen, wholesalers, and jobbers handling the products of the respondent and those of its competitors with the effect of creating a direct and personal interest in the sale of respondent's products and inducement to push respondent's products in preference to products of competitors, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 590.--Federal Trade Commission *v.* Bankers Petroleum & Refining Co. Charge: Using unfair methods of competition in the sale of stocks and securities by false statements concerning the location and value of its leases, its refinery, and available source of crude oil, and soliciting subscriptions to and sales of stock by the use of letters, circulars, and other advertising matter containing false and misleading statements and representations concerning respondent's business and alleged benefits which purchasers might derive from purchasing and investing in its said stock, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 591.--The Federal Trade Commission *v.* One-piece Bifocal Lens Co., a corporation. Charge: Using unfair methods of competition by adopting an elaborate system of licensing and price fixing by which respondent's product is manufactured in part by certain licensee manufacturers to a specified degree of utility, and thereupon sold by such manufacturing licensee to other finishing

or retailing licensees who complete the product and sell and distribute the same, the price or prices thereof being at all stages in the progress of the article prescribed and rigidly maintained by the express terms and conditions of its licensing agreements and by the refusal of respondent to sell to those who do not maintain such resale prices, m alleged violation of section 5 of the Federal Trade Commission act; and by agreements with certain of its so-called licensees, upon the agreement or understanding that such licensees shall not use or deal m the product of a competitor or competitors of respondent, with the effect of substantially lessening competition or tending to create a monopoly, in alleged violation of section 3 of the Clayton act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 592.--Federal Trade Commission *v.* The Mebane Iron Bed Co. Charge: Using unfair methods of competition by manufacturing bedsprings similar m appearance to the bed springs produced by the Mebane Bedding Co., which latter company had extensively advertised its products, so that such products had become widely and favorably known and had built up a favorable good will for its products and for the name "Mebane," with the effect of deceiving and misleading the purchasing public and causing it to believe that the respondent and the Mebane Bedding Co. are one and the same, m alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is now before the Commission for final disposition.

Complaint No. 593.--Federal Trade Commission *v.* A. E. Lind, doing business under the assumed name and style of United States Salvage Co. Charge: Using unfair methods of competition by advertising a "Sale of Army and Navy paints" without having for sale any such products for or acquired from the United States Government, with the effect of misleading the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 594.--Federal Trade Commission *v.* Butterick Co., Federal Publishing Co., Standard Fashion Co., Butterick Publishing Co., New Idea Pattern Co., and Designer Publishing Co. Charge: Using unfair methods of competition by entering into contracts with approximately 20,000 retail dry goods dealers whereby its paper dress patterns are to be resold at certain prices fixed and established by respondents, and refusing to sell to those who do not maintain such resale prices, in alleged violation of section 5 of the Federal Trade Commission act; and entering into contracts whereby its dealers are prohibited from dealing in patterns manufactured by competitors of respondents, and enforcing such contracts by refusal to sell to such dealers who do not maintain such agreements and by threats of suits and institution of suits for damages, In alleged violation of section *3* of the Clayton act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 595.--Federal Trade Commission *v.* Dove Oil Co. Using unfair methods of competition in the sale of stock and securities by circulation of false statements as to the location and proven production of its property, with the effect of deceiving the purchasing public as to the true value of the stock of respondent, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 596.-Federal Trade Commission *v.* United Indigo & Chemical Co. Charge: Using unfair methods of competition by giving to employees of its customers and purchasers, and of the employees of its competitors, dinners, theater tickets, cigars, prize-fight tickets, and lavish entertainments

to such employees, payments of cash commissions, bonuses, prizes, and gratuities to the employees of its customers and purchasers and to the employees of its competitors, in order to induce such employees to push and favor the sale of the products of the respondent over the goods of its competitors, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 597.--Federal Trade Commission v. Samuel Weinberg doing business under the trade name and style of the International Flaxol Co. Charge: Using unfair methods of competition by selling a certain product which respondent has named and advertises as "Flaxol," thereby indicating that it is a product or derivative of flax arid the equivalent of linseed oil, the well-known product of flax, when in fact "Flaxol" contains only a small and immaterial amount of linseed oil, is not a product or derivative of flax or the equivalent of linseed oil, and the natural and probable effect of such holding out of the commodity is to mislead the public into believing that "Flaxol" is produced from flax, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 598.--Federal Trade Commission *v.* Everybody's Mercantile Co. Charge: Using unfair methods of competition by giving and offering to give customers and prospective customers, as an inducement to secure their trade and patronage, certain papers, coupons, or certificates which are redeemable in various prizes or premiums consisting of personal property of unequal values, the distribution of which is determined by chance or lot, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 599.--Federal Trade Commission *v.* International Fur Exchange (Inc.), Funsten Bros. & Co., F. C. Taylor Fur. Co., arid Mallory, Mitchell & Faust. Charge: Using unfair methods of competition by refusing to advertise in newspapers except upon condition that the advertising matter from competitors setting forth the prices said competitors are willing to pay for furs purchased from trappers and hunters, be declined; and that by reason of the position of respondents in the fur purchasing business, newspapers have been so coerced, with the effect of depriving the owners of furs of the means of knowing the prices competitors of said respondents are willing to pay there-for, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 600.--Federal Trade Commission *v.* Lewis Pelstring. Charge: Using unfair methods of competition by advertising paints under the names of "Government Supply House," "Pelstring's Government Supply House," etc., with the effect of misleading the purchasing public into the belief that such products were formerly the property of the United States Government, when in fact said products were bought from other dealers in the ordinary course of business and were never the property of the United States Government, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 601.--Federal Trade Commission *v*. Sealwood Co. Charge: Using unfair methods of competition by giving and offering to give to employees, who in the regular course of their employment use shellac, or who direct its use by others, or who are required to purchase shellac or recom-

mend the purchase of shellac to their respective employers, gratuities, such as money, liquor, cigars, meals, and other personal property, as inducements to said employees to influence their respective employers to purchase from respondent its said substitute for shellac (sealwood) and the reducer used in connection therewith, with the effect of excluding the products of its competitors unfairly, m alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. *602*.--Federal Trade Commission *v*. Check Writer Manufacturers (Inc.), and William Hutter. Charge: Using unfair methods of competition by falsely and fraudulently representing themselves to be distributors and sales agents for the Todd Protectograph Co., of Rochester, N. Y., which corporation was and is engaged in the business of manufacturing and selling m interstate commerce various types of check-protecting machines; selling second-hand and rebuilt check-protecting machines, representing them to be new machines; mutilating trade-marks and patent notices on check-protecting machines and substituting therefor fictitious numbers; falsely and fraudulently advertising in newspapers, circulars, letters, and other forms of advertising; that they carried in stock new machines manufactured by the said Todd Protectograph Co.; advertising and offering to sell new machines manufactured by the said Todd Protectograph Co., and when they have received orders for such machines have filled them in many instances with second-hand machines, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 603.--Federal Trade Commission *v.* Southern Hardware Jobbers' Association, Beck & Gregg Hardware Co., Dinkins-Davidson Hardware Co., Crumhey-Sharp Hardware Co., King Hardware Co., George E. King and John Donnan. Charge: Using unfair methods of competition by conspiring and confederating together to prevent the Merchants' Cooperative Association and American Purchasing Co. from purchasing supplies for certain retail hard-ware dealers in the States of Georgia, Alabama, and Florida, either directly from the manufacturers or through the W. A. Ray Hardware Co., by boycott or threats of boycott of the products of any manufacturer who might sell its products to such purchasing agencies. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent.

Complaint No. 604.--Federal Trade Commission *v.* David Kahn and Benjamin Shatkum, doing business under the firm name and style of Shatkum & Kahn. Charge: Using unfair methods of competition by manufacturing and selling fountain pens in which are inserted gold-plated pen points upon which are stamped "14k. gold plate," the words of this stamp being so arranged that the word "plate" occurs near the heel of the pen point and is obscured by the barrel or holder of the pen into which it is inserted, while the words "14k. gold" remain visible; and manufacturing and selling fountain pens m which are inserted gold-plated pen points upon which are stamped "Tribunal 14 Special" the words of this stamp being so arranged that the figure "14" occurs in a prominent place in the center of the pen point with the word "Special" below it, and the word "Tribunal" above it, the effect of which is to lead the public into the belief that the pen points are 14 karat gold, in alleged violation of section 5 of the Federal Trade Commission act. Status: Answer to the Commission's complaint in this proceeding is not yet due.

Complaint No. 605.-Federal Trade Commission *v.* Adolph Braude & Louis Braude, doing business as Franklin Knitting Mills. Charge : Using unfair

methods of competition by conducting its business of buying and selling knitted goods as wholesale merchants or jobbers under the trade name of Franklin Knitting Mills, which assumed trade name leads the customers and public generally to believe that the respondent firm operating under said firm name is a manufacturer of the goods sold by it, when such is not the fact, but respondent is a merchant or jobber and buys the goods so sold; and by adopting the name of Franklin Knitting Mills when there was in existence a corporation whose legal corporate name was "Franklin Knitting Mills (Inc.)," a long-established firm which was engaged in the same general business at the time respondent adopted its name, in alleged violation of section 5 of the Federal Trade Commission act. Status: Answer to the Commission's complaint in this proceeding is not yet due.

Complaint No. 606.-Federal Trade Commission v. The Mennen Co. Charge: That the respondent in the sale of talcum powder, tooth paste, shaving soap, and other toilet articles has adopted a plan of grouping its actual and prospective customers according to an arbitrary classification, and allowing customers In one of such classifications discounts on quantity purchases and refusing discounts of any kind to customers m the other classifications, which practice has a tendency to lessen competition and to create a monopoly, in alleged violation of section 2 of the Clayton Act and section 5 of the Federal Trade Commission act. Status : Answer to the Commission's complaint in this proceeding is not yet due.

Complaint No. 607.--Federal Trade Commission *v.* Iowa-Nebraska-Minnesota Wholesale Grocers' Association, its officers and members. Charge: Using unfair methods of competition by adopting a plan of boycott and withdrawal of patronage from manufacturers and jobbers as a means of coercing such manufacturers and jobbers to refrain from selling to nonmember competitors of the respondents, with the effect that nonmember competitors have been and are being hampered and obstructed in obtaining necessary supplies of the commodities dealt in by them, and have in many instances been entirely deprived of such supplies, and have in other instances been compelled to pay therefor prices far in excess of those required to be paid by their competitors, who are members of respondent association, m alleged violation of section 5 of the Federal Trade Commission act. Status: Answer to the Commission's complaint in this proceeding is not yet due.

Complaint No. 608.--Federal Trade Commission *v.* Amico Oil Co. of Kansas. Charge: Using unfair methods of competition in the sale of stocks and securities by false and misleading statements as to the location, productivity, value. and earning power of respondent's leased oil properties, in alleged violation of section 5 of the Federal Trade Commission act. Status: Answer to the Commission's complaint in this proceeding is not yet due.

Complaint No. 609.--Federal Trade Commission *v.* Philadelphia Wholesale Drug Co., Frank R. Rohrman, Russell T. Blackwood, A. T. Pollard, Harry Z. Krupp, H. C. Clapham, G. U. Fohr, A. R. Hossko, J. N. G. Long, O. W. Osterlund, H. J. Soigfriod, F. P. Strooper. Charge : Using unfair methods of competition by conspiring, confederating, and agreeing together to discriminate against and restrict the purchase of the products of the Mennen Co. by them-selves and the resale by them to customers of their retail stores, by means of a publication called the Druco News, a monthly edition, in which certain statements were made suggesting a boycott on the Mennen Co. products on the ground that the Mennen Co. had refused to allow the respondent the same discount on quantity purchases as were allowed to other purchasers of like quantities, in alleged violation of section 5 of the Federal Trade Commission act.

Status : Answer to the Commission's complaint in this proceeding is not yet due.

Complaint No. 610.--Federal Trade Commission *v.* Montgomery Ward & Co. Charge: Using unfair methods of competition by advertising in printed catalogues that a liquid roofing cement which it offers for sale contains no coal tar, when in truth and in fact said liquid roofing cement does contain coal tar, which fact is well known to the respondent, in alleged violation of section 5 of the Federal Trade Commission act. Status: Answer to the Commission's complaint in this proceeding is not yet due.

Complaint No. 611.--Federal Trade Commission *v.* The Star Provision Co., Malone Oil Co., and B. Marx, trading under the name and style of Liberty Oil Products Co. Charge: Using unfair methods of competition by soliciting trade m various lubricating oil compounds and adulterated linseed oils by means of circulars and circular letters mailed to prospective customers with-out disclosing to the purchasing public the component ingredients of said compounds, and creating the erroneous impression in said circulars and circular letters that such oils and compounds are pure lard, fish, sperm, or linseed oils; and falsely stating in said circulars and circular letters that such oils and compounds will meet the requirements of all mechanical and industrial uses, in alleged violation of section 5 of the Federal Trade Commission act. Status: Answer to the Commission's complaint in this proceeding is not yet due.

Complaint No. 612.--Federal Trade Commission *v.* Great Western Oil Co. Charge: Using unfair methods of competition by falsely advertising that its product which is a mixture of benzol and gasoline and sold under the trade name "Crystal-Pep" has been indorsed by the Automobile Association of America and the United States Bureau of Mines, when such is not the fact, m alleged violation of section 5 of the Federal Trade Commission act. Status: Answer to the Commission's complaint in this proceeding is not yet due.

Complaint No. 613.--Federal Trade Commission *v.* T. C. Hurst and Floyd Hurst, a copartnership doing business under the name and style of T. C. Hurst & Son. Charge: Using unfair methods of competition by giving sums of money and other gratuities to officers and employees of ships as an inducement to influence their employers or the owners of said ships to purchase goods from the respondent, in alleged violation of section 5 of the Federal Trade Commission act Status: Answer to the Commission's complaint in this proceeding is not yet due.

