

ANNUAL REPORT
OF THE
FEDERAL
TRADE COMMISSION
FOR THE
FISCAL YEAR ENDED JUNE 30, 1922

WASHINGTON
GOVERNMENT PRINTING OFFICE
1922

FEDERAL TRADE COMMISSION.

NELSON B. GASKILL, *Chairman.*

VICTOR MURDOCK.

JOHN F. NUGENT.

HUSTON THOMPSON.

VERNON W. VAN FLEET.

J. P. YODER, *Secretary.*

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ANNUAL REPORT, FISCAL YEAR 1921-22.

SUMMARY.

To the Senate and House of Representatives:

In compliance with statute, the Federal Trade Commission herewith submits to the Congress its annual report for the fiscal year ended June 30, 1922. The commission was organized March 16, 1915, and in this fiscal year concluded the seventh year of its existence.

On June 30, 1922, the personnel of the commission consisted of Nelson B. Gaskill, of New Jersey (chairman); Victor Murdock, of Kansas; John F. Nugent, of Idaho; Huston Thompson, of Colorado; and Vernon W. Van Fleet, of Indiana. During the year the term of office of John Garland Pollard, of Virginia, expired. The vacancy was filled by the appointment of Vernon W. Van Fleet, of Indiana, to serve for a full term of seven years.

Congress has prescribed the duties of the commission by statutes under which the commission operates. These are: The Federal Trade Commission act, approved September 26, 1914; the Clayton Act, approved October 15, 1914; the export trade act, approved April 10, 1918; and the trading with the enemy act, approved October 6, 1917. Under the Federal Trade Commission act the duties of the commission fall into two general classes--(1) legal, and (2) economic; on the legal side the prevention of unfair methods of competition; on the economic side the investigation and reporting to the Congress and the President with respect to domestic industry and foreign trade. In addition to its duties under the Federal Trade Commission act, the commission is charged with the enforcement of certain sections of the Clayton Act having to do with price discriminations, tying contracts, acquisition of corporate stock, and interlocking directorates. The export trade act lodges with the commission the supervision of associations organized solely for export trade, and the investigation of trade conditions in foreign countries where associations may affect the nation's foreign trade. The enemy trade act--a war-time measure--lodged with the commission certain duties with respect to the administration of patents, trademarks, and copyright matters, particularly the issuance of licenses

to American citizens to operate under enemy-owned patents. Logically the work of the commission under these acts divides itself into subjects of administration, legal, economic, export trade, and enemy trade. The commission reports its work during the past year in this order.

Administration.--The administrative division is such as is generally found in all Government departments to care for the business end of the work, and its activities are largely governed by general statutes and orders applicable to work of this character wheresoever situated in the Government service. It has to do with disbursements, personnel, files, publications, legal dockets, library, supplies, quarters, and related matters. Appropriation in the amount of \$955,000 was available to the commission during the year. At the close of the fiscal year the commission had 318 employees. Quarters are maintained at Washington, New York, Chicago, and San Francisco.

Legal.--The notable feature of the year for the commission was the development of the law of unfair competition as exemplified by those decisions in the courts which further established and defined the powers of the commission. The Supreme Court in the *Winsted Hosiery Co.* case affirmed the commission's interpretation of the element of the public interest in misbranding of goods, and in the *Beechnut Packing Co.* case the same court confirmed the commission's condemnation of the maintenance of resale prices as practiced by that concern. In both cases decisions of the Circuit Court of Appeals were reversed. In the United States Circuit Court of Appeals decisions were handed down (1) in which the commission's power to prevent acquisition of share capital of a competitor under section 7 of the Clayton Act was upheld (the *Aluminum Co. of America* case); (2) in which the commission's power to prohibit merchants from combining to prevent a competitor from receiving goods was confirmed (*Los Angeles Wholesale Grocery* case and *El Paso Grocers Association* case); (3) in which the commission's power to prevent deceptive methods of advertising as being unfair both to the competitor and the public was reasserted (*Royal Baking Powder Co.* case).

The Circuit Court of Appeals in two cases also confirmed the right of the commission to proceed with a determination of cases before it under section 5 upon the merits, to final hearing without intervention from the courts (*Minneapolis Chamber of Commerce* case and the *Butterick Co.* case).

In the Supreme Court of the District of Columbia an injunction against the commission's power of access under section 6 of its act to certain facts in the steel industry was made permanent and the commission has appealed to the Court of Appeals of the District of

Columbia. There is pending before the Supreme Court of the District of Columbia a proceeding to determine the right of the commission to examine into and publish the costs, production, and prices of coal, a decision which has not yet been handed down.

In the Circuit Court of Appeals the commission's order (1) prohibiting the loaning or leasing for a nominal consideration, of devices for distributing gasoline as violating section 5 of the Federal Trade Commission act and section 3 of the Clayton Act was vacated (Sinclair Refining Co. case); (2) prohibiting the giving of premiums to salesmen of dealers to induce the salesmen to enhance the sales of the donor's products to the exclusion of competitor's products was annulled (Kinney-Rome Co. case); (3) prohibiting the giving of cash Commissions to captains and other employees of shipowners to induce such captains and other employees to purchase supplies from donors was set aside as not involving interstate commerce (D. A. Winslow Co. case); and (4) prohibiting a merchant from interfering with the delivery of a competitor's goods was vacated (Raymond Bros. and Clark Co. case). In the Sinclair case the Supreme Court has granted a writ of certiorari. Writ of certiorari was denied in the D. A. Winslow Co. case.

Toward the end of the year two actions in mandamus were begun in the United States District Court for the Southern District of New York against manufacturers of tobacco products then being investigated, which manufacturers had refused access to certain documentary evidence in their possession. Three similar mandamus actions against dealers in grain at Baltimore, Md., were in course of preparation for filing in the United States District Court for the District of Maryland.

One hundred and eleven formal complaints were issued by the commission during the year. While the number of new complaints issued by the commission decreased in the past year, the important nature of the issues raised and the dominant position in industry of the respondents proceeded against is indicative of the growing consequence of cases handled under the law of unfair competition. Of especial interest are the proceedings instituted by the commission against the Douglas Fir Exploitation & Export Co., Famous Players-Lasky Corporation, Bethlehem-Lackawanna Steel Cos., National Biscuit and Loose-Wiles Biscuit Cos., and against American Tobacco Co., P. Lorillard Co. (Inc.), Liggett & Myers Tobacco Co., and a large number of local associations of wholesale and retail tobacco dealers.

Complaints to the number of 211 were disposed of by the commission during the year, 97 by orders to cease and desist and 114 by orders of dismissal. In five cases the respondents appealed to the

courts. The orders were directed to such unfair methods as misbranding, false and misleading advertising, giving of gratuities, resale price maintenance, passing off of name and goods, price discrimination, conspiracy to injure competitors, misrepresentation, false claim of Government approval, and fictitious price marking. Petitions for relief from unfair competition in domestic and foreign trade and other unlawful practices were filed with the commission to the number of 1,065 during the year. The great number of these petitions asked for relief from unfair methods of competition, a phrase not defined in the statute but said by the Supreme Court in the Gratz case to include at least (1) methods opposed to good morals because characterized by deception, bad faith, fraud, or oppression; (2) methods regarded as against public policy because of their dangerous tendency unduly to hinder competition or create monopoly.

Of the petitions received, 382 were docketed as applications for complaints; 577 being of a less formal nature were handled usually in an informal way by correspondence and were filed without docketing, and 106 were foreign trade complaints referred to the commission by the Department of State and the Department of Commerce, and after investigation as to facts and in many cases settlement of the issue were reported back to the departments from which received. These petitions covered a wide range of subjects under the general head of unfair methods of competition.

The major portion of the applications for the issuance of complaints arise from charges brought to the attention of the commission by the business world where the element of public interest is believed to be involved. The procedure upon an application is simple. When the commission receives notice, usually by letter, of an alleged unfair method, if it believes the matter is of sufficient moment that a proceeding public interest and that the issue involves would be in the certain essential jurisdictional elements, such as interstate commerce, it docketes the information as an application for complaint. The facts are then developed by inquiry addressed to the complainant and to the respondent, supplemented when necessary by field investigation. A report of the developed facts is then made to a board of review composed of two lawyers and an economist, who summarize the facts and give an opinion as to the fair or unfair features, the interstate commerce factor, and the public interest. A single commissioner then reviews the case and makes a recommendation to the commission, either that a complaint issue or that the application be dismissed. A majority vote of the commission determines the disposition of the application. The greater number of applications are dismissed. If complaint be issued it recites the commission's reason to believe that the respondent named therein is or

has been using unfair methods of competition. The complaint initiates a formal proceeding and cites the respondent to appear and make answer. The answer joins the issues and then trial proceeds before an examiner, before whom by sworn testimony and documentary evidence the facts are adduced. The examiner's summary of the facts and conclusion are served upon counsel for respondent and counsel for the commission. Counsel may make exception and are heard in final argument on the merits and the law before the whole commission. If the commission after trial and final argument on the facts and the law confirms the reasons to believe upon which complaint was issued, then an order is issued directing the respondent to cease and desist the offensive practice; otherwise the complaint is dismissed. Appeal from the order lies to the circuit courts.