Complaint No. 614.--Federal Trade Commission *v.* Norden Ship Supply Co. Charge: (Ante, complaint No. 613). Status: Answer to the Commission's complaint in this proceeding is not yet due.

Complaint No. 615.--Federal Trade Commission *v.* Marine Equipment Co. (Inc.) Charge: (Ante, complaint No. 613). Status: Answer to the Commission's complaint in this proceeding is not yet due.

Complaint No. 616.--Federal Trade Commission *v.* Quaker Oil Products Corporation. Charge: (Ante, complaint No. 506). Status: Answer to the Commission's complaint in this proceeding is not yet due.

Complaint No. 617.--Federal Trade Commission v. Southern Manufacturing Co. Charge: Using unfair methods of competition by giving to salesmen of grocery Jobbers profit sharing coupons as a means of inducing such salesmen to favor respondent's product over that of competing producers, the number of such coupons given away depending on the amount of sales made by such salesmen, in alleged violation of section 5 of the Federal Trade Commission act. Status: Answer to the Commission's complaint in this proceeding is not yet due.

Complaint No. 618.--Federal Trade Commission *v.* Eastern Road Machinery Co. Charge: Using unfair methods of competition by paying money

to employees of customers and public officials, purchasing liquor, cigars, theater tickets, etc., for employees and public officials, and paying hotel and railway expenses of public officials for the purpose of Inspecting respondent's machinery, and as an inducement to influence such public officials and employees to favor, recommend, purchase, or contract to purchase road making machinery from the respondent, in alleged violation of section 5 of the Federal Trade Commission act. Status: Answer to the Commission's complaint in this proceeding is not yet due.

Complaint No. 619.--Federal Trade Commission *v.* Fawn Creek. Oil & Gas Co. Charge : Using unfair methods of competition by false and misleading advertising m connection with the sale of stock in regard to its holdings in proven oil fields, the disposition of money received from the sale of its stock, and references to issuance of promotion stock and stock bonuses, in alleged violation of section 5 of the Federal Trade Commission act. Status: Answer to the Commission's complaint m this proceeding is not yet due.

PROCEEDINGS DISPOSED OF.

Complaint No.5 (Apr.17, 1916) .--The Federal Trade Commission *v.* The Shredded Wheat Co. Charge: Using unfair methods of competition by preventing competitor from procuring equipment by means of tying contract with manufacturer; spying upon business of competitor and bribery of railroad employees to disclose names of customers of competitor; inducing, by misrepresentation, threats, etc., customers of competitor to cancel orders for its product; prosecuting a vexatious suit against competitor; circulation of false and libelous comments in reference to competitor's officers and product; and endeavoring to prevent competitor from advertising, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered dismissing the complaint herein.

Complaint No.15 (July 5, *1917)* .--Federal Trade Commission *v.* The Curtis Publishing Co. Charge: Using unfair methods of competition by refusing to sell its periodicals and publications to any dealer who will not agree with respondent that he will not sell or distribute the periodicals and publications of certain competitors of respondent to other dealers or distributors, m alleged violation of section 5 of the Federal Trade Commission act; and by selling and making contracts for sale of large supplies of its periodicals and publications on the condition that the purchasers thereof shall not use or deal m the periodicals or publications of competitors of respondent with the effect of substantially lessening competition and tending to create a monopoly, in alleged violation of section 3 of the Clayton Act. Disposition: After hearing, an order wag entered requiring respondent to cease and desist from using the practices complained of under section 5 of the Federal Trade Commission act and section *3* of the Clayton Act.

Complaint No.9 (Nov.15, 1917) .--The Federal Trade Commission *v.* Mishawaka Woolen Manufacturing Co. Charge : Using unfair methods of competition by fixing a schedule of standard prices at which the goods manufactured and sold by it shall be resold by the purchasers thereof; requiring purchasers to agree to maintain or resell such goods at such standard selling prices; and refusing to sell goods to customers not agreeing to maintain or refusing to maintain such standard selling prices, in alleged violation of section 5 of the Federal Trade Commission act; and by discriminating in price between different purchasers of goods manufactured by respondent, in alleged violation of section 3 of the Clayton Act. Disposition: After hearing an order was entered requiring respondent to cease and desist from using the practice com-

plained of under section 5 of the Federal Trade Commission act and section 3 of the Clayton Act.

Complaint No.24 (Jan. 10, 1918) .--Federal Trade Commission *v*. The Galena-Signal Oil Co. Charge: Using unfair methods of competition by contracting with railroads for sale of total requirements of lubricants at guaranteed minimum price and to refund excess, and so adjusting guaranteed cost of lubrication as to require respondent to make refund from invoice price paid by railroads, with resulting price discrimination, in alleged violation of section 5 of the Federal Trade Commission act; discrimination in price between different purchasers of its lubricant, in alleged violation of section 2 of the Clayton Act; making contracts for sale on the condition, agreement, or understanding that purchasers shall not use the goods, wares, merchandise, supplies, or other commodities of competitors of respondent, in alleged violation of section 3 of the Clayton Act. Disposition: After hearing, an order was entered requiring respondent to cease and desist from using the practices complained of under section 5 of the Federal Trade Commission act, and sections 2 and 3 of the Clayton Act.

Complaint No.31 (Jan. 10, 1918) .--Federal Trade Commission *v.* National Biscuit Co. Charge: Using unfair methods of competition by maintaining a system of cumulative monthly discounts in the sale of its products, causing dealers who are required by the large consumer demand to carry "Uneeda Biscuit" and "N. L. Goods," to purchase either largely or exclusively from respondent their requirements for other bakery products in order to obtain the largest possible discount; division of territory and discrimination as to discounts between purchasers in different zones of this territory; and use of "tying contracts" with street car advertising concerns, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered dismissing the complaint herein.

Complaint No.33 (Feb. 1, 1918).--Federal Trade Commission *v.* American Radiator Co. Charge: Using unfair methods of competition by maintaining a system of selling Its products whereby dealers purchasing the same are given certain rebates or discounts, causing such dealers to confine their purchases largely if not entirely to the products of the respondent, and preventing respondent's competitors from making sales of similar products to such buyers, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered dismissing the complaint herein.

Complaint No.83 (Mar. 28, 1918).--Federal Trade Commission *v.* American Mailing Device Corporation. Charge: Using unfair methods of competition by selling and installing its product at and for a price which is at or less than the cost of producing the same, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered dismissing the complaint herein.

Complaint No. 84 (Mar. 28, 1918).--Federal Trade Commission *v.* Cutler Mail Chute Co. Charge: (Ante, complaint No.83.) Disposition: After hearing, an order was entered dismissing the complaint herein.

Complaint No.85 (Apr. 15, 1918).--Federal Trade Commission *v.* Standard Oil Co. of Indiana. Charge: Using unfair methods of competition in the manufacture, sale, and distribution of petroleum products by refusing to sell in quantity hots outside of its territory except to other Standard companies at prices below the tank-wagon prices maintained by it in its own territory; selling at tank-wagon prices direct to customers In certain local competitive areas, etc., in alleged violation of section 5 of the Federal Trade Commission act; and price discrimination and price fixing contingent on the nonuse of competitor's products by the purchaser, tending to create a monopoly and

substantially lessen competition, in alleged violation of sections 2 and 3 of the Clayton Act. Disposition: After hearing, an order was entered requiring respondent to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act, and section 3 of the Clayton Act.

Complaint No. 86 (Apr. 15, 1918).--Federal Trade Commission *v.* F. E. Atteaux & Co. Charge: Using unfair methods of competition in the manufacture and sale of dyestuffs and chemicals by giving gratuities and making, gifts to employees of its own and its competitors' customers, and by loaning and offering to loan money to such employees, all with the intent of inducing the respective employees to purchase materials from the respondent, or to influence such employees to refrain from dealing or contracting to deal with its competitors, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered requiring respondent to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No. 88 (Apr.15, 1918).--Federal Trade Commission *v.* Beech-Nut Packing Co. Charge: Stifling and suppressing competition in the manufacture, marketing, and sale of chewing gum by fixing specified standard resale prices and refusing to sell to those who will not agree to maintain such prices, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered requiring respondent to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No.92 (Apr. 15, 1918) .--Federal Trade Commission *v.* Standard Oil Co. of New York. Charge: Acquiring a large part of the stock of the Magnolia Petroleum Co., the effect of which may be to substantially lessen competition between the two companies and to restrain commerce in petroleum or tend to create a monopoly m that business, In alleged violation of section 7 of the Clayton Act. Disposition: After hearing, an order was entered dismissing the complaint herein.

Complaint No. 97 *(Apr.15, 1918)* .--Federal Trade Commission *v.* S. M. Hexter & Co. Charge : Stifling and suppressing competition in the sale of cotton fabrics by offering its cotton fabric to the public under the trade name of "Sol Satin," which simulation is designed and calculated to, and does, deceive the public and cause purchasers to believe that respondents' fabric is composed of silk, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered requiring respondent to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No. 127 (May 7, *1918)* .--Federal Trade Commission *v.* Meccano (Ltd.) and The Mecanno Co. (Inc.). Charge: Using unfair methods of competition m the sale of "Meccano" mechanical toys by vague and indefinite threats, not made m good faith, to institute legal proceedings against their competitors' customers for alleged unfair and unlawful competition with the Meccano outfits, and books of instruction, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered dismissing the complaint herein.

Complaint No. 128 (May 7, *1918.)*--Federal Trade Commission *v.* The Vaudeville Managers Protective Association, The National Vaudeville Artists (Inc.), The United Booking Office, et al. Charge : Combining in restraint of trade and creating a monopoly of the vaudeville theater, burlesque theater, and circus business by insisting, except m isolated cases, that performers be members of the National Vaudeville Artists (Inc.); that they be

not members of the White Rats Actors Union and Associated Actresses of America, by circumventing the law relative to maximum fees to be paid by performers to secure engagements by controlling and dominating the vaudeville industry, by requiring actor s to advertise in "Variety," by publishing blacklists, etc., in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered dismissing the complaint herein.

Complaint No.130 (May 13, 1918).--Federal Trade Commission *v.* Gilbert & Barker Manufacturing Co. Charge: Using unfair methods of competition in the manufacture and sale of automatic-measuring oil pumps, tanks, etc., by falsely representing the product of certain of its competitors to be unsatisfactory, defective, and that such would not operate and was being sold at exorbitant prices; by inducing competitors' customers to cancel orders ; and by holding itself out to be the agent of its competitors, quoting exorbitant prices, in alleged violation of section 5 of the Federal Trade Commission act; price discrimination, the effect of which may be to substantially lesson competition or tend to create a monopoly, in alleged violation of section 2 of the Clayton Act. Disposition: After hearing, an order was entered dismissing the complaint herein.

Complaint No. 131 (May 13, 1918).--Federal Trade Commission *v.* Atlantic Refining Co. Charge: Unfair methods of competition in the sale of petroleum and in the sale of automatic-measuring oil pumps, tanks, etc., the product of the Gilbert & Barker Manufacturing Co. (ante, complaint No.130), by falsely representing the product of certain of its competitors to be unsatisfactory, defective, and that such would not operate and was being sold at exorbitant prices ; by inducing competitors' customers to cancel orders; selling and lending pumps, etc., without adequate consideration; threatening to sell oil direct by retail unless leaders used the Gilbert & Barker product; and by holding itself out to be the agent of its competitors as well as of the Gilbert & Barker Manufacturing Co., quoting exorbitant prices, hi alleged violation of section 5 of the Federal Trade Commission act, price discrimination, the effect of which may be to substantially lessen competition or tend to create a monopoly, in alleged violation of section 2 of the Clayton Act. Disposition: After hearing, an order was entered requiring respondent to cease and desist from the practices complained of under section 5 of the Federal Trade Commission act and section 2 of the Clayton Act.

Complaint No.132 (May 13, 1918).--Federal Trade Commission *v.* Standard Oil Co. of Ohio. Charge: Unfair methods of competition in the sale of petroleum and in the sale of automatic measuring oil pumps, tanks, etc., the product of the Gilbert & Barker Manufacturing Co., by falsely representing the product of certain of its competitors to be unsatisfactory, defective, and that such would not operate and was being sold at exorbitant prices; by inducing competitors' customers to cancel orders ; selling and lending pumps, etc., without adequate consideration; threatening to sell oil direct by retail unless dealers used the Gilbert & Barker product; and by holding itself out to be the agent of its competitors as well as of the Gilbert & Barker Manufacturing Co., quoting exorbitant prices, in alleged violation of section 5 of the Federal Trade Commission act; price discrimination, the effect of which may be to substantially lessen competition or tend to create a monopoly, in alleged violation of section 2 of the Clayton Act. Disposition: After hearing, an order was entered requiring respondent to cease and desist from the practices complained of under section 5 of the Federal Trade Commission act and section 2 of the Clayton Act.

Complaint No. 133 (May 13, 1918).--Federal Trade Commission *v.* Standard Oil Co. of Indiana. Charge: Unfair methods of competition in the sale of petroleum and in the sale of automatic measuring oil pumps, tanks, etc. (ante, complaint No. 132). Disposition: After hearing, an order was entered requiring respondent to cease and desist from the practices complained of under section 5 of the Federal Trade Commission act and section 2 of the Clayton Act.

Complaint No.131, (May 13, 1918).--Federal Trade Commission v. Standard Oil Co. of New York. Charge : (Ante, complaint No.132). Disposition: After hearing, an order was entered requiring respondent to cease and desist from the practices complained of under section 5 of the Federal Trade Commission act and section 2 of the Clayton Act.

Complaint No.136 (May 13, 1918) .--Federal Trade Commission *v.* American Tank & Pump Co. Charge: Using unfair methods of com petition m time manufacture and sale of automatic measuring oil pumps, etc., by inducing and attempting to induce, by divers means and methods, its customers and the customers of its competitors to cancel and rescind orders and contracts for the purchase of the product of its competitors, with the intent and effect of stifling and suppressing competition in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered dismissing the complaint herein.

Complaint No.138 (*May 13, 1918).*--Federal Trade Commission *v.* Tokheim Manufacturing Co. Charge: (Ante, complaint No. 136). Disposition: After hearing, an order was entered dismissing the complaint herein.

Complaint No.139 (May 13, 1918).--Federal Trade Commission *v.* Guarantee Liquid Measure Co. Charge: (Ante, complaint No.136). Disposition: After hearing, an order was entered dismissing time complaint herein.

Complaint No. 144 (May 17, 1918).--Federal Trade Commission *v.* Weyl-Zuckerman Co.- Charge: Stifling and suppressing competition in the sale and distribution of farm products and foodstuffs by obtaining the use of freight cars by means of a preferential order secured through statements made that cars were to be employed In the transportation of farm products, foodstuffs, and perishable commodities to be used by the Government in prosecution of the war, and then diverting certain of such cars to its private use, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered dismissing the complaint herein.

Complaint No.145 (May 24, 1918).--Federal Trade Commission *v.* Consolidated Rendering Co., New Haven Rendering Co., Atlantic Packing Co., and L. T. Frisbie Co. Charge: Stifling and suppressing competition In the rendering business by purchasing and offering to purchase in certain local areas raw materials necessary in the manufacture of their products at and for prices unwarranted by trade conditions and so high as to be prohibitive to small competitors in such areas, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered dismissing the complaint herein.

Complaint No. 156 (June 6, 1918).--Federal Trade Commission v. Purity Preserving Co. and R. J. McGular Co. Charge: Using unfair methods of competition by the Purity Preserving Co. failing to fill certain contracts with brokers and wholesale grocers for tomato catsup, and time R. J. McGular Co. taking over the plant of the Purity Preserving Co. and offering for sale, on the open market tomato catsup manufactured in time plant of the Purity Preserving Co. by the employees of said company and under the direction and supervision of the officers of said Purity Preserving Co., said catsup being offered at market

prices, which prices were higher than the prices at which the Purity Preserving Co. agreed to sell said catsup, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered dismissing the complaint herein.

Complaint No.164 (June 29, 1918).--Federal Trade Commission *v.* Federal Rope Co. (Inc.). Charge: Using unfair methods of competition by falsely representing the rope manufactured by it as composed entirely and exclusively of new manila fiber, while in fact it is remade from strands taken from old and used rope, and contains other than pure manila fiber; and using certain methods, appearances, and simulations in packing and distributing said rope to the trade so as to give it the appearance of new and unused rope, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered requiring respondent to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No.198 (Oct.15, 1918).--Federal Trade Commission *v.* Closset & Devers (Inc.). Charge: Stifling and suppressing competition in the sale of coffee by fixing and maintaining resale prices, requiring dealers to maintain such resale prices, and refusing to sell to those who will not maintain such resale prices, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered dismissing the complaint herein.

Complaint No.199 (Oct.15, 1918).--Federal Trade Commission *v.* National Grocery Co. Charge: (Ante, complaint No.198). Disposition: After hearing, an order was entered dismissing the complaint herein.

Complaint No.200 (Oct.15, 1918).--Federal Trade Commission *v.* The Rogers Co. Charge: (Ante, complaint No. 198). Disposition: After hearing, an order was entered dismissing the complaint herein.

Complaint No. 201 (Oct. 15, 1918).--Federal Trade Commission v. Schwabacher Bros. & Co. (Inc.). Charge : (Ante, complaint No.198). Disposition: After hearing, an order was entered dismissing the complaint herein.

Complaint No.202 (Oct.15, 1918).--Federal Trade Commission *v.* Seattle Grocery Co. Charge: (Ante, complaint No.198). Disposition: After hearing, an order was entered dismissing the complaint herein.

Complaint No.203 (Oct.15, 1918).-Federal Trade Commission *v.* Washington Retail Grocers & Merchants Association. Charge: Using unfair methods of competition by means of a combination or conspiracy to compel wholesale coffee dealers to maintain a system of fixing prices at which their coffee shall be resold by dealers who will not agree to maintain resale prices, publishing articles in its official organ, the Northwestern Merchant, urging retail coffee dealers to boycott wholesalers who do not maintain resale prices, and boycotting the goods of coffee dealers who are not members of respondent association and who do not maintain resale prices, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered dismissing the complaint herein.

Complaint No.204 (Oct.17, 1918).--Federal Trade Commission *v.* Commonwealth Color & Chemical Co. and Herbert L. Wittnebel. Charge : Using unfair methods of competition in the sale of colors, chemicals, and dyestuffs, viz, giving gratuities of different kinds, including sums of money, to employees of their customers, prospective customers, and customers and prospective customers of competitors as an inducement to influence their employers to purchase respondents' colors, dyestuffs, and chemicals and to refrain from purchasing those of respondents' competitors, in alleged violation of section 5 of the

Federal Trade Commission act. Disposition: After hearing, an order was entered dismissing the complaint herein.

Complaint No.208 (Oct.30, 1918).--Federal Trade Commission *v.* The Royal Cinema Corporation and two other motion-picture companies. Charge: Using unfair methods of competition by producing, selling leasing, and advertising a motion picture under the title "Mothers of Liberty," which is substantially a copy of another and copyrighted motion picture entitled "The Ordeal," without notifying the exhibitors and the public that it is such, and falsely accusing exhibitors who refuse to exhibit said "Mothers of Liberty" of being German sympathizers and disloyal to the Government of the United States, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered requiring respondent to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No.211 (Oct.30, 1918).--Federal Trade Commission *v.* The Henry-Miller Foundry Co. Charge : Using unfair methods of competition by maintaining a system of cumulative rebates given to customers upon their aggregate purchases during a certain period, the effect thereof being to cause such purchasers to confine their trade to the products of respondent and to prevent competitors from selling similar products except at such prices as will offset the loss of re-bates granted to such customers in the event that such customers divide their patronage, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered dismissing the complaint herein.

Complaint No.212 (Oct. 30, 1918).--Federal Trade Commission *v.* A. T McClure, Arthur W. McClure and John R. McClure, partners, trading as A. T McClure Glass Co. Charge: Using unfair methods of competition in misbranding glass by changing the labels and other marks used by manufacturers to de-note quality, so as to mislead the public into the belief that the glass is of better quality, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered requiring respondent to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No.214 (Oct.30, 1918).--Federal Trade Commission *v.* The Winstead Hosiery Co. Charge: Using unfair methods of competition by false and misleading advertisements tending to deceive the public into the belief that underwear manufactured by respondent is composed wholly of wool, whereas, in fact, it contains but a small amount of wool, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered requiring respondent to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No.216 (Nov.12, 1918).--Federal Trade Commission *v.* Gregory Furniture Manufacturing Co. Charge: Stifling and suppressing competition in the sale of furniture by fixing and maintaining resale prices, requiring dealers to maintain such resale prices, and refusing to sell to those who will not maintain such resale prices, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered requiring respondent to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No. 221 (Dec. 2, 1918) .--Federal Trade Commission *v.* Vapo-Cresoline Co. Charge: Stifling and suppressing competition in the sale of proprietary medicine by fixing and maintaining resale prices, requiring dealers to maintain such resale prices, and refusing to sell to those who will not main-

tain such prices, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered dismissing the complaint herein.

Complaint No.226 (Dec. 14, 1918).--Federal Trade Commission *v.* Kinney-Rome Co. Charge: Using unfair methods of competition in the sale of bed springs and kindred products by giving to salesmen of merchants handling its products and those of its competitors gratuities, consisting pf watches and other personal property, as an inducement to influence them to push the sales of respondent's products to the exclusion of the products of its competitors, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered requiring respondent to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No.235 (Jan. 6, 1919.)--Federal Trade Commission *v.* Portable Conveying Machinery Co. Charge: Using unfair methods of competition by threatening competitors with suits for patent infringements, which threats are not made in good faith, and false and misleading statements with respect to alleged pending lawsuits against competitors and with respect to the Invention of a portable elevator manufactured by a competitor, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered requiring respondent to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No. *236 (Jan. 6, 1919.)*--Federal Trade Commission *v.* Carter Paint Co. Charge: Using unfair methods of competition, consisting of giving gratuities of different kinds to salesmen of jobbers handling respondent's products as an inducement to push the sale of respondent's products in preference to those of its competitors, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered requiring respondent to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No. 239 (Jan.11, 1919).--Federal Trade Commission *v.* Royal Easy Chair Co. Charge: Using unfair methods of competition in the sale of reclining chairs and kindred products by giving a cash bonus on each chair sold to salesmen of retail merchants handling the products of respondent and those of its competitors, as an inducement to push the sale of respondent's products, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered requiring respondent to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No.241 (Jan. 21, 1919.)--Federal Trade Commission *v.* J. Frank Bates, trading as Malzo Coffee Co. Charge : Using unfair methods of competition In the sale of coffee, consisting of the adoption and use of the trade name Malzo Coffee Co., which name is so similar to that of a competitor as to deceive and mislead the trade and purchasing public and cause them to believe that respondent's coffee is one and the same as that of its competitor, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered requiring respondent to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No. 242 (Jan. 23, 1919) .--Federal Trade Commission *v.* Nihes Normalizing Machine Co. (Inc.). Charge: Using unfair methods of competitors' customers for alleged violation of respondent's patent rights in and

to certain flesh-reducing machines, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered dismissing the complaint herein.

Complaint No.245 (Feb. 6, 1919).--Federal Trade Commission *v.* The Harrison Specialty Co. Charge: Using unfair methods of competition in connection with the sale of plugs for leaking tubes In steam boilers, by giving money to employees of customers, prospective customers, and customers and prospective customers of competitors as an inducement to influence their employers to purchase the products of respondent and to refrain from purchasing from competitors, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered dismissing the complaint herein.

Complaint No.249 (Feb. 6, 1919).--Federal Trade Commission *v.* The Corcoran Manufacturing Co. Charge: Using unfair methods of competition in the manufacture and sales of automobile radiators, consisting of manufacturing a radiator so similar in shape and design to that of a competitor that it is calculated to, and does, deceive and cause purchasers to believe that respondent's radiator is one and the same as that of a competitor, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered dismissing the complaint herein.

Complaint No.252 (Feb. 6, 1919).--Federal Trade Commission *v.* Mercury Tire Co. (Inc.). Charge: Using unfair methods of competition in the sale of automobile tires, by purchasing old and discarded tires, retreading them, and remarking them with new brand names, and advertising and selling them as new tires with a guaranty of 4,000 miles of service, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered dismissing the complaint herein.

Complaint No.253 (Feb. 6, 1919).--Federal Trade Commission *v.* William H. Batcheller, George Batcheller, and Akron Tire Co. (Inc.). Charge: Using unfair methods of competition in the sale of automobile tires (ante, complaint No.252). Disposition: After hearing, an order was entered requiring respondent to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No. 254 (Feb. 20, 1919).--Federal Trade Commission *v.* Western Sugar Refining Co., California-Hawaiian Sugar Refining Co., Seven Wholesale Grocers of Los Angeles, Calif., and 19 members of the Southern California Association of Manufacturers' Representatives. Charge: Using unfair methods of competition by the refusal of the respondent sugar refining companies to sell cane sugar to the Los Angeles Grocery Co., a wholesale grocer; conspiring together to prevent the Los Angeles Grocery Co. from obtaining commodities from manufacturers and manufacturers' agents; and by boycotts and threats of boycotts inducing manufacturers and agents to refuse to sell to the Los Angeles Grocery Co. The 19 members of the Association of Manufacturers' Representatives are charged with permitting the seven Los Angeles wholesale grocers to intimidate them by boycotting and threatening to boycott the products sold by them if same were sold to the Los Angeles Grocery Co., the result of such intimidation being that said agents have refused to sell the products manufactured by their respective principals to the Los Angeles Grocery Co., in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered requiring respondent to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No. 255 (Mar. 3, 1919).--Federal Trade Commission *v.* ruud Manufacturing Co. and Pittsburgh Water Heater Co. Charge: Using unfair methods

of competition in connection with the manufacture and sale of water heaters by agreeing among themselves to fix and maintain resale prices, requiring purchasers to maintain such resale prices, and refusing to sell to those who will not maintain such resale prices alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered requiring respondent to cease and desist from using the practices complained of under section 5 of the Federal Trade Commission act.

Complaint No.256 (Mar 31 1919).--Federal Trade Commission *v.* James B. Schafer, trading as Universal Battery Service Co. Charge : Using unfair methods of competition in the sale of electric batteries, consisting of the adopting and use of the trade name "Universal Battery Service Company," which trade name is so similar to that of a competitor as to deceive and mislead the trade and purchasing public and cause them to believe that the respondent's products are one and the same as that of its competitors, imitating the color scheme of competitor's advertisements, and falsely advertising that respondent's batteries last forever, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered requiring respondent to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No.257 (Mar. 7, 1919).--Federal Trade Commission *v.* Twin City Printers' Roller Co. Charge: Using unfair methods of competition in connection with the sale of printing-press rollers by giving gratuities of different kinds, including sums of money, to employees of customers, prospective customers, and customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's printing-press rollers and to refrain from purchasing those of respondent's competitors, in alleged violation of section 5 of the Federal Trade Com mission act. Disposition: After hearing, an order was entered requiring respondent to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No.258 (Mar. 17, 1919).--Federal Trade Commission *v.* McKnight-Keaton Grocery Co., Wood & Bennett Co., the Scudders-Gale Grocery Co., and Ray L. Hosmer & Co. Charge: Using unfair methods of competition, consisting of the respondents, both individually and by means of a combination among themselves, unfairly hampering a competitor by inducing manufacturers of groceries and kindred merchandise to refuse to recognize such competitor as a wholesaler and entitled to buy at a wholesaler's price, thus forcing competitor to buy at higher prices, in alleged violation of section 5 of the Federal Trade Commission act. Disposition : After hearing, an order was entered requiring respondent to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No. 264 (Mar.18, 1919).--Federal Trade Commission *v.* Roy C. Downs and George W. Lord, partners, trading as Engineering Supply Co. Charge: Using unfair methods of competition in connection with the sale of boiler compounds, oils, and greases by giving gratuities of different kinds, including sums of money, to employees of customers, prospective customers, and customers and prospective customers of competitors, as an inducement to influence their employers to purchase respondent's boiler compounds, oils, and greases, and to refrain from purchasing those of competitors, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered requiring respondent to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No.265 (Mar 24. 1919).--Federal Trade Commission *v.* Butterick Co., Federal Publishing Co., Standard Fashion Co., Butterick Publishing Co., and New Idea Pattern Co. Charge: Stifling and suppressing competition in the sale of paper dress patterns by fixing and maintaining resale prices, requiring dealers to maintain such resale prices, and refusing to sell to those who will not maintain such resale prices, in alleged violation of section 5 of the Federal Trade Commission act; and selling and making contracts for sale of paper dress patterns on the condition, agreement, or understanding that the purchasers thereof shall not use or deal in the pa per dress patterns of competitors, the effect of which may be to substantially lessen competition or tend to create a monopoly, in alleged violation of section 3 of the Clayton Act. Disposition: After hearing, an order was entered dismissing the complaint herein.