Since its organization the commission has handled 4,179 petitions for relief, has issued 899 complaints, and 466 orders to cease and desist.

Economic.--By its organic act the commission is granted power to gather information concerning any corporation engaged in commerce, and is required, upon the direction of the President or Congress, to investigate and report the facts relating to alleged violation of the antitrust acts by any corporation. Under this authority and direction the commission has continued during the year here reported upon, as in the past, to gather and report comprehensive and accurate data concerning the economic situation of several basic industries of the country.

The economic work during the fiscal year included inquiries into the investment and profits of the bituminous coal industry, the operations and profits of grain exporters, prices and price combinations in the Pacific coast petroleum industry, the prices of tobacco products and the restraints of trade affecting their sale, the costs of production of lumber, prices and profits in the household-furniture industry, the price of cotton and the causes of its decline, and fraudulent practices in the sale of securities.

Of the 10 more important inquiries, 5 were undertaken in response to resolutions of the Senate, namely, the inquiries into the export grain business, the petroleum industry, the tobacco trade, the household-furniture industry, and cotton prices. All these five inquiries originated during the fiscal year here reported on, except that relating to the petroleum industry, on which a partial report was made in the preceding year. Of the four initiated during the fiscal year reports were issued with respect to two; the other two--house furnishings and cotton trade--were begun only a short time before the close of the year.

The report on Pacific coast petroleum industry issued during the year dealt with prices and competitive methods, and the evidence tended to show definite combinations obnoxious to the Sherman law. The remedy proposed by the commission to cure an ineffective dis-solution of the so-called Standard Oil Trust was to prohibit persons from holding stock in more than one company resulting from or formed in consequence of the dissolution of a trust.

The report on prices of tobacco revealed efforts of the "successor companies" of the former "Tobacco Trust" severally to arrange with their respective jobbers a plan of maintaining prices. Some of the so-called independent companies were interested in this plan also. In its report the commission repeated its former recommendation to strengthen the dissolution decree, in order to prevent threatened monopolistic conditions in the tobacco industry.

The inquiry into the methods and operation of grain exporters showed that the export trade in grain was largely in the hands of a comparatively few companies, among whom foreign companies were especially important. Profits in the trade were shown to be very large during 1920 and 1921.

A report was issued during the year on the subject of terminal grain marketing, one of its features being a recommendation that adequate terminal elevator facilities under management of the railroads be provided to enable grain dealers who did not operate terminal elevators to compete on more even terms with terminal elevator merchandisers who appear likely to acquire an undue control over the grain trade.

In publishing extensive data on the average investment per ton on coal produced annually and in connection therewith the compiling and publishing of available data with respect to average costs and prices, a body of information was provided which is of great practical interest in the consideration of the reasonableness of coal prices from time to time. It does not, of course, furnish the complete and current, information which the Government should have on this vital subject, and which this commission was collecting when it was interrupted in its work by judicial injunction procured at the instance of the National Coal Association.

Assistance was given by the commission through its economic division on several occasions to other branches of the Government and especially to the Departments of State, Justice, and Commerce.

At the request of the Joint Commission of Agricultural Inquiry a special investigation was made into the number and names of the "open price" trade associations; that is, associations collecting and distributing facts regarding the selling prices of their members.

Publication of monthly statistics concerning the production, shipment, and stocks of paper and pulp by grades was continued during the year.

As an outgrowth of the war purchases of milk products the commission made an inquiry at the request of the War and Navy Departments into the cost of production of certain companies producing condensed and evaporated milk, in order that the purchasing departments might ascertain whether, under their contracts, any refund was payable the Government.

Export trade.--The prime purpose of the export trade act is to encourage exporters and enable them to compete successfully with foreign combinations. The act authorizes the formation of "associations" organized for the sole purpose of export trade and affords exemption under stated conditions to such association from the anti-trust laws. At the close of the year 56 such associations had filed papers with the commission and were operating under the act. Agencies are maintained in leading foreign markets, one association operating as many as 40 agencies abroad.

Associations operating under the act report satisfactory progress and encouraging prospects. In some instances, due to the price changes, the money value of exports declined as compared with 1920, but an increase in physical volume exported was noted. Gains were recorded in the shipment of milk products, meat and other food stuffs, also in copper, phosphate, and lumber.

Economies in selling, savings of inland freight and cable expenses, efficiencies in advertising and promotion work, and in packing and handling of goods, were reported by the associations.

The commission has kept itself currently informed as to competitive conditions as to world commerce and trade resulting from associations and combinations and affecting the foreign trade of the United States.

The record for the year notes a steady increase in the number of foreign trade complaints. Approximately 106 complaints of this character were investigated during the year. Upon inquiry these complaints against American traders were found to have an important bearing on the reputation of the Nation in foreign trade, and if allowed to go unheeded would seriously prejudice the mind of the foreign purchaser against the Nation as a whole because of the delinquencies of a few of its citizens. Some complaints were found without merit and a report of the facts by the commission has served to clear the traders of unjust accusations. In others, matters in dispute were satisfactorily adjusted where the claim was clearly established. The commission is assured that the adjustment of even a small complaint goes far toward the establishment of confidence and good will in foreign markets.

Enemy trade.-- The authority of the commission to issue licenses to American citizens to use enemy-owned patents under the trading with the enemy act extended only for the duration of the war, and this authority automatically terminated on July 2, 1921, when by the President's proclamation the war was officially ended. Therefore no new licenses were issued during the fiscal year, although supervision of all outstanding licenses continued.

The commission's current report on the subject is by way of a summary of its administration of provisions of the act intrusted to its care. This summary shows a total of 89 licenses issued under patents, trade-marks, and copyrights, and a total of \$996,048.44 royalty paid by licensees and turned over to the Alien Property Custodian for deposit in the Treasury as a trust fund, and other facts relating to this branch of the work.

Separate reports of the various activities of the commission in detail follow under division headings.

ADMINISTRATIVE DIVISION.

The sections in this division are those generally adopted in all Government departments and establishments to care for the management of the commission's activities, 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. Units in this division are:

Office of the secretary.--The secretary is the custodian of the minutes, of all confidential papers, and of the seal of the commission; he signs all orders of the commission in formal docket cases and intraoffice orders to all chiefs of divisions and employees. The clerks in this office attend to the writing up of minutes, preparation of answers to all inquiries from the general public and interested parties with reference to the status of formal and informal proceedings. They are also responsible for the service of all formal complaints and orders and for notices of assignments of trial to interested parties in formal proceedings. It is the duty of this office also to arrange for reporting of all formal proceedings before the commission. The secretary's office is also responsible for certification of copies of formal records to the different circuit courts of appeal, to the United States Supreme Court, and of such documents as are requested by the public or other departments of the Government.

Office of assistant secretary.--Administrative assistant to the secretary. Assumes duties and responsibilities of secretary during absence of said officer.

Disbursing office, having charge of the fiscal affairs.

Supplies and equipment section, 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, 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.

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 records and files all correspondence, exhibits, notices of assignments to attorneys, field and office reports, and all other material in connection with such applications. In its custody also are pleadings, exhibits, correspondence, and other material relating to formal complaints which have been served, and it maintains the current docket record for the inspection of the public, together with a proper supply of mimeographed copies of pleadings in the various cases before it for distribution to interested parties upon application. This section also indexes and files a large quantity of legal material of a general nature not directly connected with specific applications for complaints or formal complaints and performs various miscellaneous services for the legal staff of the commission.

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 anywhere 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.

Library section.--The functions carried on in the library are under the direction of the administrative division.

There is a function 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.

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

Statutes at Large.	Annotated Cases, American and English, with Digest.
Compiled Statutes.	Index Digest of District of Columbia Cases.
United States Reports.	Digest of Patent, Trade-mark, and Copyright Cases, Court of Appeals District of Columbia.
Federal Reporter.	Complete Index of all Annotated Case Notes.
Northeastern Reporter.	American State Reports.
Northwestern Reporter.	American Annotated Cases.
Atlantic Reporter.	Session laws of the States.
Pacific Reporter.	Briefs, decrees, etc., in antitrust cases.
Interstate Commerce Commission Reports.	Law encyclopedias, dictionaries, reference books, etc.
American Digest.	
Lawyers' Reports Annotated.	
Ruling Case Law.	
American Reports and American Decisions, with Digest.	