Complaint No. 271 (Apr. 15, 1919).--Federal Trade Commission *v*. Fruit Growers' Express. Charge: Tying contracts with various railroads for the use of refrigerator cars, having the effect of substantially lessening competition in the transportation of fresh fruits and vegetables and the creation of a monopoly in such transportation, such contracts containing a clause that the railroad shall use the respondent's equipment exclusively in the movement of fruits and vegetables under refrigeration, in alleged violation of section 3 of the Clayton Act. Disposition: After hearing, an order was entered requiring respondent to cease and desist from using the practice complained of under section 3 of the Clayton Act.

Complaint No. 273 (May 26, 1919).--Federal Trade Commission *v.* Pail Motor Co. and Samuel C. Pandolfo. Charge: Using unfair methods of competition, consisting in making, publishing, advertising, and circulating false and misleading statements concerning the organization, assets, progress, financial standing, and responsibility of the Pan Motor Co. and concealing from the public facts relating to and affecting the organization and financial standing of said company, and making, publishing, and advertising false statements in circulars, advertisements, and other publications regarding the design, manufacture, production, and price of certain automobiles represented as being manufactured by the said Pan Motor Co., in alleged violation of section 5 of the Federal Trade Commission act. After hearing, an order was entered requiring respondent to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No.274 (May 27, 1919).--Federal Trade Commission *v.* Nestle's Food Co. (Inc.). Charge: Using unfair methods of competition in connection with the sale of milk in Mexico, consisting in adopting and using upon cans of condensed milk certain forms of labels which mislead the public in Mexico to believe that such condensed milk Is manufactured in Europe, whereas it is manufactured in and shipped from the United States, in alleged violation of section 5 of the Federal Trade Commission act, as extended by section 4 of the Webb Act. Disposition: After hearing, an order was entered requiring respondent to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act as extended by section 4 of the Webb Act.

Complaint No.275 (May 27, *1919).*--Federal Trade Commission *v.* Mutual Candy Co. (Inc.). Charge: Using unfair methods of competition in connection with the sale of confections and chewing gum, consisting of fixing and maintaining prices at which the confections and chewing gum manufactured by the Beech-Nut Packing Co. shall be resold by stockholders and other jobbers of respondent to retail dealers and by retail dealers to the consuming public,

requiring its stockholders, jobbers and retail dealers to agree to maintain such resale prices, refusing to sell its products to stockholders, jobbers, or retail dealers who will not agree to maintain such resale prices, and occupying the dual role of selling agent for the products manufactured by the Beech-Nut Packing Co., and either chewing gum manufacturers and of purchasing agent for its stockholders although ostensibly purchasing such products from the manufacturer and reselling them to its own stockholders, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered requiring respondent to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No. 276 (May 27, 1919).--Federal Trade Commission *v.* Jacob Lanski. Charge: Using unfair methods of competition in the purchase of scrap iron by knowingly accepting, unloading, and converting to his own use freight cars of iron and steel scrap delivered to him by railway companies, but originally purchased by and shipped to the I. Lanski & Son Scrap Iron Co., and by means of information contained in freight bills and other correspondence relating to such shipments delivered by mistake through the mails to respondent, learning the names of numerous dealers with whom the I. Lanski & Son Scrap Iron Co. were doing business, and attempting to induce such persons to transact their business with him, in alleged violation of section 5 of the Federal Trade Com-mission act. Disposition: After hearing, an order was entered requiring respondent to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No.278 (May 27, 1919).--Federal Trade Commission *v.* Tokheim Oil Tank & Pump Co. Charge: Using unfair methods of competition in manufacturing and selling automatic measuring oil pumps, tanks, and kindred products by systematically and on a large scale inducing and enticing and attempting to induce and entice employees from its competitors to leave their employers by offering them employment with respondent, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered dismissing the complaint herein.

Complaint No. 279 (May 27, 1919).--Federal Trade Commission *v.* The Chamberlain Cartridge & Target Co. Charge: Using unfair methods of competition, consisting of refusing to lease its patented traps for throwing clay-pigeon targets to those who will not agree to use them exclusive y in connection with the targets made by respondent, and canceling and threatening to cancel its leases of said traps when the lessees have attempted to use them for throwing targets manufactured by respondent's competitors, in alleged violation of section 5 of the Federal Trade Commission act; and leasing traps for throwing clay-pigeon targets on the condition, agreement, or understanding that the lessees thereof shall not use in connection with said traps the goods, wares, and merchandise of a competitor, the effect of which is to substantially lessen competition or tend to create a monopoly, in alleged violation of section 3 of the Clayton Act. Disposition: After hearing, an order was entered requiring respondent to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act and section 3 of the Clayton Act.

Complaint No.280 (May 27, 1919).--Federal Trade Commission *v.* The Pres-O-Lite Co. (Inc.). Charge: Selling and making contracts for the sale of acetylene gas in specially constructed steel containers, for which containers purchasers are required to make a deposit equal to their fair market value, and which, when empty, they have the right to return and receive in exchange therefor a recharged container upon the payment of the price of the

gas, no provision being made for a refund of the cash deposit in the event that the customer should purchase no more of respondent's gas, and also agree not to use in connection with said containers the acetylene gas of competitors, the effect of which Is to substantially lessen competition or tend to create a monopoly, in alleged violation of section 3 of the Clayton Act. Disposition: After hearing, an order was entered dismissing the complaint herein.

Complaint No.281 (May 27, 1919).--Federal Trade Commission *v.* Emil West, trading as the Sweater Store. Charge: Using unfair methods of competition consisting of conducting a store for the sale of men's and women's wearing apparel and knitted goods under the name of "The Sweater Store," which name is so similar to that of a competitor as to deceive and mislead the trade and purchasing public and cause them to believe that respondent's firm, store, and business are one and the same as that of its competitor, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered requiring respondent to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No.282 (June 21, 1919) .--Federal Trade Commission *v.* Federal Color & Chemical Co. Charge: Using unfair methods of competition in connection with the sale of dyestuff, chemicals, soap, and kindred products, by giving gratuities of different kinds, including sums of money, to employees of its customers, prospective customers, and customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's products and to refrain from purchasing those of competitors, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered requiring respondent to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No. 283 (June 23, 1919).--Federal Trade Commission *v.* Webb-Jensen -Davis Co. (Inc.). Charge: Using unfair methods of competition in connection with the sale of its products by giving gratuities of different kinds, including sun's of money, to employees of its customers, prospective customers, and customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's products and to refrain from purchasing those of competitors, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered dismissing the complaint herein.

Complaint No.284 (June 21, 1919).--Federal Trade Commission *v.* William Morhmann. Charge: (Ante, complaint No.283). Disposition: After hearing, an order was entered requiring respondent to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No.285 (June 21, 1919).--Federal Trade Commission *v.* Original Bradford Soap Works (Inc.). Charge: (Ante, complaint No.283). Disposition: After hearing, an order was entered requiring respondent to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No. 286 (June 21, 1919) .--Federal Trade Commission *v.* Harry Bentley, doing business under the name and style of The Standard Soap Co. Charge: Using unfair methods of competition in connection with the sale of its products by secretly paying money to employees of his customers, prospective customers, and customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's products and to refrain from dealing with respondent's competitors, in alleged violation of section 5 of the Federal Trade act. Disposition: After

hearing, an order was entered requiring respondent to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No. 287 (June 21 1919).--Federal Trade Commission *v.* Charles J. Fox. Charge : (Ante, complaint No. 286). Disposition: After hearing, an order was entered requiring respondent to cease and desist from using the practice complained of under section 5 f the Federal Trade Commission act.

Complaint No. 288 (June 21, 1919).--Federal Trade Commission *v.* J. L. Quimby, doing business under the name and style of J. L. Quimby & Co. Charge: (Ante, complaint No.283) Disposition: After hearing, an order was entered requiring respondent to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No.289 (June 21, 1919).--Federal Trade Commission *v.* Woodley Soap Manufacturing Co. Charge: Using unfair methods of competition in connection with the sale of Its products by giving gratuities of different kinds to employees of Its customers, prospective customers and customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's products and to refrain from purchasing those of competitors, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered requiring respondent to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No.290 (June 21, 1919).--Federal Trade Commission *v.* Enterprise Soap Works (Inc.). Charge: (Ante, complaint No. 283). Disposition: After hearing, an order was entered requiring respondent to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No. 291 (June 21, 1919.)--Federal Trade Commission *v.* The Arabol Manufacturing Co. Charge: (Ante, complaint No.283). Disposition: After hearing, an order was entered requiring respondent to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No.292 (June 21, 1919).--Federal Trade Commission *v.* Roxbury Chemical Co. Charge: (Ante, complaint No.283). Disposition: After hearing, an order was entered requiring respondent to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No. 294 (June 23, 1919).--Federal Trade Commission *v.* O. P. Olsen & Co. (Inc.). Charge: (Ante, complaint No.286). Disposition: After hearing, an order was entered requiring respondent to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No.295 (June 23, 1919).--Federal Trade Commission *v.* Bosson & Lane. Charge: (Ante, complaint No. 283). Disposition: After hearing, an order was entered requiring respondent to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No.296 (June 23, *1919).*--Federal Trade Commission v. Dobbins Soap Manufacturing Co. Charge: (Ante, complaint No. 289). Disposition: After hearing, an order was entered requiring respondent to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No. 297 (June 23, 1919).--Federal Trade Commission *v.* India Alkali Works. Charge: (Ante, complaint No.289). Disposition: After hearing, an order was entered requiring respondent to cease and desist using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No.298 (June 23, 1919).--Federal Trade Commission *v.* National Oil Products Co. Charge: (Ante, complaint No. 289) Disposition : After hearing; an order was entered requiring respondent to cease and desist using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No.299 (June 23, 1919).--Federal Trade Commission *v.* United States Oil & Supply Co. Charge : (Ante, complaint No. 289). Disposition: After hearing, an order was entered requiring respondent to cease and desist using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No.300 (June 23, 1919).--Federal Trade Commission *v.* Robert Cohn and Adolph Cohn, doing business under the name and style of Lois Cohn & Sons. Charge : (Ante, complaint No.286). Disposition: After hearing, an order was entered requiring respondent to cease and desist using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No. 301 (June 23, 1919).--Federal Trade Commission *v.* Arne Meyer, doing business under the name and style of Marine Supply Co. Charge: (Ante, complaint No.283). Disposition: After hearing, an order was entered requiring respondent to cease and desist using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No. 302 (June 21, 1919).--Federal Trade Commission *v.* The Alladin Co., successors to the North American Construction Co. Charge : Using unfair methods of competition by means of circular letters and advertising matter containing false statements derogatory of so-called "regular dealers" (respondent being a mail-order house) in lumber, and false and misleading statements concerning the alleged benefits which the public might derive from trading with respondent, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered dismissing the complaint herein.

Complaint No. 304 (July 18, 1919).--Federal Trade Commission *v.* Orient Music Roll Co. Charge: Using unfair methods of competition by purchasing music rolls manufactured and sold by competitors, making duplicates thereof, and selling such duplicated music rolls in competition with those manufactured by competitors, for the purpose of securing an undue advantage over competitors by appropriating the results of competitors' ingenuity, labor, and expense, avoiding the cost of producing master rolls, and enabling it to sell such duplicate music rolls at lower prices than those which manufacturers of the original perforated paper music rolls are obliged to charge, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered requiring the respondent to cease and desist using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No. 309 (July 18, 1919).--Federal Trade Commission *v.* Maloney Oil & Manufacturing Co. Charge: Using unfair methods of competition by selling, leasing, or loaning oil pumps, storage tanks, or containers, etc., at prices which do not represent a reasonable return on the investment, many such sales, leases, or loans being made at prices below the cost of producing and vending the same, and many of the contracts for the lease or loan of such devices providing or being entered into with the understanding that the lessee or borrower shall not place in such devices or use in connection therewith any refined oil or gasoline of a competitor, in alleged violation of section 5 of the Federal Trade Commission act; and making contracts for the lease of its devices, etc., on the condition, agreement, or understanding that the

lessees thereof shall not use or purchase or deal in the products of a competitor or competitors of respondent, in alleged violation of section 3 of the Clayton Act. Disposition: After hearing, an order was entered requiring the respondent to cease and desist using the practice complained of under section 5 of the Federal Trade Commission act and section 3 of the Clayton Act.

Complaint No.311 (July 18, 191 9).--Federal Trade Commission *v.* Sterling Oil Corporation. Charge: (Ante complaint No. 309). Disposition: After hearing, an order was entered requiring the respondent to cease and desist using the practice complained of under section 5 of the Federal Trade Commission act and section 3 of the Clayton Act.