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 available sufficient volumes to answer the ordinary requirements of the legal force. In all other instances use is made of the other law libraries in Washington.

APPROPRIATIONS AND EXPENDITURES.

The appropriations of the commission for the fiscal year ended June 30, 1922, under the sundry civil appropriation act approved March 4, 1921, amounted to \$955,000. In addition to this amount the commission had available the sum of \$20,307.18, 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 year ended June 30, 1913 and 1914.

The expenditures of the commission for the fiscal year ended June 30, 1922, were \$892,952.80. The appropriations, including un-

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

	Amount avail- able.	Amount ex- pended.
Federal Trade commission 1922:		
Salary, commissioners, secretary	\$55,000.00	\$47,361.10
All other authorized expenses	900,000.00	811,490.29
Total, fiscal year 1922	955,000.00	858,851.39
Unexpended balances:		
Federal Trade commission-		
1921	104,592.70	32,536.61
1920	158,472.88	Cr. 3.90
1913-14	20,307.18	1,563.06
	1,238,372.70	892,947.16

It is estimated that the outstanding liabilities of the commission as of June 30, 1922, amount to \$40,507.52, payment of which will be made from the unexpended balance of the appropriations "Federal Trade Commission, 1922."

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

*Detailed statement of the expenditures of the Federal Trade Commission for
the fiscal year ended June 30, 1922.*

ADMINISTRATIVE DIVISION.

Item.	Office.	Field.
Annual leave	\$14,087.75	
Sick leave	4,651.02	
General administration	70,647.97	\$986.32
Mail and files	11,265.05	
Disbursements and accounts	11,513.41	
Purchases and supplies	5,327.91	
Docket	13,046.51	
Library	6,097.34	
Messengers	8,245.02	
Time excused by Executive or commission's order	284.37	
Legal supervision	103.11	1,216.51
Medical attendant	1,216.51	
Printing and publications	10,088.02	41.49
Stenographic	22,128.81	26.42
Appointment division	8,454.39	
Labor	2,973.07	
Special for the commissioners	35.69	
Formal complaints	16.05	
Contingent	29,337.20	
Rent	6,219.65	
Printing and binding	22,801.73	
Total	248,541.24	1,054.23

ECONOMIC DIVISION.

Annual leave	\$23,774.35	
Sick leave	5,706.43	
General administration	630.80	
Mail and files	4.56	
Disbursements and accounts	8.72	
Time excused by Executive or commission's order	341.07	
Economic supervision	21,218.39	\$320.84
Detail--Senate Committee on Manufactures--crude oil and petroleum products	109.04	
Medical attendant	54.72	
Printing and publication	39.55	
Special for commissioners	41.53	30.45

Informal complaints	490.50	345.57
Formal complaints	11,912.23	75.68
Miscellaneous computing machine work	1,372.18	
Injunction proceedings against the commission	2,671.46	69.53

*Detailed statement of the expenditures of the Federal Trade Commission for
the fiscal year ended June 30, 1992--Continued.*

ECONOMIC DIVISION--continued.

Item.	Office.	Field.
Oil	\$5.95	
Lumber.	11,364.96	
Trading with the enemy	4.36	
Miscellaneous economic	98.13	
Coal	17,631.95	
Canned goods	218.36	Cr. \$0.20
Sand and gravel		Cr. 1.60
Government paper contracts		Cr. .02
Live stock and its products	1,983.79	39.95
Grain and produce exchanges	29,525.59	54.19
Export trade	4.56	
Paper schedules	6,150.61	
Farm operating equipment	1.56	
Milk products	2,113.53	81.60
Stock securities-Blue sky	10,917.15	1,339.78
California oil	6,355.19	29.29
Commercial feeds for animals	185.22	
Sugar	9.32	
Increased cost of shoes	381.73	
Prices combed cotton yarns	114.92	
Trade associations	1,593.47	
Tobacco situation	18,412.77	6,538.04
Survey of the industrial situation	3,919.59	
Export grain inquiry	47,869.14	17,342.09
House furnishing goods	32,859.21	10,126.56
Cotton trade inquiry	3,880.35	149.92
Total	263,977.14	36,541.58

LEGAL DIVISION.

CHIEF COUNSEL.

Annual leave	\$8,098.80	
Sick leave	3,166.67	
Time excused by Executive or commission's order	147.67	
Briefs	82.69	
Legal supervision	21,385.20	\$35.13
Detail to Department of Justice	139.27	
Study of procedure 323.28		
Military leave	141.63	
Stenographic	30.00	
Special for the commissioners	99.13	
Preliminary work on informal complaints	141.51	Cr. .32
Informal complaints	5,026.37	672.89
Formal complaints	87,881.76	24,058.55
Petitions for mandamus	45.30	16.22
Injunction proceedings against the commission	3,361.28	
Trading with the enemy	250.67	
Miscellaneous legal	33.05	
Coal	4.72	
Live stock and its products	166.93	188.31
Export trade	84.30	
Merger of corporations	23.59	
Cream industry trade practice	44.36	
Prices loose leaf tobacco	52.73	
Export grain inquiry	152.92	11.62
Total	130,883.83	24, 983.04

CHIEF EXAMINER.

WASHINGTON (D.C.) OFFICE.

Annual leave	\$4,147.19	
Sick leave	1,254.82	
General administration	15.93	
Library	907.42	
Time excused by Executive or commission's order	80.38	
Legal supervision	14,733.22	\$218.06
Detail--Federal real estate board	382.35	
Detail--Departmental contract board	8.51	
Detail--Senate Committee on Manufactures--Crude oil and petroleum		

products	42.59
Study of procedure	244.71
Stenographic	5.45
Special for the commissioners	2.26

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Detailed statement of the expenditures of the Federal Trade Commission for the fiscal year ended June 30, 1992--Continued.

LEGAL DIVISION--Continued.

Item.	Office.	Field.
CHIEF EXAMINER. WASHINGTON (D. C.) OFFICE.		
Preliminary work on informal complaints	\$4,383.65	\$1,094.34
Informal complaints	14,853.10	7,438.21
Formal complaints	20,097.39	8,566.22
Court leave	38.22	
Lumber	15.02	
Stock securities	1,045.17	280.01
Prices loose-leaf tobacco	36.93	
Total	62,295.31	17,595.84
NEW YORK BRANCH OFFICE.		
Annual leave	1,893.73	
Sick leave	525.71	
Time excused by Executive or commission's order	4.25	
Legal supervision	3,355.85	262.94
Study of procedure	73.37	
Stenographic	3,339.46	76.64
Special for the commissioners	7.08	
Preliminary work on informal complaints	2,402.96	338.17
Informal complaints	9,005.47	2,134.67
Formal complaints	1,924.97	1,933.17
Total	22,532.85	4,745.59
CHICAGO BRANCH OFFICE.		
Annual leave	2,020.79	
Sick leave	604.66	
Legal supervision	2,811.98	4.50
Study of procedure	121.44	
Stenographic	3,566.46	
Preliminary work on informal complaints	2,504.83	370.91
Informal complaints	10,473.88	4,581.36
Formal complaints	1,985.44	1,361.67
Lumber	996.03	326.03
Live stock and its products	9.94	
Total	25,095.45	6,644.47
SAN FRANCISCO BRANCH OFFICE.		
Annual leave	488.53	
Sick leave	13.09	
Legal supervision	807.34	222.89
Stenographic	1,159.64	
Preliminary work on informal complaints	1,280.48	495.84
Informal complaints	2,764.76	1,333.79
Formal complaints	516.50	742.00
Lumber	492.86	
Rouse furnishings goods	205.01	6.35
Total	7,728.21	2,800.87
SUMMARY, CHIEF EXAMINER.		
Washington office	62,295.31	17,595.84
New York branch office	22,532.85	4,745.59
Chicago branch office	25,095.45	6,644.47
San Francisco branch office	7,728.21	2,800.87
Total	117,051.82	31,786.77
BOARD OF REVIEW.		
Annual leave	1,481.15	
Sick leave	458.23	
Time excused by Executive or commission's order	60.48	

Legal supervision	133.04	
Printing and publications	5.55	
Stenographic	443.31	
Board of review	14,065.03	273.06
Coal	14.14	
Total	16,660.93	273.06

*Detailed statement of the expenditures of the Federal Trade Commission for
the fiscal year ended June 30, 1992--Continued.*

LEGAL DIVISION--Continued.

Item.	Office.	Field.	
EXPORT TRADE BRANCH.			
Annual leave	\$1,017.01		
Sick leave	258.10		
Time excused by Executive or commission's order	27.72		
Export trade	8,887.76	\$1,232.38	
Total	10,190.59	1,232.38	
TRADING WITH THE ENEMY.			
Annual leave	305.42		
Sick leave	106.56		
Time excused by Executive or commission's order	5.38		
Trading with enemy	3,201.73	357.18	
Total	3,619.09	357.18	
SUMMARY OF EXPENDITURES.			
Item.	Office.	Field.	Total.
Administrative	\$248,541.24	\$1,054.23	\$249,595.47
Economic	263,977.14	36,541.58	309,518.72
Legal:			
Chief counsel	130,883.83	24,983.04	155,866.87
Chief examiner	117,651.82	31,786.77	149,438.59
Board of review	16,660.93	273.06	10,933.99
Export trade branch	10,190.59	1,232.38	11,422.97
Trading with the enemy	3,619.09	357.18	3,976.27
Grand total	791,524.64	96,228.24	887,752.88

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

Total cost for the year ended June 30, 1922	\$887,752.88
Less transportation issued	87,040.73
New total	850,712.15
Plus transportation paid	35,234.59
Adjusted total	885,946.74
Allotted to retirement fund	7,000.42
Disbursements for the year ended June 30, 1922	892,947.16

The appropriations for the Federal Trade Commission for the fiscal year ended June 30, 1922, 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, \$900,000.

PERSONNEL.

Charges in personnel.--The term of office for which Hon. John Garland Pollard, of Virginia, was appointed and confirmed expired September 25, 1921. He was Succeeded by Hon. Vernon w. Van Fleet, of Indiana, who was nominated by the President June 5, 1922 (legislative day of April 20), for a full term of seven years. The nomination was confirmed by the Senate June 26, 1922 (legislative day of April 20), and Judge Van Fleet entered on duty June 26, 1922. His term of office will expire June 25, 1929.

On December 1, 1921, Vice Chairman Hon. Nelson B. Gaskill was elected chairman of the commission for the ensuing year, succeeding Chairman Huston Thompson. On the same date Commissioner Victor Murdock was elected vice chairman for the ensuing year.

Just before the close of the fiscal year Mr. J. P. Yoder tendered his resignation as secretary of the commission, and the same was accepted, effective at the close of business August 5, 1922. As secretary he has been succeeded by Mr. Otis B. Johnson, effective August 6, 1922.

During the fiscal year ended June 30, 1922, 106 employees entered the service of the commission, making a total of 2,083 original appointments in the service of the commission since its creation. During the year 103 employees left the commission's service, leaving the total number of employees at the close of June 30, 1922, 318 with a total basic salary of \$769,940. Of this number 187 were under civil service appointment and designation and 131 held positions excepted from civil service rules and regulations.

At the close of the fiscal year the commission had 62 employees who have had United States military or naval service. The number of female employees at the close of June 30, 1922, was 103. For the same date the number of employees in our service coming under the provisions and benefits of the civil service retirement law was 182.

The commission is still seriously affected by the constantly occurring turnover in its force. The attraction of the outside business world with the higher 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.

APPLICATIONS FOR COMPLAINTS AND FORMAL COMPLAINTS.

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, 1922, and by fiscal years from the organization of the commission to June 30, 1922.

Table showing receipt and disposition of applications for complaints and format complaints, by fiscal years, from organization of the commission to June 30, 1922.

Fiscal Year.	Applications for complaints. Disposed of.				Served.	Formal complaints. Disposed of.			Cases ap- pealed
	Dock- eted.	Dis- missed	For- mal served.	Total		Dis- missed.	Orders to cease and desist.	Total.	
Organization (Mar. 16, 1915) and prior thereto to June 30, 1915.	112	8		8					
Ended June 30:									
1916	134	105	3	108	5				
1917	153	79	16	95	9	1	3	4	
1918	332	160	80	240	154	7	71	78	
1919	535	301	125	426	135	13	71	84	4
1920	724	339	220	559	308	43	112	155	7
1921	426	357	157	514	177	37	118	155	19
1922	382	287	103	390	111	75	91	166	5
Total	2,798	1,636	704	2,340	899	176	466	642	35

Table showing receipt and disposition of applications of for complaints and formal complaints, fiscal year ended June 30, 1922.

Month.	Applications for complaints. Disposed of.				Total	Formal complaints. Disposed of.			Total.
	Dock- eted.	Dis- missed without pub- licity.	Formal com- plaints served.	Total		Served.	Dis- missed.	Orders to cease and desist.	
1921.									
July	20	52	16	68	16	5	9	14	
August	73	16	31	47	33	3	3	6	
September	36	24	4	28	5	2	2	4	
October	18	21	8	29	8	3	2	5	
November	29	27	5	32	5	4	5	1	
December	25	39	3	42	5	3	1	4	
1922.									
January	11	10	7	17	5	15	11	26	
February	38	2	0	2	1	14	8	22	
March	35	37	7	44	7	7	25	32	
April	37	12	6	18	6	10	3	13	
May	39	11	9	20	11	4	8	12	
June	21	36	7	43	9	5	14	19	
Total	382	287	103	390	111	75	91	166	

The case listed as disposed of in the above table comprise those in which orders were actually served. In addition, final action was taken by the commission during the closing days of the year in 49 other cases, the orders in such cases not being served until the early days of the following year.

Of these 49 cases 39 were dismissed and 10 disposed of by orders to cease and desist.

The discrepancies in both tables between the number of applications disposed of by the service of formal complaints and the number of the latter served are due, on the one hand, to the consolidation of applications against similar respondents, and, on the other, to the fact that some applications had several respondents who were proceeded against individually.

PUBLICATIONS ISSUED.

The following publications were issued by the Federal Trade Commission during the fiscal year ended June 30, 1922:

Annual Report of the Federal Trade Commission for the fiscal year ended June 30, 1921; December 12, 1921. 174 pp.

Pacific Coast Petroleum Industry: Part I (Production, Ownership, and Profits) September 29, 1921. 276 pp.

Pacific Coast Petroleum Industry: Part II (Prices and Competitive Conditions), May 3, 1922. 262 pp.

Combed Cotton Yarns, September 15, 1921. 94 pp.

Commercial Feeds, August 9, 1921. 206 pp.

Shoe and Leather Costs and Prices, November 18, 1921. 212 pp.

Costs of Canned Foods in 1918 (Corn, Peas, String Beans, Tomatoes, and Salmon), March 15, 1922. 86 pp.

Milk and Milk Products, 1914-1918, January 10, 1922. 234 pp.

Acts from which the Commission Derives Its Powers, with Annotations, February 12, 1922. 200 pp.

Prices of Tobacco Products, February 18, 1922. 109 pp.

Decisions, Findings, and Orders of the Federal Trade Commission (July 1, 1920, to June 30, 1921), June 20, 1922. 649 pp.

Lumber Manufacturers' Trade Associations (incorporating reports of January 10, 1921, February 18, 1921, June 9, 1921, and February 15, 1922), June 24, 1922. 150 pp.

The Grain Trade, volume 3 (Terminal Grain Marketing), June 27, 1922. 332 pp.

LEGAL DIVISION.

The legal division of the commission includes two subdivisions, viz, the trial staff, at the head of which is the chief counsel, who is also the chief legal adviser for the commission, and the examining and investigating staff, at the head of which is the chief examiner.

CHIEF COUNSEL.

During the year the commission disposed of 166 formal complaints. In practically all of these matters the testimony of witnesses had been taken in support of the charges stated in the complaint and on behalf of parties against whom the complaint had been issued, and briefs were filed by both the counsel for the commission and counsel for respondent, and the matter submitted to the commission on oral argument. In 91 of these matters the commission issued orders to cease and desist from the practices upon which the charges stated in the complaint were based, and in 75 of such cases the complaint was dismissed upon various grounds. In five of the cases in which orders to cease and desist had been issued, within the year, the respondents petitioned the Circuit Court of Appeals of their respective circuits to vacate and set aside such orders. Four of said petitions to review were pending and undetermined on June 30, 1922, and in the other case the order of the commission was affirmed.