Complaint No. 812 (July 18, 1919).--Federal Trade Commission *v.* Pavania Oil Co. Charge: (Ante, complaint No. 309). Disposition: After hearing, an order was entered requiring the respondent to cease and desist using the practice complained of under section 5 of the Federal Trade Commission act and section 3 of the Clayton Act.

Complaint No.313 (July 18, 1919).--Federal Trade Commission *v.* The Red "C" Oil Manufacturing Co. Charge: (Ante, complaint No.309). Disposition: After hearing, an order was entered requiring the respondent to cease and desist using the practice complained of under section 5 of the Federal Trade Commission act and section 3 of the Clayton Act.

Complaint No.314 (July 18, 1919).--Federal Trade Commission *v.* C. L. Smith Oil & Gasoline Co. Charge: (Ante, complaint No. 309). Disposition: After hearing, an order was entered requiring the respondent to cease and desist using the practice complained of under section 5 of the Federal Trade Commission act and section 3 of the Clayton Act.

Complaint No.316 (July 18, 1919).--Federal Trade Commission *v.* Kendall Refining Co. Charge: (Ante, complaint No.309). Disposition : After hearing, an order was entered requiring the respondent to cease and desist using the practice complained of under section 5 of the Federal Trade Commission act and section 3 of the Clayton Act.

Complaint No. 318 (July 18,1919).--Federal Trade Commission *v.* The Paragon Refining Co. Charge: (Ante, complaint No. 309). Disposition: After hearing, an order was entered requiring the respondent to cease and desist using the practice complained of under section 5 of the Federal Trade Commission act and section 3 of the Clayton Act.

Complaint No. 320 (July 18, 1919).--Federal Trade Commission *v.* Gulf Refining Co. Charge: (Ante, complaint No.309). Disposition: After hearing, an order was entered requiring the respondent to cease and desist using the practice complained of under section 5 of the Federal Trade Commission act and section 3 of the Clayton Act.

Complaint No.323 (July 18, 1919).--Federal Trade Commission *v.* The Canfield Oil Co. Charge: (Ante, complaint No. 309). Disposition: After hearing, an order was entered requiring the respondent to cease and desist using the practice complained of under section 5 of the Federal Trade Commission act and section 3 of the Clayton Act.

Complaint No.327 (July 18, 1919).--Federal Trade Commission *v.* The Lilly White Oil Co. (Inc.). Charge: (Ante, complaint No.309). Disposition: After hearing, an order was entered requiring tile respondent to cease and desist using the practice complained of under section 5 of the Federal Trade Commission act and section 3 of the Clayton Act.

Complaint No.330 (July 18, 1919).--Federal Trade Commission *v.* Richardson Lubricating Co. Charge: (Ante, complaint No.309). Disposition: After hearing, an order was entered dismissing the complaint herein.

Complaint No. 331 (July 18,1919).--Federal Trade Commission *v.* Elmer E. Harris & Co. Charge: (Ante, complaint No. 309). Disposition: After hearing, an order was entered requiring the respondent to cease and desist using the practice complained of under section 5 of the Federal Trade Commission act and section 3 of the Clayton Act.

Complaint No. 333 (July 18, 1919).--Federal Trade Commission *v.* Suor Oil Products Corporation. Charge: (Ante, complaint No.309). Disposition: After an order was entered requiring the respondent to cease and desist using the practice complained of under section 5 of the Federal Trade Commission act and section 3 of the Clayton Act.

Complaint No.334 (July 18, 1919).--Federal Trade Commission *v.* Sinclair Refining Co. Charge: (Ante, complaint No.309). Disposition: After hearing, an order was entered requiring the respondent to cease and desist using the practice complained of under section 5 of the Federal Trade Commission act and section 3 of the Clayton Act.

Complaint No. 335 (July 18, *1919).*--Federal Trade Commission *v.* Louis Blaustein. Charge: (Ante, complaint No.309). Disposition: After hearing, an order was entered requiring the respondent to cease and desist using the practice complained of under section 5 of the Federal Trade Commission act and section 3 of the Clayton Act.

Complaint No.336 (July 18, 1919).--Federal Trade Commission *v.* Iowa Oil Co. Charge: (Ante, complaint No.309). Disposition: After hearing, an order was entered requiring the respondent to cease and desist using the practice complained of under section 5 of the Federal Trade Commission act and section 3 of the Clayton Act.

Complaint No.337 (July 18, 1919).--Federal Trade Commission *v.* Standard Oil Co. of New Jersey. Charge: (Ante, complaint No.309). Disposition: After hearing, an order was entered requiring the respondent to cease and desist using the practice complained of under section 5 of the Federal Trade Commission act and section 3 of the Clayton Act.

Complaint No. 340 (Sept. 2, 1919).--Federal Trade Commission *v.* The Electric Appliance Co. Charge: Using unfair methods of competition by misleading the general public by marketing its products with its corporate name and the letters "U.S.A." without indicating the name of the place of manufacture (Kansas), with the result that the public is led to believe that the respondent is the same as the "Electric Appliance Co.," of Illinois, a competitor; and by advertising that its electric belts are prescribed and recommended by leading doctors and will preserve health; that its electrical insoles keep the feet at a moderate temperature both summer and winter and revitalize the blood; and that respondent's battery is "Nature's Vitalizer" and will save doctor's bills, which statements are false and misleading, in alleged violation of section 5 of the Federal Trade Com mission act. Disposition: Upon an agreed statement of facts an order was entered requiring the respondent to cease and desist using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No.345 (Sept. 2, 1919).--Federal Trade Commission *v.* New England Bakery Co. Charge: Using unfair methods of competition by giving free of charge a loaf of its bread to retailers thereof with each loaf of bread purchased by such retailers, with the agreement that the retailers would give free of charge to each purchaser from them of a loaf of respondent's bread another loaf, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered dismissing the complaint herein.

Complaint No. 346 (Sept. 2, 1919).--Federal Trade Commission *v.* The H. E. Bradford Co. (Inc). Charge: Using unfair methods of competition by adver-

tising, labeling, and branding the underwear manufactured by respondent, composed but partly of wool, as "Mens Merino Shirts" and "Mens Natural Wool Underwear," thereby deceiving the public into the belief that such underwear is composed entirely of wool, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: Upon an agreed statement of facts, an order was entered requiring respondent to cease and desist using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No.348 (Sept. 2, 1919).--Federal Trade Commission *v.* Utah Bedding & Manufacturing Co. Charge: Using unfair methods of competition by giving and offering to give to salesmen of merchants handling its products and the products of competitors cash premiums or bonuses as an inducement to influence them to push the sales of respondent's products to the exclusion of products of its competitors, in alleged violation of section 5 of the Federal . Trade Commission act. Disposition: Upon an agreed statement of facts, an order was entered requiring respondent to cease and desist using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No.349 (Sept. 2, 1919).--Federal Trade Commission *v.* J. B. Cohen Trading under the name and style of the Cole-Conrad Co. Charge: Using unfair methods of competition by selling certain staple articles at a loss and charging prices on other less familiar articles sold in combination with them, so as to give respondent a satisfactory profit upon the aggregate items; and circulating false statements regarding respondent's business and its ability to sell goods at prices lower than other dealers, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered requiring respondent to cease and desist using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No. 354 (Sept. 2, *1919).*--Federal Trade Commission *v.* E. I. Firks, doing business as The Spongeable Linen Collar Co. Charge: Using unfair methods of competition by adopting and using the trade-mark "Spongeable Linen" to describe collars manufactured by respondent, with the effect of misleading and deceiving the public, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: Upon an agreed statement of facts, an order was entered requiring respondent to cease and desist using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No.371 (Sept. 2, 1919).--Federal Trade Commission *v.* Visigraph Typewriter Manufacturing Co. Charge: Using unfair methods of competition by giving to purchasers of its products at the end of each calendar year, or at the end of a definite period, certain rebates or discounts based or estimated upon the aggregate of the purchases made by such dealers during the calendar year or fixed period, with the object of causing such purchasers to confine their purchases to respondent's products, and to hinder its competitors from making sales to such purchasers except at a loss; and giving rebates or discounts based on the number of machines used by a purchaser based on the number of machines used by a purchaser irrespective of make or manufacture, thereby giving an undue advantage to the large purchaser and hindering the small user or purchaser of such machines from obtaining the same discounts and rebates as a large purchaser, in alleged violation of section 5 of the Federal Trade Commission act; and by adopting and maintaining the practice of giving rebates or discounts to purchasers on condition that they purchase all or a large percentage of their typewriters, parts, and supplies therefor from the respondent, and entering into contracts containing such provisions, in alleged violation of section 3 of the Clayton Act. Disposition: After hearing, an order was entered dismissing the complaint herein.

Complaint No. 373 (Sept. 2, 1919).--Federal Trade Commission *v.* The Texas Co. Charge: (Ante, complaint No. 309). Disposition: After hearing, an order was entered requiring respondent to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No. 403 (Sept. 23, 1919).--Federal Trade Commission *v.* Leo Cohn and B. Counselbaum, copartners doing business under the firm name and style of the Good Wear Tire & Tube Co. (Complaint amended January 1, 1920, making Sophie Cohn and Samuel M. Chazanoff respondents instead of Leo Cohn.) Charge: Using unfair methods of competition by adopting and using the trade name "Good Wear Tire & Tube Co.," which trade name misled the public into believing the respondent's products were the products of the Good-year Tire & Rubber Co., and causing confusion and embarrassment to the Goodyear Tire & Rubber Co. Disposition: Upon an agreed statement of facts, an order was entered requiring the respondents to cease using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No.406 (Sept.23, 1919).--Federal Trade Commission *v.* Moore & Tierney. Charge: Using unfair methods of competition by labeling, branding, and advertising underwear manufactured by it, composed but partly of wool, as "Pure Wool" and "Natural Mixed Wool," with the intent and effect of deceiving the public, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: Upon an agreed statement of facts, an order was entered requiring respondent to cease and desist using the practice complained of, under section 5 of the Federal Trade Commission act.

Complaint No. 407 (Sept. 23,1919).--Federal Trade Commission *v.* G. H. McDowell, trading under the firm name and style of G. H. McDowell & Co. Charge: Using unfair methods of competition by labeling, branding, and advertising underwear manufactured by respondent, composed but partly of wool, as "Fine Wool Shirts," "Australian Wool Drawers," "Australian Wool Shirts," "Fine Natural Wool Shirts," "Fine Natural Wool Vests," with the intent and effect of deceiving the public, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: Upon an agreed statement of facts, an order was entered requiring respondent to cease and desist using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No.408 (Sept. 23, 1919).--Federal Trade Commission *v.* The Faith Knitting Co. Charge: Using unfair methods of competition by labeling, branding and advertising underwear manufactured by respondent, composed but partly of wool, as "Men's Wool Union Suits," "Men's Wool Ribbed Shirts," "Wool," and "Natural Heavy Ribbed Wool," with the intent and effect of deceiving the public, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: Upon an agreed statement of facts, an order was entered requiring respondent to cease and desist using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No.409 (Sept.23, 1919).--Federal Trade Commission *v.* Black Cat Textiles Co. Charge : Using unfair methods of competition by labeling, branding, and advertising underwear manufactured by respondent, composed but partly of wool, as "White Worsted," "White Wool," "Blue Wool," "Natural Worsted," "Natural Wool," and "Gray Worsted," with the intent and effect of deceiving the public, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: Upon an agreed statement of facts, an order was entered requiring respondent to cease and desist using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No. 410 (Sept. 23, 1919).--Federal Trade Commission *v.* William Moore Knitting Co. Charge: Using unfair methods of competition by labeling,

branding, and advertising under w e r manufactured I)y respondent, composed but partly of wool, as "Pure Natural Wool," "Australian Wool," "White Wool," and "Fine Natural Wool" with the intent and effect of deceiving the public, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: Upon an agreed statement of facts, an order was entered requiring respondent to cease and desist using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No. 411 (Sept. 23, 1919).--Federal Trade Commission *v.* W. E. Tillotson Manufacturing Co. Charge: Using unfair methods of competition by labeling, branding, and advertising underwear manufactured by respondent, composed but partly of wool, as "Fine Natural Wool," "Natural Wool," "Natural Wool Random," with the intent and effect of deceiving the public, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: Upon an agreed statement of facts, an order was entered requiring respondent to cease and desist using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No. 412 (Sept. 23, 1919).--Federal Trade Commission *v.* Hope Knitting Co. Charge: Using unfair methods of competition by labeling, branding, and advertising underwear manufactured by respondent, composed but partly of wool, as "Wool," "Fine Natural Wool," "Fine Wool Ribbed," "Fine Camel Hair," with the intent and effect of deceiving the public, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: Upon an agreed statement of facts, an order was entered requiring respondent to cease and desist using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No.413 (Sept. 23, 1919).--Federal Trade Commission *v.* American Hoisery Co. Charge: Using unfair methods of competition by labeling, branding, and advertising underwear manufactured by respondent, composed but partly of wool, as "Merino," "Super Cashmere," "Extra Super Merino," "Merino Shirts," with the intent and effect of deceiving the public, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: Upon an agreed statement of facts, an order was entered requiring respondent to cease and desist using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No.415 (Sept. 23, 1919).--Federal Trade Commission *v.* Sterling Wallace. Charge: (Ante, complaint No. 286). Disposition : After hearing, an order was entered requiring respondent to cease and desist using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No.416 (Sept.23, 1919).--Federal Trade Commission *v.* Jay Printing Ink Co. (Inc.). Charge: (Ante, complaint No. 282). Disposition: After hearing, an order was entered dismissing the complaint herein.