There were decided within the year, in various Circuit Courts of Appeals, eight cases wherein respondents had petitioned the courts to review orders issued by the commission prior to the year beginning July 1, 1921. In one of these cases, a proceeding under section 7 of the Clayton Act, the order to be reviewed directed the respondent to divest itself of all stock holdings in a competing corporation; the order of the commission was affirmed. In six of these cases the orders of the commission directed the respondents to cease and desist from the use of unfair methods of competition in violation of section 5 of the commission act, and in two of these cases the orders were in all respects affirmed; in another case the order was affirmed as to certain of the respondents and reversed as to other respondents; in four cases the orders of the commission were vacated and set aside; in another case the complaint contained two counts, one charging the use of unfair methods of competition in violation of section 5 of the commission act and another count charging a violation of

section 3 of the Clayton Act; the order of the commission was annulled and set aside.

Two cases were decided within the year by the Supreme Court of the United States in which writs of certiorari had been issued to review decrees of the Circuit Court of Appeals, which decrees vacated and set aside orders of the commission directing the parties proceeded against to cease and desist from the use of certain alleged unfair methods of competition in violation of section 5 of the commission act. In each of these cases the decree of the Circuit Court of Appeals was reversed, and the order of the commission in one case was affirmed in all respects, and in the other case the order of the commission was modified and affirmed.

An attempt was made within the year to have a Circuit Court of Appeals grant a writ of certiorari to review a preliminary order made by the commission denying a motion to dismiss, upon jurisdictional grounds, a complaint issued by it before hearing upon the merits. It was held that the court had no jurisdiction to issue the writ and that the jurisdiction of the Circuit Court of Appeals was limited to the enforcement or the vacation of final orders of the commission.

Toward the end of the year two actions in mandamus were begun in the United States District Court, Southern District of New York, against two manufacturers of tobacco products, then being investigated, which manufacturers had refused to representatives of the commission access to certain documentary evidence in their possession. At the end of the year there were in process of preparation for filing in the United States District Court for the District of Maryland three similar actions against dealers in grain at Baltimore, Md.

Within the year a final decree was entered in a suit in the Supreme Court of the District of Columbia, brought by certain manufacturers of iron and steel, to enjoin the commission from requiring such manufacturers to make certain reports theretofore demanded by the commission under the provisions of section 6 of the commission act. The preliminary injunction was made permanent, whereupon appeal to the Court of Appeals of the District of Columbia was perfected and the case has been argued and submitted to that court.

An attempt was made within the year by the Butterick Co. and its affiliated companies to appeal to the Court of Appeals of the District of Columbia from a decree of the Supreme Court of the District of Columbia dismissing their bill of complaint in which it was sought to enjoin the commission from prosecuting certain complaints which the commission had issued against such companies. These appeals were dismissed upon motion of counsel for the com-

mission, whereupon the action of the lower court dismissing the bills became final.

The following cases decided within the year dealt with questions of jurisdiction of the commission and interpreted various provisions of the acts of Congress which prescribed the powers and authority of the commission.

PETITIONS TO REVIEW ORDERS OF THE COMMISSION.

Federal Trade Commission v. Beech-Nut Packing Co., 42 Sup. Ct. Rep. 150.

The complaint in this case charged that the respondent, the Beech-Nut Packing Co., in the course of its business, which consisted of the manufacture and sale of food and other products, had made use of unfair methods of competition in violation of section 5 of the commission act, in that it had adopted what it termed the Beech-Nut policy, whereby respondent and its distributors, customers, and agents undertook to prevent others from obtaining the company's products at prices below those designated by it, by utilizing various cooperative means of accomplishing the maintenance of prices fixed by the company in the resale of its products. An order to cease and desist from such practices was issued; the respondent petitioned the Circuit Court of Appeals, Second Circuit ' to vacate and set aside the order of the commission, which petition was granted, whereupon the case was reviewed by the Supreme Court of the United States on writ of certiorari and the judgment of the Circuit Court of Appeals was reversed and the lower court was directed to enter judgment in conformity with the provisions of the opinion of the Supreme Court. The Supreme Court in the course of its opinion said:

If the "Beech-Nut System of Merchandising" is against public policy because of "its dangerous tendency unduly to hinder competition or to create monopoly," it was within the power of the Commission to make an order forbidding its continuation. We have already seen to what extent the declaration of public policy, contained in the Sherman Act, permits a trader to go. The facts found show that the Beech-Nut system goes far beyond the simple refusal to sell goods to persons who will not sell at stated prices, which In the Colgate case was held to be within the legal right of the producer.

The system here disclosed necessarily constitutes a scheme which restrains the natural flow of commerce and the freedom of competition in the channels of interstate trade which it has been the purpose of all the anti-trust acts to maintain. In its practical operation it necessarily constrains the trader, if he would have the products of the Beech-Nut Company to maintain the prices "suggested" by it. If he fails so to do, he is subject to be reported to the company either by special agents, numerous and active in that behalf, or by dealers whose aid is enlisted in maintaining the system and the prices fixed by it. Furthermore, he is enrolled upon a list known as "Undesirable Price Cutters," to whom goods are not to be sold, and who are only to be reinstated as one whose record is "clear" and to whom sales may be made

upon his giving satisfactory assurance that he will not resell the goods of the company except at the prices suggested by it, and will refuse to sell to distributors who do not maintain such prices.

From this course of conduct a court may infer, indeed cannot escape the conclusion, that competition among retail distributors is practically suppressed for all who would deal in the company's products are constrained to sell at the suggested prices. Jobbers and wholesale dealers who would supply the trade may not get the goods of the company, if they sell to those who do not observe the prices indicated or who are on the company's list of undesirables, until they are restored to favor by satisfactory assurances of future compliance with the company's schedule of resale prices. Nor is the inference overcome by the conclusion stated in the Commission's findings that the merchandising conduct of the company does not constitute a contract or contracts whereby resale prices are fixed, maintained, or enforced. The specific facts found show suppression of the freedom of competition by methods in which the company secures the cooperation of its distributors and customers which are quite as effectual as agreements express or implied intended to accomplish the same purpose. By these methods the company, although selling its products at prices satisfactory to it, is enabled to prevent competition in their subsequent disposition by preventing all who do not sell at resale prices fixed by it from obtaining its goods.

Under the facts established we have no doubt of the authority and power of the Commission to order a discontinuance of practices in trading, such as are embodied in the system of the Beech-Nut Company.

*Winsted Hosiery Co. v. Federal Trade Commission, 272 Fed. 957 (C. C. A.,
Second Circuit).*

The complaint in this case charged that respondent had manufactured and sold underwear made of a small amount of wool and a large amount of cotton which it labeled, advertised, and branded as "Wool," "Merino," or "Worsted." To the complaint the respondent made answer which was in effect a confession and avoidance and attempted to justify the practice upon the theory that it had become universal and was well recognized by the distributors of underwear. An order to cease and desist from the practices charged in the complaint was issued by the commission, whereupon the respondent petitioned the Circuit Court of Appeals, Second Circuit, to review the commission's orders. The court on April 13, 1921, filed its opinion and reversed the order of the commission. Thereafter the commission petitioned the Supreme Court of the United States for a writ of certiorari to review the decree of the Circuit Court of Appeals, which writ was granted on June 6, 1921. The question presented, as stated in the petition for certiorari, was whether the misbranding of garments made of cotton and wool would mislead the consuming public into the belief that such garments are made wholly of wool, thereby injuring competitors who correctly labeled their products, constituted an unfair method of competition within the purview of section 5 of the commission act.

The Supreme Court handed down its opinion April 4, 1922, reversing the judgment of the Circuit Court of Appeals. The court in its opinion said in part:

The facts show that it is to the interest of the public that a proceeding to stop the practice be brought. And they show also that the practice constitutes an unfair method of competition as against manufacturers of all wool knit underwear and as against those manufacturers of mixed wool and cotton underwear who brand their product truthfully. For when misbranded goods attract customers by means of the fraud which they perpetrate trade is diverted from the producer of truthfully marked goods. That these honest manufacturers might protect their trade by also resorting to deceptive labels is no defense to this proceeding brought against the Winsted Company in the public interest.

The fact that misrepresentation and misdescription have become so common in the knit underwear trade that most dealers no longer accept labels at their face value, does not prevent their use being an unfair method of competition. A method inherently unfair does not cease to be so because those competed against have become aware of the wrongful practice. Nor does it cease to be unfair because the falsity of the manufacturer's representation has become so well known to the trade that dealers, as distinguished from consumers, are no longer deceived. The honest manufacturer's business may suffer, not merely through a competitor's deceiving his direct customer, the retailer, but also through the competitor's putting into the hands of the retailer an unlawful instrument, which enables the retailer to increase his own sales of the dishonest goods, thereby lessening the market for the honest product. That a person is a wrongdoer who so furnishes another with the means of consummating a fraud has long been a part of the law of unfair competition. And trade-marks which deceive the public are denied protection although members of the trade are not misled thereby. As a substantial part of the public was still misled by the use of the labels which the Winsted Company employed, the public had an interest in stopping the practice as wrongful; and since the business of its trade rivals who marked their goods truthfully was necessarily affected by that practice, the Commission was justified in its conclusion that the practice constituted an unfair method of competition; and it was authorized to order that the practice be discontinued.