Complaint No. 417 (Sept. 23, 1919).--Federal Trade Commission *v.* The Lackawanna Mills. Charge : Using unfair methods of competition by labeling, branding, and advertising underwear manufactured by respondent, composed but partly of wool, as "Ladies' White Wool Vests," "Men's Natural Wool Shirts," "Children's Natural Wool Pants," "Lackawanna Wool Underwear, Ladies' Natural Pants," "Lackawanna Wool Underwear, Children's White Pants," "Lackawanna Wool Underwear, Children's White Vests," "Lackawanna Wool Underwear, Children's Natural Vests," "Lackawanna Wool Underwear, Men's White Drawers," "Lackawanna Wool Underwear, Boys' Natural Drawers," and "Ladies' Natural Wool Vests," with the intent and effect of deceiving the public, in alleged violation of section 5 of the Federal Trade act. Disposition: Upon an agreed statement of facts, an order

was entered requiring respondent to cease using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No. 418 (Sept. 23, 1919).--Federal Trade Commission *v.* Atlas Knitting Co. Charge: Using unfair methods of competition by labeling, branding, and advertising underwear manufactured by respondent, composed but partly of wool, as "Fine Merino Ribbed Union Suits," "Men's Fine Merino Shirts," "Men's Fine Merino Drawers," "Men's Merino Drawers," and "Men's Wool Process Fine Union Suits," with the intent and effect of deceiving the public, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: Upon an agreed statement of facts, an order was entered requiring respondents to cease using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No. 419 (Sept. 23, 1919).--Federal Trade Commission *v.* The Broadalbin Knitting Co. (Ltd.). Charge: Using unfair methods of competition by labeling, branding, and advertising underwear manufactured by respondent, composed but partly of wool, as "Men's Extra Heavy Merino Shirts," "Men's Merino Underwear," "Men's Fine Quality Merino Shirts," and "Men's Fine Quality Merino Drawers," with the intent and effect of deceiving the public in alleged violation of section 5 of the Federal Trade Commission act. Disposition: Upon an agreed statement of facts, an order was entered requiring respondent to cease and desist using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No.420 (Sept.23, 1919).--Federal Trade Commission *v.* Glastonbury Knitting Co. Charge: Using unfair methods of competition by labeling, branding, and advertising underwear manufactured by respondent, composed but partly of wool, as "Wool," "Australian Wool" "Fine Wool," and "Natural Wool," with the intent and effect of deceiving the public, in alleged violation of section 5 of the Federal Trade Commission act. Upon an agreed statement of facts, an order was entered requiring respondent to cease and desist using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No.421 (Sept.23, 1919).--Federal Trade Commission *v.* The New England Knitting Co. Charge: Using unfair methods of competition by labeling, branding, and advertising underwear manufactured by respondent, composed but partly of wool, as "Men's Fine Merino Shirts," "Men's Natural Wool Shirts," and "Men's Scotch Wool Shirts," with the intent and effect of deceiving the public, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: Upon an agreed statement of facts, an order was entered requiring respondent to cease and desist using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No.422 (Sept. 23, 1919).--Federal Trade Commission *v.* Clarke & Holsapple Manufacturing Co. Charge: Using unfair methods of competition by labeling, branding, and advertising underwear manufactured by respondent, composed but partly of wool, as "Men's Wool Shirts," and "Men's Summer Merino Shirts," with the intent and effect of deceiving the public, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: Upon an agreed statement of facts, an order was entered requiring the respondent to cease and desist the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No.423 (Sept. 23, 1919).--Federal Trade Commission *v.* Root Manufacturing Co. Charge: Using unfair methods of competition by labeling, branding, and advertising underwear made by respondent, composed but partly of wool, as "Australian Wool," "Natural Undyed Wool," "Valley Cashmere

Camel Hair," "Lamb's Wool," "Scotch Wool," "Persian Fleece," and "Saxony Wool," with the intent and effect of deceiving the public in alleged violation of section 5 of the Federal Trade Commission act. Disposition: Upon an agreed statement of facts an order was entered requiring the respondent to cease and desist the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No.442 (Sept.23, 1919).--Federal Trade Commission *v.* Clarence L. Cox, doing business under the trade names and styles of Ohio State Linseed Co. and Union Linseed & Turpentine Co. Charge: Using unfair methods of competition by falsely advertising, representing, holding out, offering for sale, and selling certain of its products which had been adulterated with low-grade mineral oils and other ingredients as and for linseed oil and turpentine, in alleged violation of section 5 of time Federal Trade Commission act. Disposition: Upon an agreed state of facts an order was entered requiring the respondent to cease and desist the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No.443 (Sept.-23, 1919).--Federal Trade Commission *v.* David D Levitt, doing business under the trade name and style of The Sport Shop. Charge: Using unfair methods of competition by conducting his store under the name and style of "The Sport Shop" and advertising and displaying such name in newspapers and sundry and divers other forms of advertising, such name being similar to that of "The Sport Mart (Inc.)," a competitor, and such simulation being calculated and designed to and does deceive the trade and general public, and mislead them into the belief that respondent's store and business is one and the same as that of "The Sport Mart (Inc.)" in alleged violation of section 5 of the Federal Trade Commission act. Disposition: Upon an agreed statement of facts an order was entered dismissing time complaint herein.

Complaint No.445 (Sept. 24, 1919).--Federal Trade Commission *v.* Louisville Soap Co. (Inc.). Charge: Using unfair methods of competition by guaranteeing its jobbers in the wholesale grocery trade against the decline in price of goods purchased and not resold by such customers at the time of any subsequent decline in the respondent's list price therefor, and in the event of decline in price of goods, giving to such jobbers rebates equal to the difference between the purchase price of such products as were undisposed of and respondent's lower list price therefor, subsequently made, with the effect of securing an unfair advantage over competitors who do not engage in this practice, inducing jobbers to overstock and realize a speculative profit in case of decline, and deterring respondent from reducing list price of Its product in accordance with reductions in the cost of manufacturing, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered dismissing the complaint herein.

Complaint No.447 (Sept.24, 1919).--Federal Trade Commission *v.* New York Woodfinishers' Supply Co. (Inc.). Charge: (Ante, complaint No.286.) Disposition: After hearing, an order was entered requiring respondent to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No. 448 (Sept. 24, 1919).--Federal Trade Commission v. Plomo Specialty Manufacturing Co. and Riverside Refining Co. Charge: Using unfair methods of competition by falsely advertising, representing, holding out, offering for sale, and selling certain of its products which had been adulterated with how grade mineral oils and other ingredients as and for linseed oil and turpentine, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: Upon an agreed statement of facts, an order was entered requiring the respondents to cease and desist using the practice complained of under section 5 of the Federal

Trade Commission act.

Complaint No. 463 (Nov. 25, 1919).--Federal Trade Commission *v.* John McAteer. Charge: (Ante, complaint No.283.) Disposition: Upon an agreed statement of facts, an order was entered requiring the respondent to cease and desist using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No.464 (Nov.25, 1919).--Federal Trade Commission *v.* Flitner-Atwood Co. Charge: Using unfair methods of competition by giving and offering to give to employees of both its customers and prospective customers, and its competitors' customers and prospective customers, large sums of money as an inducement to influence their employers to purchase or to contract to purchase from the respondent, or to influence such employers to refrain from dealing or contracting to deal with competitors of respondent, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered requiring the respondent to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No. 465 (Nov. 25, 1919).--Federal Trade Commission *v.* John Campbell & Co. Charge: (Ante, complaint No.283). Disposition: After hearing, an order was entered requiring time respondent to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No. 466 (Nov. 25, 1919).--Federal Trade Commission *v.* Holliday-Kemp Co. (Inc.). Charge: (Ante, complaint No. 283). Disposition: After hearing, an order was entered requiring the respondent to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No.467 (Nov. 25, 1919).--Federal Trade Commission *v.* A. Klipstein & Co. Charge: (Ante, complaint No.283). Disposition: After hearing, an order was entered requiring the respondent to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No.469 (Nov. 25, 1919).--Federal Trade Commission *v.* Geigy Co. (Inc.). Charge: (Ante, complaint No. 283. Disposition: After hearing, an order was entered requiring the respondent to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No.470 (Nov. 25, 1919).--Federal Trade Commission *v.* Himes Underwear Co. Charge: Using unfair methods of competition by falsely labeling, advertising, and branding certain lines of underwear as "Fine Natural Wool"; and adopting the label or brand "Men's Fine Jaeger Drawers," thereby deceiving and misleading time purchasing public into believing that respondent's product is one and the same as that advertised "Dr. Jaeger's Health Underwear," which is a different product and well-known to the trade and purchasing public to be of a certain quality, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: Upon an agreed statement of facts, an order was entered requiring respondent to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No.471 (Nov.25, 1919).--Federal Trade Commission *v.* C. Bischoff & Co. (Inc.). Charge: (Ante, complaint No. 283). Disposition: After hearing, an order was issued requiring respondent to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No. 491 (Nov. 25, 1919).--Federal Trade Commission *v.* Penn Lubric Oil Co., trading as Midwest Linseed Oil & Paint Co. Charge: Using unfair methods of competition by labeling and branding certain of its products which are adulterated and mixed with a low grade of mineral oil and other ingredients as "Commercial Raw Linseed Oil" and "Commercial Boiled Linseed Oil, not sold or intended for medicinal purposes," when such

oil is not wholly composed of linseed; and using a cut upon its letterheads of extensive buildings and thereby deceiving the trade and general public into believing that the said cut represents the plants, as shown, to be the plants of respondent, when in truth the respondent does not own or operate the plants as represented, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered requiring respondent to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No 493 *(Nov. 25, 1919).*--Federal Trade Commission *v.* James Duffy, trading as the Sanitary Turpentine Co. Charge: Using unfair methods of competition by designating and describing in advertisements certain of the products sold by respondent, which have been mixed and adulterated with low-grade mineral oils as "Linseed Oil, raw or boiled," "Sunflower Brand Boiled Oil," "Turpentine" and "Second Run Turpentine"; with the effect of misleading and deceiving the purchasing public into the belief that such products are composed wholly of linseed oil or turpentine, in alleged violation of section 5 of the Trade Commission act. Disposition: Upon an agreed statement of facts, an order was entered requiring respondent to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No. 495 (Nov. 25, 1919).--Federal Trade Commission *v.* The Henry Johnson Co. Charge: (Ante, complaint No.289). Disposition: After hearing, an order was entered requiring respondent to cease and desist using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No.498 (Nov.25, 1919).--Federal Trade Commission *v.* Joseph B. McDonagh and Leo A. McDonagh, a copartnership doing business under the name and style of William McDonaugh & Sons. Charge: (Ante, complaint No.464). Disposition: After hearing, an order was entered requiring respondent to cease and desist using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No. 502 (Nov. 25, 1919).--Federal Trade Commission *v.* W. G. Hanson, doing business under the name and style of the Mercantile & Financial Times Publishing Co. Charge: Using unfair methods of competition by holding out as a bona fide periodical journal dealing with mercantile and financial matters generally a paper which contains what purposes to be news articles and editorials which are in fact advertisements, although not marked as such, of individuals referred to therein, and which contains advertisements of reputable financial concerns without the knowledge or consent of said concerns and without any expense on their part; with the effect, among other things, of causing advertisers to give an undue preference to respondent's publication over bona fide periodical journals, in which all advertising matter is plainly set forth as such, for the reason that the public are thereby deceived and misled into giving an undue credence to advertisements falsely represented and published as news articles and editorials, as aforesaid, in alleged violation of section 5 of the Federal Trade Commission act. Disposition : After hearing, an order was entered requiring respondent to cease and desist using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No.507 (Dec. 23, 1919).--Federal Trade Commission *v.* A. Anagnostopulos, trading under the name and style of Arabian Coffee Co. Charge: Using unfair methods of competition by adopting, with the purpose, intent, and effect of stifling and suppressing competition in the sale of coffee and tea, the practice of leasing or loaning coffee urns to customers engaged in the business of conducting lunch rooms and restaurants, upon the express agreement that such customers would thereafter purchase from respondent all

coffees and tea used by them in the conduct of their respective business, and without other consideration, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: Upon evidence that respondent had gone to Greece, an order was entered dismissing the complaint herein.

Complaint No. 508 (Dec. 23, *1919).*--Federal Trade Commission *v.* C. H. Kroneberger and W. M. Kroneberger, copartners, styling themselves C. H.KronebergerR & Co. Charge: (Ante, complaint No. 507). Disposition: After hearing, an order was entered requiring the respondent to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No.509 (Dec.28, 1919).--Federal Trade Commission *v.* John H. Wilkins Co. (Inc.). Charge: (Ante, complaint No. 507). Disposition: After hearing, an order was entered requiring respondent to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No. 510 (Dec.23, 1919).--Federal Trade Commission *v.* The Levering Coffee Co. Charge: (Ante, complaint No.507). Disposition: After hearing, an order was entered requiring respondent to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No.511 (Dec. 30, 1919).--Federal Trade Commission v. John F. Draughon, doing business under the name of Draughon Text Book Co. Charge: Using unfair methods of competition by distributing circulars which misrepresented Government reports on the Pitmanic System of shorthand; distributing a folder containing among other false and misleading statements, one to the effect that "The Supreme Court" has decided that the Draughon Bookkeeping course was the best; and distributing various other advertising circulars, etc., containing false and misleading statements, all of which has prejudiced the competitors of respondent and disparaged the business of such competitors, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: Upon an agreed statement of facts, an order was entered requiring respondent to cease and desist using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No.514 (Dec. 30, 1919).--Federal Trade Commission *v.* Albert H. Harmon and Horace C. Klein, partners styling themselves the Webb Publishing Co. Charge: Violating section 2 of the Clayton Act by adopting and maintaining the practice of selling space for display advertising in the periodicals published by them at different and discriminatory prices by arbitrarily selecting certain advertising agencies to whom they sell space for advertising In said publications at a discount, with the effect of substantially lessening competition in the purchase and sale of said advertising space and creating a monopoly for the agencies arbitrarily selected by respondent. Disposition: After hearing, an order was entered dismissing the complaint herein.