Sinclair Refining Co. v. Federal Trade Commission, 276 Fed., 686 (C. C. A., Seventh Circuit).

This was one of the series of cases in which the complaint issued by the commission charged that the respondent had been guilty of unfair methods of competition in commerce in violation of section 5 of the commission act and had violated section 3 of the Clayton Act, in that it had loaned or leased gasoline distributing devices to retail dealers for a nominal consideration, upon the condition that such dealers would not distribute through such devices the gasoline of competitors of the owners of the devices. An order to cease and desist from the practices charged in the complaint was issued, whereupon the respondent petitioned the Circuit Court of Appeals for the Seventh Circuit to review such order, and on September 8, 1921, the court vacated and set aside the order of the commission, whereupon the commission petitioned the Supreme

Court of the United States for a writ of certiorari to review the decree of the Circuit Court of Appeals, which petition was granted and the matter is now pending in that court. In this case and in the Kinney-Rome case decided on the same day by the same court, the doctrine was announced that jurisdiction under section 5 of the commission act exists only where there are practices that amount to a fraud in regard to some public or private right, whereas it has been the contention of the commission, based upon the interpretation of the commission act given it by the Supreme Court of the United States and circuit courts of appeals in numerous circuits, that there are two classes of cases falling within the purview of the commission act, and that only one, of such classes of cases have the element of fraud and the other class includes all practices which have a dangerous tendency unduly to hinder competition or create monopoly, and that innumerable practices falling within this classification may be pursued in entire conscience, free from any deception, bad faith, or fraud. As this important question has not been squarely raised in any of the cases involving an interpretation of the commission act or the Clayton Act previously decided by the Supreme Court. its determination of whether the element of fraud is a jurisdictional prerequisite for a proceeding by the commission under those acts will be looked forward to with great interest.

Kinney-Rome Co. v. Federal Trade Commission, 275 Fed. 665 (C. C. A., Seventh Circuit).

The complaint in this case charged that the Kinney-Rome Co., a manufacturer, made use of unfair methods of competition, in Violation of section 5 of the commission act, in that it had given premiums to salesmen employed by dealers to whom it distributed its products to induce such salesmen to enhance the sales of the Kinney-Rome products to the exclusion of competitors' products. An order to cease and desist from the practices charged was issued by the commission, whereupon respondent petitioned the Circuit Court of Appeals for the Seventh Circuit to review such order, and on September 8, 1921, the court annulled and set aside the order of the commission upon the ground that there must be a fraud in trade that injures a competitor or lessens competition before it can be said that there had been used an "unfair method of competition." This exact question is involved in the case of Sinclair Refining Co. (supra) now pending in the Supreme Court of the United States.

Western Sugar Refinery et al. v. Federal Trade Commission, 275 Fed. 725 (C. C. A., Ninth Circuit).

The complaint issued in this case charged that the Western Sugar Refinery and 27 other persons, partnerships, and corporations had combined and conspired together to prevent the Los Angeles

Grocery Co. from obtaining groceries and food products with which to carry on the business of a wholesale grocer and as a means of carrying into effect the purpose of such conspiracy had induced or attempted to induce manufacturers of grocery products and their agents to refuse to sell their products to said company, by resorting to boycott or threats of boycott, any product sold to said Los Angeles Grocery Co. The order to cease and desist issued by the commission commanded each of the 28 respondents to cease and desist from the practices charged in the complaint. Petitions to review the order of the commission were filed by only 10 of the 28 parties proceeded against. Of the petitioners 7 were whole-sale grocers, 2 were refiners of sugar, and 1 was a broker. The order of the commission was affirmed as to the wholesale grocers and reversed as to the sugar refiners and brokers upon the ground that the evidence failed to show that the refiners and broker had been parties to the conspiracy charged in the complaint.

D. A. Winslow & Co. v. Federal Trade Commission, 277 Fed. 266 (C. C. A., Fourth Circuit).

The complaint in this case charged that Winslow & Co., an partnership, was engaged in the business of selling chandlery supplies to ships reaching the port of Norfolk, Va., while engaged in interstate and foreign commerce, such supplies being for use and consumption on such ships in and beyond the territorial jurisdiction of the United States, and that in the course of such business respondents had given to captains and other officers and employees in charge of such ships cash commissions and gratuities to induce them to purchase from respondent provisions and supplies for use and consumption upon the ships operated by them for the owners thereof. An order to cease and desist from the practices charged in the complaint was issued by the commission, whereupon respondents petitioned the Circuit Court of Appeals, Fourth Circuit, to reverse the order of the commission. On October 1, 1921, the order of the commission was vacated and set aside upon the ground that the business of the respondent was neither interstate nor foreign commerce. An application to the Supreme Court of the United States to review the decree of the Circuit Court of Appeals was denied on March 6, 1922. A companion case against Norden Shipping Supply Co., (Inc.) based upon like charges was argued and submitted with the Winslow case and was disposed of in the same way.

Wholesale Grocers Association of El Paso Tex., et al. v. Federal Trade Commission, 277 Fed. 657 (C. C. A., Fifth Circuit).

The complaint in this proceeding charged that the Wholesale Grocers Association of El Paso, Tex., its constituent members and others engaged in El Paso, as representatives of manufacturers of

grocery products, 15 firms in all, had combined and conspired together to prevent the Standard Grocery Co. from obtaining commodities with which to carry on the business of buying and selling grocery products at El Paso, and as a means of carrying into effect the purposes of such conspiracy had by boycott and threats of boycott and threats of withdrawal of patronage induced or attempted to induce manufacturers of grocery products to refuse to sell their products to said Standard Grocery Co. The order issued by the commission directed the respondents and each of them to cease and desist from the practices charged in the complaint. Petitions to review the order of the commission were filed in the Circuit Court of Appeals by only 8 of the respondents, and the order of the commission was in all respects affirmed. The court in the course of its opinion said:

Whether the conduct of the Petitioners which is the subject of the attacked order to cease and desist comes within the meaning of the provision of the Federal Trade Commission Act declaring unlawful "unfair methods of competition in commerce" is a question of law presented for decision by this court. *Federal Trade Commission v. Grata*, 253 U. S. 421. That conduct was concerted action having for its object the putting of a ban, within the trade range of the Petitioners, upon manufacturers of food products or other grocers supplying their products at jobbers' prices and terms to a dealer doing or endeavoring to do both a wholesale and a retail business; a result of the success of such concerted action being to cut off such wholesale and retail dealer from sources of supply available to dealers whose business is exclusively wholesale.

* * * * *

It well may be inferred that the lawmakers, in using in the Trade Commission Act the words "unfair methods of competition in commerce," intended to include concerted action to eliminate competition, in pursuance of what amounts to a conspiracy in restraint of trade or commerce among the several States, within the meaning of the Sherman Act. *Federal Trade Commission v. Grata*, supra. What the associated jobbers severally did went beyond each of them refraining altogether or to a less extent from buying from manufacturers whose products were sold directly to the Standard Grocery Company. They combined and cooperated with others to keep manufacturers willing to do so from selling their products directly to the Standard Grocery Company, and by that means to obstruct or prevent that Company from competing as a wholesaler in territory sought to be appropriated by dealers not doing a combined wholesale and retail business. The combining of wholesaling and retailing is not a novelty, and is not unlawful. The success of the concerted action participated in by the petitioners meant the monopolizing of the wholesale grocery business in the El Paso territory by dealers not engaged in retailing. We are of opinion that the practices forbidden by the attacked order were "unfair methods of competition in commerce," within the meaning of the provision of Section 5 of the Federal Trade Commission Act, because, in the circumstances disclosed, they were against the public policy evidenced by the Sherman Act.

Royal Baking Powder Co. v. Federal Trade Commission (C. C. A. Second Circuit), decided May 1, 1922.