Complaint No.518 (Dec.30, 1919)--Federal Trade Commission *v.* Benjamin Moore & Co. Charge: Using unfair methods of competition by selling one of its products, a white paint, under the label and brand "Genuine Vieille Montagne Co., Green Seal, French Zinc., ground in refined linseed oil," thereby representing and holding out to the purchasing public that its product is the product made by the Vieille Montagne Co., of France, when in fact and truth the products so sold and advertised by respondent is a compound of zinc and linseed oil manufactured by respondent and in no way connected with the product manufactured by said Vieille Montagne Co., with the effect of deceiving and misleading the purchasing public into believing respondent's product is one and the same as that manufactured and sold by the Vieille Montague Co., in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After

hearing, an order was entered dismissing the complaint herein.

Complaint No.621 (Dec. 30, 1919).--Federal Trade Commission *v.* H. Behlen & Eros. (Inc.). Charge: (Ante, complaint No. 464). Disposition: After hearing, an order was entered requiring the respondent to cease and desist using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No. 527 (Dec. 30, 1919).--Federal Trade Commission *v.* Andreykovicz & Dunk (Inc.). Charge: (Ante, complaint No. 283). Disposition: After hearing, an order entered requiring the respondent to cease and desist using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No. 534 (Jan. 7, 1920).--Federal Trade Commission *v.* A. A. Berry Seed Co. Charge: Using unfair methods of competition by making use of catalogues and other advertising matter to carry certain false and misleading statements concerning the grade and quality of the seeds sold by respondent; and conducting certain portions of its business under the trade name and style of Standard Seed Co., concealing its ownership and control thereof; holding it out to the public as wholly independent and without connection with respondent, and requiring through the said Standard Seed Co. trade which respondent was unable to acquire directly, in alleged violation of section 5 of the Federal Trade Commission act. After hearing, and upon an agreed statement of facts, an order was entered requiring respondent to cease and desist using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No.538 (Dec. 23, 1919).--Federal Trade Commission *v.* Rob Roy Hosiery Co. Charge : Using unfair methods of competition by advertising, labeling, and branding certain lines of underwear manufactured by it and composed but partly of wool, as "Natural Gray," "Fine Natural Wool," "Fine Australian White Lamb Wool," "Natural Wool," "Fine Natural Gray Australian Wool," with the effect of misleading and deceiving the trade and general public into the belief that such underwear is manufactured and composed wholly of wool, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: Upon an agreed statement of facts, an order was entered requiring respondent to cease and desist using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No.546 (Feb. 4, 1920) .--Federal Trade Commission *v.* National Wire Wheel Works (Inc.). Charge: Using unfair methods of competition by false statements in advertisements in trade journals and periodicals to the effect that respondent's wire wheels have three exclusive patented features, when in truth and in fact the respondent has no patents covering the features claimed, and said statements and claims are calculated and designed to and do cause purchasers to believe that the features mentioned in such advertisements are in fact patented, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered dismissing the complaint herein.

Complaint No.561 (Feb. 5, 1920).--Federal Trade Commission *v.* Joseph L. Berk and Leon G. Berk, doing business under the firm name and style of Berk Brothers. Charge: Using unfair methods of competition by selling fountain pens in boxes or containers upon the outside of which is printed or stamped the words, "The Standard Self-Filling Fountain Pen, $1.50," such fountain pens having never been sold for more than 25 cents; with the effect of misleading and deceiving the trade and general public into the belief that the retail price thereof is $1.50, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered requiring respondent to cease and desist using the practice complained of under section 5 of the Federal Trade Commission act.

EXHIBIT 9.

REPORT TO THE ATTORNEY GENERAL IN RE CALIFORNIA ASSOCIATED RAISIN CO.

SIR: On September 30, 1919, you requested the Federal Trade Commission to make an investigation of the California Associated Raisin Co. (hereinafter called the "Raisin Co.") and to advise you whether that company, first, "is obtaining and maintaining more than fair and reasonable prices for its products," and, second (under sec. 6 [e] of the Federal Trade Commission act) "to make recommendations for the readjustment of the business of said corporation in order that the corporation may hereafter maintain its organization, management, and conduct of business in accordance with law, and to give notice of such proceeding to the said corporation so that it may appear and submit thereto."

In compliance with your request, the Federal Trade Commission instituted an inquiry, giving notice thereof to the Raisin Co., in the course of which a large amount of testimony was given, a transcript whereof accompanies this report to you. In addition the Commission heard argument and received briefs on behalf of the Raisin Co., as well as on behalf of the American Seedless Raisin Co., Bonner Packing Co., Rosenberg Bros. & Co., Guggenhime & Co., and Chaddock & Co., packers of raisins, and the National Wholesale Grocers' Association of the United States. Copies of these briefs are also transmitted to you with this report. The essential facts disclosed and the conclusions and recommendations of the Federal Trade Commission thereon are now submitted for your consideration.

Before proceeding to the examination of the two questions propounded by the Attorney General to the Federal Trade Commission, a general statement with respect to the raisin industry may be useful for the purposes of an understanding of such a discussion.

THE CALIFORNIA ASSOCIATED RAISIN CO. AND THE RAISIN INDUSTRY.

The raisin industry in the United States is at present practically confined to a district within a radius of less than 50 miles around Fresno, Calif., where conditions for growing, but more particularly for curing, raisins are peculiarly advantageous. Prior to the organization of the Raisin Co., the raisin growers were virtually at the mercy of those engaged in the business of packing and selling raisins, and realized from their efforts a varying and uncertain return in the marketing of their crops. Those packers being in control of the purchasing power, secured to themselves the larger profit, while the grower frequently failed to realize the cost of production.

Seeking to remedy this condition, the growers repeatedly attempted cooperative organization, which failed largely because the form of the various organizations did not include adequate provision for finance and credit. Other

devices were attempted without success, and until the organization of the Raisin Co. the condition of the growers was, to say the least, unfortunate. Whether there was or was not a combination, or agreement without actual combination, among the packers ho were then the purchasers of the raw supply is immaterial to this inquiry. The inequality of their situation forced the growers to enter the contest for control, at least so far as control was necessary, for the protection of their individual interests. This effort on the part of the growers has unquestionably been successful. The question now presented is whether the effort has out run its proper bounds and in turn become a cause of oppression.

The Raisin Co., being dependent upon the growers for a supply of raw material, entered into a campaign to secure contracts with growers which resulted in the securing of 70 per cent of the acreage, under contracts having a life of three years, binding the growers to deliver to the company their entire raisin crops for the years covered by tile contract, with a liquidated damage penalty of $40 per ton for failure so to deliver. This control of acreage was increased to 90 per cent during the first year of the company's operations, but decreased to 80 per cent during the second and third years. At the end of the first three-year period covered by contracts, renewals or new contracts were secured covering 80 per cent of the acreage, and the present control of the Raisin Co. is approximately 88 per cent of the entire raisin crop of the United States. While the contracts cover a period of three years, these contracts contain an option to the company for a renewal of three years whereby the acreage control may be extended to a period of six years.

The company, having secured 76 per cent of the acreage control upon its organization, moved to secure control of the manufacturing and selling processes. Prior to the organization of the company raisin-packing plants were in existence, and after its organization the Raisin Co. entered into contracts with a number of packers, leasing some plants to be operated by itself and engaging the packing operations of other plants under contracts whereby the packers agreed not to pack, handle, sell, or deal in raisins on behalf of others than the Raisin Co. Likewise the selling facilities of some of the packers were obtained exclusively for the Raisin Co., and in some instances additional precautions were taken by contracts with packers requiring them to sell raisins owned by them to the Raisin Co. and to assign to it all outstanding contracts.

These arrangements did not include all of the packing facilities in the raisin district. A number of packers were left to handle that part of the raisin crop which was not covered by the contracts which the Raisin Co. had secured.

The company also purchased the property and business of certain packing interests, and through this series of purchases and contracts acquired some of the packing facilities of the raisin district.

With the foregoing general view of the raisin industry in mind, the Commission now proceeds to examine separately the two questions brought before it: (1) Reasonableness of prices, and (2) readjustment.

I. THE REASONABLENESS OF PRICES.

With respect to your first inquiry as to whether the California Associated Raisin Co.

is obtaining and maintaining more than fair and reasonable prices for its products, the Commission reports:

The evidence shows that prior to the organization of the Raisin Co. the average price realized by the grower was not a reasonable return. Subsequently, under the operation of the Raisin Co., the prices have been as follows

Year.	Price per pound.		Year.	Price per pound.	
	To grower.	To wholesaler.		To grower.	To wholesaler.
	Cents.	*Cents*		*Cents.*	*Cents.*
1913	3.46	6 3/4	1917	4.85	9
1914	3.31	6 3/4	1918	5.50	91
1915	3.64	7	1919	10.00	15
1916	4.21	7			

In 1918 the United States Food Administration had a part in the determination of the price of raisins both to the growers and to the buyers, so that the prices shown in the raisin market for 1918 can not be regarded as a test of the actions of the Raisin Co. in this particular. The control of the United States Food Administration having ceased, the Raisin Co. was free to fix prices as it saw fit in 1919 and did so. The crop production in 1919 was about the same as that in 1918. Evidence offered shows that according to the declarations of the official organ of the Raisin Co., The Sun-Maid Herald, the prices fixed for the 1918 crop would assure the growers a good and fair profit. The Raisin Co. now asserts that the 1918 price did not give a profit to the growers and that the language used in the Sun-Herald was altruistic and patriotic in purpose and in support of the Food Administration's price. In the same publication In 1919, with reference to the 1919 price, it was stated:

"Probably few growers have expected so high a price, and, on the other hand, the consumer is paying such a high price for everything else that we do not believe he will hesitate to continue using raisins at what may seem to us a very high price. * * * These prices are admittedly the result of an unique situation so far as market conditions are concerned, and though it may be proper to take advantage of this situation, we do not believe that these prices can be maintained for a long period of time."

The president of the Raisin Co. placed the increase in the cost of production in 1919 as against 1918 at about 1 1/4 cents per pound, including the growing, manufacturing. and marketing processes.

A study of the prices paid to growers and charged to purchasers from the organization of the company down to and including that fixed for the 1919 crop shows a slow and steady rate of increase until the 1919 crop is reached. Between 1912 and 1918 the success of the company was tested by the expiration of its three-year contracts with its growers. It appears that the company has during the greater portion of this time steadily maintained its control of crop acreage, which indicates satisfaction on the part of the growers with the operations of the company. The argument that the marked advance in 1919 is justified by a comparison with prices charged for other dried fruits in California, upon which the Raisin Co. very largely defends the 1919 price, does not control the question of the reasonableness of price. In the absence of a showing of a greater increase in the cost of production, there having been no

diminution in production, but rather a slight increase over 1918, after considering the diminishing purchasing power of the dollar, our conclusion is that the price fixed by the Raisin Co. for the 1919 crop was in excess of a fair and reasonable price.

This is the answer of the Federal Trade Commission to the first of your two inquiries.

II. READJUSTMENT.

You request the Federal Trade Commission "to make recommendations for the readjustment of the business of said corporation in order that the corporation may hereafter maintain its organization, management, and conduct of business in accordance with law."

We understand your request to imply that the present organization, management, and conduct of business are not maintained in accordance with law and that power exists to require the necessary readjustment. The Commission has proceeded on this assumption.

PRESENT ORGANIZATION, MANAGEMENT, AND CONDUCT OF BUSINESS.

The California Associated Raisin Co. was organized and incorporated in 1912 under the laws of the State of California with a total authorized capital stock of $1,000,000, consisting of 10,000 shares of a par value of $100 each.

The purposes of the corporation as set forth in its original charter are as follows:

"To buy, cure, pack, handle, sell, market, and otherwise dispose of and deal in raisins, dried fruits, grapes, and other orchard and vineyard products, and to act as agent and factor in the handling and disposing of the same in every manner; to purchase, rent, build, sell, operate, and maintain packing houses, warehouses, and other buildings and structures, and such real and personal property as may be necessary to effect the purposes of said corporation; to buy, own, hold, assign, exchange, sell, or pledge shares of capital stock of nil private corporations, including this corporation; to borrow and lend money and to give and take mortgages, notes, bonds, and shares of capital stock of all public and private corporations, including this corporation, as security for the payment thereof; and in general do all things necessary and proper to carry out all of the provisions of these articles and effect the objects and purposes of the corporation above set out."

The articles of incorporation were amended in 1913 so as to permit the corporation to deal in warehouse receipts and bills of lading as security for the payment of money borrowed or loaned. In the same year the capital stock was increased from $1,000,000 to *$1,500,000*. In 1914 the capital stock was increased to $2,500,000. In February, 1919, the par value of the stock was changed to $1 per share, and in August, 1919, the capital stock was increased to $5,000,000.

The ownership of the corporation is evidenced by common stock which, with respect to the original issue and assignment, is not limited to raisin growers or other agriculturists, but which in fact was originally subscribed for and purchased by merchants, professional men, and others as well as by vineyardists. On September 24, 1919, nongrowers to the number of 853 held 2,553 ½ shares of stock and growers to the number of 2,454 held 7,765 shares of stock, of the par value of $100 each, the total number of stockholders being 3,307; the total number of shares outstanding being 10,319. The company then had a paid-in capital of $1,031,900 and a surplus of $323,568.76.

Under a plan in operation subsequent to September 24, 1919, some 6,000 growers

who have been selling their raisins under contract, but who have not been stockholders, are to be paid in part in stock of the corporation, which plan, if carried to conclusion, will increase the number of growers connected with the corporation, making the holdings of 1,000 nongrowers amount to approximately 265,000 shares of $1 par value and the holdings of 9,000 growers amount to approximately 1,425,650 shares of $1 par value, making a total paid-in capital of $1,690,650 and a surplus of $323,568.76.

The capital stock is permitted to earn and distribute a dividend dependent upon the profitableness of the corporation's operation from year to year, with the limitation that there shall not be charged to any year's operations, a dividend which will yield more than 8 per cent of the par value of the stock.