The complaint in this case charged that the Royal Baking Powder Co. had made use of unfair methods of competition in violation of section 5 of the commission act, in that in September, 1919, it had substituted for a well-known brand of cream of tartar baking powder previously manufactured and sold by it a baking powder the acid ingredient of which was phosphate and which contained no cream of tartar; that phosphate is much cheaper than cream of tartar; that for a number of years prior to May 28, 1919, then Royal Baking Powder Co. had published and circulated disparaging advertisements concerning baking powder containing phosphate; in an extensive advertising campaign which was begun in November of 1919 the Royal Baking Powder Co. emphasized the fact that its new product would be offered to the public at about one-half its former price, but in some instances the advertisements failed to make any mention whatever of the change from cream of tartar to phosphate as the acid ingredient; the advertisements employed tended to create the belief on the part of the public that the new powder which the Royal Co. was placing on the market was in fact Price's Baking Powder, which had been well known for 60 years as a cream of tartar powder, and tended to conceal or obscure the fact that it was a radically different powder. The order to cease and desist from the practices charged in the complaint was issued, whereupon the respondent petitioned the Circuit Court of Appeals to review the order. The order of the commission was in all respects affirmed by the court. In its opinion the court cited the case of *American Washboard Co. v. Saginaw Mfg. Co.*, 103 Fed. 281, an opinion of the Circuit Court of Appeals, Sixth Circuit; at that time that court consisted of Judges Taft, Lurton, and Day, each of whom later became members of the Supreme Court of the United States. The following was quoted from the opinion in that case:

Can it be that a dealer who should make such articles only of pure wool could invoke the equitable Jurisdiction of the courts to suppress the trade and business of all persons whose goods may deceive the public? We find no such authority in the books, and are clear in the opinion that, if the doctrine is to be thus extended, and all persons compelled to deal solely in goods which are exactly what they are represented to be, the remedy must come from the legislature, and not from the courts.

In commenting upon the above extract from this opinion of the court in the *American Washboard* case this court said:

The above case illustrates the reason which led Congress to enact the Statute creating the Federal Trade Commission and making unfair methods of competition unlawful and empowering the Commission to put an end to them. By that Statute the identical situation which the court in the above case said it was beyond Its power to suppress has been brought within the

jurisdiction of the Federal Trade Commission-created to redress unfair methods of competition. Before the enactment of the Federal Trade Commission Act the courts appear to have had jurisdiction of an action for unfair competition only when a property right of the complainant had been invaded. But the Federal Trade Commission Act gave authority to the Commission itself when it had reason to believe that any person, partnership, or corporation was using any unfair method of competition in commerce, if it appeared to it that a proceeding by it in respect thereof "would be to the interest of the public" to bring such offending party before it to answer to its complaint and after a hearing could, upon good cause shown, require it to cease and desist from its unlawful methods.

* * * * *

The method of advertising adopted by the Royal Baking Powder Company to sell an inferior powder, on the strength of the reputation attained through 60 years of its manufacture and sale and wide advertising of its superior powder, under an impression induced by its advertisements that the product purchased was the same in kind and as superior as that which had been so long manufactured by it. It is apparent that this was unfair alike to the public and to the competitors in the baking powder business. The purpose of the Congress in creating the Federal Trade Commission was aimed at just such dishonest practices, and business concerns that resort to dishonest devices of this nature must understand that they cannot add to their revenues or maintain their business standing by methods of competition which the law brands as "unfair" and therefore unlawful.

*Raymond Bros.-Clark Co. v. Federal Trade Commission (C. C. A., Eighth Circuit)
decided May 8, 1922.*

The subject matter of the complaint in this proceeding differs from that of the complaints in the cases of Western Sugar Refinery Co. and Wholesale Grocers Association; hereinbefore referred to; only to the extent that in this case the respondent was acting alone and not in combination with others in attempting to prevent competitors from obtaining supplies with which to carry on its business. Speaking broadly; this case is one of the many arising out of the effort to establish a more direct system of distribution of products of factories and farms to the consumers. The movement has manifested itself in the establishment of cooperative organizations among dealers for purchasing direct from manufacturers; cooperative selling organizations among farmers; mail-order houses; chains of retail stores, etc. To the extent to which the commission is successful it will diminish the profits of those through whose hands the commodities have heretofore passed and it has, heretofore, from the first met the organized and individual opposition of established dealers, wholesale and retail. The complaint was issued on the theory that any practice by an individual or firm which injuriously affects a competitor engaged in interstate commerce and tends to restrain commerce is an unfair method of competition and is prohibited by section 5 of the commission act, which is none the less unlawful if committed by an individual not in combination with others. An

order was issued directing the respondent to cease and desist from the practices, whereupon it petitioned the Circuit Court of Appeals to vacate and set aside the order of the commission; which petition was granted on May 8, 1922; and the order of the commission vacated. A petition for writ of certiorari to review the judgment of the Circuit Court of Appeals will be presented to the Supreme Court of the United States.

Chamber of Commerce of Minneapolis v. Federal Trade Commission, 280 Fed. 45 (C. C. A., Eighth Circuit).

This was a petition in certiorari to review preliminary orders of the commission; denying the motions of the chamber of commerce and other respondents named in the complaint issued by the commission. The object of the motions was to dismiss the complaint upon jurisdictional grounds before hearing upon the merits; the complaint charged that respondent had made use of unfair methods of competition in violation of section 5 of the commission act. The petition for certiorari for want of jurisdiction in the court to entertain it was denied. The court in the course of its opinion stated:

In cases arising under this law injunctions to halt the taking of testimony have been uniformly denied. The powers conferred upon this Commission are similar to those conferred upon the Interstate Commerce Commission, with the exception that the powers of the latter are more pronounced and potential. In all cases where Congress has lodged in administrative officers of Boards power to find facts and make orders, such findings and orders are conclusive when supported by substantial legal evidence. The courts will not consider with nicety the weight of such evidence. Illustrations of this principle are to be found in many cases arising under the Land Department, the Post Office Department, and before the Interstate Commerce Commission. To halt this investigation before testimony is taken would be an invasion of the powers of the legislative and executive branches of the government.

The real gist of the complaint here is that it is claimed, and with plausibility, that the chief petitioner is not subject to the jurisdiction of the Federal Trade Commission; that the Commission is proceeding erroneously and in excess of its powers; that the taking of the testimony before a final order can be made will be very expensive, and that a grievous burden is being inflicted upon petitioners, for which an ultimate setting aside of any order that may be made will not adequately compensate them. This is true in some degree of any order of the Commission which may finally be set aside. The law does not contemplate that Commissions of this nature will act arbitrarily nor without probable cause. It is, of course, conceivable that they may do so, but such a possibility cannot justify this court in exceeding its statutory powers and authority. To do so would be to deny to the administrative and legislative branches of the government the powers and authority which have been conferred upon them, and which have been uniformly upheld by the courts. It may be desirable that the law should provide for a preliminary review of questions of jurisdiction either by the Circuit Court of Appeals or by the District Courts, but in the absence of such provision, we cannot assume that power.

*Aluminum Co. of America v. Federal Trade Commission (C. C. A., Third Circuit),
decided June 1, 1922.*

The complaint in this case charged that respondent, Aluminum Co. of America; a corporation engaged in interstate commerce, had acquired and was holding a large part of the stock of another corporation engaged in commerce, and that as a result of such stock ownership competition between respondent and the other corporation had been substantially lessened and commerce in certain sections and communities had been restrained and such ownership tended to create a monopoly for respondent; in violation of section 7 of the Clayton Act. Upon hearing respondent was directed to divest itself of the stock of the other corporation and upon petition to the Circuit. Court of Appeals for the Third Circuit the order of the commission was in all respects affirmed. The court concluded its opinion with the following statement:

In addition to the several defenses made by the Aluminum Company there is much in the record to the effect that the need of aluminum for purposes of war and the assistance rendered the allied governments and our own government by increasing production and maintaining reasonable prices entered into the transaction. For these reasons and others it is persuasively urged that the arrangement was not a device intended to get around the Clayton Act but was a plain business transaction having the two fold object of relieving one party from a difficult business situation and enabling the other party to meet more effectively the demands of war. With these matters, we surmise, we have no present concern. They have to do with the motive for the transaction. We have to do only with the "effect" of the transaction; and with its effect only as it may "substantially lessen competition * * * or restrain commerce * * * or tend to create a monopoly." As we are not called upon to determine whether the Minimum Company is a monopoly within the definition of the Anti-Trust law, we limit our decision to the question whether, within the policy of the Clayton Act, the transaction comes within the definition of the section. In this we are of opinion that it does, and that its effect upon actual competition as well as in destroying potential competition in a way later to make actual competition impossible was substantially to lessen competition between the corporation whose stock was acquired and the corporation making the acquisition; and second, that, without regard to whether its effect was substantially to lessen competition between these two corporations, the stock acquisition did, in effect, "tend to create a monopoly."