After certain provisions for surplus to provide working capital have been complied with, any profit remaining after setting aside a sum of money equal to 8 per cent on the capital stock is distributed back annually to the sellers of raisin grapes on a prorate basis proportionate to the tonnage delivered to the corporation by each individual grower.

Thus the organization of the company is that of an ordinary private corporation having capital stock, conducted for profit and not limited m the qualifications of its stockholders to those who are raisin growers.

The control of the corporation under the terms of a voting-trust agreement created m 1919 is vested in voting trustees until 1926. Under the terms of this agreement all the stock to which those who otherwise would be stockholders of the corporation would be entitled, except stock necessary to qualify directors, not to exceed one share for each director, is issued by the corporation to the trustees and their successors m the trust, to be held for the common benefit.

Upon the issuance of certificates of stock the trustees are required to deliver to those who otherwise would be stockholders trust certificates representing the number of shares to which the otherwise stockholders would be entitled. This trust certificate declares the existence of a beneficial right, including a proportionate share of all dividends declared on the stock so held in trust.

The legal tithe to the stock is vested in the trustees and is not capable of assignment. The certificate of beneficial interest may be assigned. Vacancies among the trustees are filled by the remaining or surviving trustees.

The company is shown to carry on its business in the following manner:

It makes contracts for a period of years with growers of raisins, whereby the grower agrees to tender all his raisins to the company and to sell to no other buyer or packer of raisins. These written contracts provide that in case the grower shall dispose of his raisins otherwise than under the contract and to the Raisin Co., the company shall be deemed to have suffered and may collect, as liquidated damages, a penalty of $40 per ton. Approximately 9,000 growers, about 3,000 of whom are stockholders, supply grapes to the Raisin Co. under these contracts. Under the contract the company agrees to advance a fixed tentative price to the grower within six days after the receipt of the grapes. The Raisin Co. is then obligated to put the grapes through such processes as will suit them for marketing and thereafter to pack the raisins; dispose of them in tile various markets; to stimulate the demand through advertising and otherwise; to finance the operations of manufacturing, marketing, and distributing, and to finally realize from the raisins if possible a price greater than the tentative or upset price advanced to the grower, plus the expenses of manufacturing and merchandising.

Under the contract the Raisin Co. agrees, further, to pay back to the growers on a pro rata tonnage basis, any excess received by it over the original tentative price and

subsequent expenses, with the provision that an amount not exceeding one-fourth of 1 per cent per pound may be deducted in addition to the necessary expenses and applied to a dividend to be paid to the stockholders with the limitation that such a dividend may not exceed 8 per cent, and that any balance remaining after the 8 per cent stock dividend shall go to the fund which is distributed back to the growers on the pro rata tonnage basis.

It is conceded that the Raisin Co. produces and markets somewhere between 80 and 90 per cent of all the raisins produced in this country.

The Raisin Co., in the sale of its raisins to jobbers, uses two devices, the first being known as "firm-at-opening price" and the second "guarantee against decline." The "firm-at-opening price" device consists of a contract of sale on the future delivery of raisins whereby the purchaser is obligated to take the stated quantity at a price then unknown and subsequently to be named by the Raisin Co. The contract is absolute as to the buyer except as to total cancellation, while the Raisin Co. can in event of crop shortage decrease delivery.

These two devices, backed by the dominance of the market by the Raisin Co., fasten upon the commodity the price to the wholesaler which the Raisin Co. selects. The result is a substantial lessening of competition in wholesale buying.

In addition to the general course of business as just outlined, the Raisin Co. on occasion put into operation other business methods which are the proper subject of specific comment.

(*a*) By purchase.
(*b*) By contract.
(c) By curtailment of supply.

(*a*) *Elimination of competition by purchase of competitors.*--In the first year of its existence, the Raisin Co. having leased packing plants and entered into contracts for packing raisins, purchased the property and business of Mowalt & Co., the Selnia Fruit Packing Co., and Fowler & Co., competitors in packing and selling raisins. The next year the Raisin Co. purchased Fresno Home Packing Co., King's County Packing Co., North Ontario Packing Co., Giffen & Hobbs Co., Malage Packing Co., and the Farmers' Union, also competitors.

(*b*) *Elimination of competition by contract.*--In 1913 the Raisin Co. entered into a series of contracts with certain of the packers. By one of these contracts the packer's plant was leased for three years with a provision for two years extension conditioned upon the Raisin Co.'s continued control of 60 per cent of the acreage. The second contract bound the packers for the same period to pack raisins for the Raisin Co. exclusively and not to deal in raisins with or for anyone else. The third contract appointed the packer the selling agent for the Raisin Co. for the same period, the selling prices to be fixed by the company, and excluding the packer from marketing raisins either for himself or any other than the company. A fourth contract required the packer to sell at a fixed price to the Raisin Co. all unsold raisins owned by him and to assign all growers contracts.

In 1918 the Raisin Co. entered into a contract with the California Packing Corporation, one of the largest packers and distributors of dried fruits in the United States.

This contract contained provisions contemplating the fixing of prices, an exclusive-dealing clause, and involved price discrimination against other independent packers. The contract also involved a guaranty to the packing corporation against decline in price, which arrangement, taken with the exclusive-dealing clause, and the fixing of an agreed differential between the price at which raisin grapes were supplied to the packing corporation and the price at which the Raisin Co. sold its finished product, practically completed the elimination of the packing corporation as a competitor.

(c) *Elimination of competition by curtailment of supply.*--In 1913 the Raisin Co. found itself confronted, in the marketing of its product, with a competing carry over

from the 1912 crop amounting to about 25,000 tons of raisins, which were being offered in eastern markets at a lower price than the Raisin Co. was asking. Whereupon the Raisin Co. purchased the raisins so offered by its competitors, thereby eliminating the lower price competition. The fact

that this practice has not been repeated has less significance than it otherwise might have when it is considered that there has been no carry over since 1913.

CURTAILMENT OF PRODUCTION.

The Raisin Co. in 1915 urged its growers under contract, whether members or nonmembers, not to dry their second crop of muscats; giving as the reason that such an addition to the production for that year would tend to lower prices or result in a carry over.

RECOMMENDATIONS FOR READJUSTMENT.

The Commission approaches the question of readjustment of the organization, conduct, and management of business of the Raisin Co. with due recognition of the original motives and purposes of those who joined in the primary cooperative movements which, after repeated failures, culminated in the creation of the Raisin Co. These were, in our judgment, the desire to secure marketing facilities which would assure to the producers a reasonable return and to construct an organization capable of successful operation.

Readjustment to the law may mean, in the present instance, either conformance to the provisions of section 6 of the Clayton Act or as an alternative, to the provisions of the other antitrust legislation. Choosing either alternative, the Raisin Co. should abandon certain methods which it has practiced in times past.

READJUSTMENT UNDER THE CLAYTON LAW EXEMPTIONS.

That part of section 6 of the Clayton- law which is applicable is:

"Nothing contained in the antitrust laws shall be construed to forbid the existence and operation of labor, agricultural, or horticultural organizations, instituted for the purposes of mutual help, and not having capital stock or conducted for profit, or to forbid or restrain individual members of such organizations, from lawfully carrying out the legitimate objects thereof; nor shall such organizations or the members thereof be held or construed to be illegal combinations or conspiracies in restraint of trade, under the antitrust laws."

By this section three classes of organizations are given certain exemptions under the antitrust laws. The Raisin Co.'s primary objects are such that that company may be brought within one of those classes. We purpose now to show what changes are necessary to readjust it for inclusion therein, whereupon it could conduct its business in accordance with law.

To conform to the legal requirements of an agricultural or horticultural organization instituted for the purpose of mutual help, the Raisin Co. must take the necessary legal steps to accomplish the following results:

(*a*) The elimination of capital stock and the substitution, therefor, if necessary, of a

nonprofit sharing basis of providing financial resources.

(*b*) The elimination of profit to the corporation or to its stockholders as profit on the operations of the corporation

(c) The restriction of membership or beneficial interest in the corporation to those whose interests are identical of actual growers of raisin grapes.

Modification of the charter granted by the State of California will afford the necessary groundwork for the subsequent changes which lie in corporate action.

It is recognized that a cooperative agricultural association, to perform the service for which it is organized, must have the means of raising capital out

of which to provide the necessary equipment and working capital and also to furnish a basis of credit upon which seasonal working capital may be borrowed.

It is therefor suggested that bonds may be issued to provide working capital, carrying a fixed rate of interest not dependent upon the profitable operation of the company's business. To preserve the mutuality of interest in the membership, these bonds should be nonnegotiable except after tender to the company and its refusal to buy at par and accrued interest or the lapse of a reasonable time after tender.

The outstanding stock should be called in and exchanged for bonds on an equal basis or paid off..

Membership should be incident to a contract with a grape grower and terminate therewith. Each member should have but one vote irrespective of acreage, tonnage delivered, or otherwise.

With an amended charter, capital stock retired, and a membership constituted solely of grape growers under delivery contracts, the Raisin Co. would be in structural conformance with the Clayton law.

Thereafter it might handle the grapes produced by its members and upon their sale deduct from the proceeds its expenses, the interest upon its bonds, and make provision for their amortization and any additional working capital necessary, and distribute all surplus among its members on a prorata tonnage basis.

But the conduct of the Raisin Co.'s business should be modified, as well as its organic structure. Some of its methods have been and would, unless changed, continue to be in violation of the Clayton law even after the company is readjusted in form to the requirements of section 6.

As the Clayton Act did not become a law until October 15, 1914, this law can have no application to the transactions of the Raisin Co. prior to that date nor to the conditions which arise therefrom. The contract with the California Packing Corporation, which is summarized on pages 16 and 17 of this report, was made in 1918, and appears to be in violation of law. Its cancellation would seem to be necessary to a continuance of business in accordance with law.

Of course, any similar contracts made subsequent to the enactment of the Clayton law would fall In the same category.

The lawful continuance of the Raisin Co.'s business in the future depends, assuming the readjustment to the "agricultural or horticultural organization" basis to be completed, upon the conduct of its business within the law.

In view of the Raisin Co.'s statement that it does not claim to come within the reading of the Clayton law, it may be that that company will prefer to stand as an ordinary business corporation conducted for profit and choose not to make the readjustments indicated, in which event it is subject to all the provisions of the Clayton law and the Sherman law as well. The readjustments necessary under this alternative will now be examined.

READJUSTMENT UNDER THE ANTITRUST LAWS.

If the Raisin Co. shall fail to claim the exemptions of section 6 of the Clayton law, then its continuance would involve no amendment of its charter and no changes in the organic structure. Its membership would be self-determined and the making of profit

one of its lawful objects.

But the conduct of business must be reformed so as to eliminate any contractual relationships which may have been established since the passage of the Clayton Act, involving price fixing on, the basis of exclusive dealing.

It has been shown that the Raisin Co. controls about 80 per cent of the raisin-grape growing acreage and the marketing of approximately 90 per cent of the raisin crop. By purchase of competing packing plants and the leasing of others, by contracts involving price fixing on the basis of exclusive dealing, by the curtailment of production and the purchase of competing carry-over, by its substantial lessening of marketing competition through the "firm-at-opening price" and "guarantee against decline" devices, the Raisin Co. at present dominates the raisin market of the United States. These methods of business are open to challenge as an attempt to create a monopoly in violation of the Sherman law.

To be free from challenge of the Sherman law, readjustment implies no change in organic structure, but it does involve: (a) Cancellation of all contracts fixing selling prices on the condition of exclusive dealing; (*b*) separation of plants purchased or leased from competitors so far as may be necessary to insure freedom of competition; (c) abandonment of purchase of carry over and curtailment of production, as incidents of business; (*d*) abandonment of "firm-at-opening price" and "guarantee against decline", devices in marketing; (*e*) or, as the alternative under the Sherman law, dissolution.

It is to be noted that the recommended abandonment of "firm-at-opening price" and "guarantee against decline" devices is directed to the use of these practices in combination m connection with other acts tending toward the creation of monopoly and is not to be construed as a declaration by this Commission for or against the use of either or both of these devices under other circumstances.

In view of the decision of the Supreme Court of the United States on March 1, 1920 (October term, 1919), in the case of the United States of America, appellant, *v*. United States Steel Corporation et al., the Commission in the reorganization of the Raisin Co., contemplated under the Sherman Act, passes over the question of the right of the members of the company to fix the selling price of raisins.

ALLEGED UNFAIR METHODS OF COMPETITION.

Certain practices, many of which are not peculiar to the operations of the Raisin Co. and some of which being in general use have been the subject of applications for complaint heretofore addressed to the Federal Trade Commission, are the subject of considerable discussion in the briefs filed in the instant matter.

The legality of some of these may depend not at all or partially upon the antitrust laws. With respect to these, it would seem that a separate examination should be made to determine whether or not any of them constitute unfair methods of competition in commerce. Among these may be mentioned: (*a*) Differential between packed and unpacked goods; (*b*) refusal to pack private brands; (c) length of life of exclusive contracts for purchase; (4) contracts running with the land.

In enumerating the above, the Commission does not express any judgment as to whether or not the practices which may be generally described as above are fair or unfair methods of competition.

In its recommendations for the readjustment of organization, management, and conduct of business of the California Associated Raisin Co., the Commission has sought to lay out two alternative courses of conduct, either of which being followed, would bring the Raisin Co. in accord with law. These two courses of conduct, one within the exemption of section 6 of the Clayton law, and the other not within this exemption are entirely distinct one from the other.

The readjustments have been suggested with respect to the fundamental questions in the belief that any readjustments that may be made with respect to larger matters will carry with them the correction of minor infractions.

Respectfully submitted.

VICTOR MURDOCK, *Chairman,*
HUSTON THOMPSON,
WILLIAM B. COLVER,
NELSON B. GASKILL,
JNO. GARLAND POLLARD,
Commissioners

JUNE 8, 1920.
The ATTORNEY GENERAL,
Department of Justice, Washington