SUITS TO ENJOIN THE COMMISSION FROM PROCURING INFORMATION.

*Maynard Coal Co. et al. v. Federal Trade Commission. Claire Furnace Co. et al. v.
Federal Trade Commission (Supreme Court of the District of Columbia).*

In two cases decided by the Supreme Court of the District of Columbia or now pending therein the commission has been prevented from procuring information respecting the production cost of basic commodities which may be regarded as public necessities and the profits made in the sale of such commodities in interstate commerce.

These cases are styled *Maynard Coal Co. v. Federal Trade Commission and Claire Furnace Co. et al. v. Federal Trade Commission*. This production cost activity resulted in large part from a conference; shortly after the close of the World War; between members of the commission and the Appropriations Committee of the House; in the course of which the committee asked what the commission could do to reduce the high cost of living. Members of the commission suggested that the publication of the costs of basic commodities; mentioning particularly coal and steel, sold in interstate commerce, the prices realized for these commodities in such commerce; and the profits of the business, would doubtless tend, if the profits proved to be large, to reduce prices. As a result of this conference the committee recommended and the House appropriated \$150,000 for this work. Shortly thereafter the commission sent questionnaires to the principal companies engaged in the mining of coal and in its sale in interstate commerce, requiring the submission by them of monthly reports showing (1) the quantity of coal mined and sold each month; (2) the cost of mining the coal; showing separately the cost of labor and materials, (3) the cost of marketing it, (4) the prices received for it, and (5) the net income from the sales of coal. A general balance sheet was also requested as of a given date. Some of the companies declined to furnish the information, and one company, the Maynard Coal Co., filed a petition in the Supreme Court of the District of Columbia, praying that a temporary restraining order be entered, enjoining the commission from taking any steps or instituting any proceedings to compel the production of the information required by the commission; and that upon final hearing a decree be entered perpetually enjoining the commission from procuring the information. Argument was had on the motion for a preliminary restraining order, which was granted as prayed, the court holding that the information required pertained almost wholly to manufacture or to production and not to interstate commerce. The decision on the motion was accompanied by a lengthy opinion setting forth the reasons for the granting of the preliminary injunction. Subsequently the commission filed an amended answer, which the petitioner moved to strike as not constituting a defense to the petition. The motion to strike was argued and submitted, but decision thereon has not yet been rendered.

While only one of the coal companies to which the commission sent questionnaires appeared in the injunction proceedings, the case was generally regarded as in the nature of a test case, and following the granting of the temporary restraining order so many of the coal companies declined to supply further data that the commission's purpose of keeping advised of conditions in the coal industry and of making the facts public from time to time had to be suspended. As

a consequence it is at this time, and has been for some time past; without current information respecting this industry.

At about the same time that requests for information were made upon the coal companies the commission also required reports of a number of corporations producing iron and steel. The information was of the same general character as that required of the coal operators. A number of companies declined to furnish the information, and on the eve of the institution by the commission of mandamus proceedings to compel the production of the information several companies filed a petition in the Supreme Court of the District of Columbia praying that a temporary restraining order be entered enjoining the commission from instituting proceedings to collect penalties for the companies' refusal to supply the information and; after hearing, that a permanent injunction restraining the commission from the institution of such proceedings and from requiring answers to the questionnaires which were designed to elicit the information be entered. A temporary restraining order was granted as prayed for. The commission filed an amended answer, which the petitioners moved to strike out as not constituting a defense; the motion was granted, and a permanent injunction entered. The commission appealed the case to the Court of Appeals of the District of Columbia; where it was argued in June last. The decision has not yet been rendered.

As in the case of the coal companies, these cases were apparently regarded in the steel industry as test cases, and after the granting of a temporary restraining order a substantial number of the companies declined to supply the information pending final adjudication of the commission's authority to require the reports. As a result the commission's work of acquiring current information respecting conditions in the steel industry was in a large measure suspended.

SUMMARY OF PROCEEDINGS UNDER SECTION 5 OF THE COMMISSION ACT.

The first formal complaint was issued by the commission on February 18, 1916; it charged the use of unfair methods of competition in violation of section 5 of the Federal Trade Commission act; since that date violations of this act have been charged in 877 complaints of these proceedings 462 have resulted in the issuance of orders to cease and desist from the use of the various methods of competition charged in the complaints. Some of these complaints also include an additional count charging a violation of some section of the Clayton Act; usually each count was based upon the same state of facts.

SUMMARY OF PROCEEDINGS UNDER THE CLAYTON ACT.

Thirty-nine complaints issued by the commission have charged violation of section 2 of the Clayton Act, and in seven of these proceedings orders were issued to cease and desist from the violations of

law charged in the respective complaints. Ninety-three complaints issued by the commission have charged violations of section 3 of the Clayton Act and in 35 of these proceedings orders were issued to cease and desist from the violation of law charged in the respective complaints. Twenty-five complaints have charged violations of section 7 of the Clayton Act and three complaints have charged violations of section 8 of the said act. In three proceedings under section 7 of the Clayton Act orders have been issued requiring the respondent to divest itself of the stock held as charged in the complaint.

As hereinbefore noted some of the complaints which charged violations of the Clayton Act also included a count charging the use of unfair methods of competition in violation of section 5 of the commission act. In all there have been issued by the commission up to the end of the fiscal year 899 complaints; of these 766 have been grounded on either section 5 of the commission act or one of the sections of the Clayton Act, and 133 of such complaints contained a count grounded on said section 5; together with a count grounded on one of the sections of the Clayton Act.

At the close of the fiscal year there were pending in the Supreme Court of the United States three cases in which petitions on behalf of the commission for writs of certiorari had been granted to review decrees of the circuit court of appeals, which decrees had vacated and set aside orders of the commission. In one of these cases the complaint charged a violation of section 3 of the Clayton Act only, and in the other two cases the complaint contained two counts, one charging the use of unfair methods of competition in violation of section 5 of the commission act and the other charging a violation of section 3 of the Clayton Act.

At the close of the year there were pending in the various circuit courts of appeals nine petitions to review orders made by the commission, which orders directed the parties proceeded against to cease and desist from the use of certain alleged unfair methods of competition in violation of section 5 of the commission act or violations of sections 2 and 3 of the Clayton Act. In three of these cases the complaints contained a count based upon said section 5 and also a count based upon section 3 of the Clayton Act ; in two of these cases the complaints contained a count based upon said section 5 and also a count charging a violation of section 2 of the Clayton Act; in four of these cases the complaints charged only a violation of section 5 of the commission act. Four of these cases have been argued and submitted to the court prior to the close of the year and the other five cases were awaiting argument.

PROCEEDINGS PENDING AND DISPOSED OF.

A review of the proceedings disposed of by the commission within the fiscal year and proceedings pending before the commission at the close of the year will be found in Exhibit 8.

CHIEF EXAMINER.

The duty of the second branch of the Legal Division--the force under the direction of the chief examiner--is to do all investigating work in connection with applications for the issuance of complaints and the preparation of formal cases for trial. It also furnishes the examiners who sit and receive testimony at the trial of formal cases. The staff includes one chief examiner, two assistant chief examiners, three attorneys and examiners in charge of branch offices, and a number of investigators, most of whom are attorneys, besides as complement of clerical and stenographic help. In addition to the supervision of the work of these investigators, the chief examiner is 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 that it be made 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 also 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 it appears that the practice complained of is not unlawful or if it is something over which the commission has no corrective jurisdiction the applicant is so informed and the file closed. If, however, it appears that something unlawful, over which the commission has corrective jurisdiction, is probably involved, the chief examiner or the commission 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 an assistant chief examiner, to make sure that the investigation is complete and that correct conclusions have been reached. It then goes to the board of review, and from that body, with its recommendation, to the commissioner in charge of the case, who makes his report and recommendation to the full commission, which 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. To that end 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 informed of the nature of the charges against them and given an opportunity to state their side of the controversy before action is taken, but, for obvious reasons, the identity of applicants is not disclosed. In deciding the question of docketing applications for investigation, the condition and circumstances of the party by or against whom it is presented are not controlling circumstances, and the commission does not refuse to consider any application where 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 applicants a better opportunity of presenting their cases. Branch offices are maintained at No.105 West Fortieth Street, New York City, No.14 West Washington Street, Chicago, and Room 707 Flatiron 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.

It was natural that in the early days of the commission's work there should be some lack of understanding of the scope and limitations of its powers. That this has continued so long and taken so wide a range is probably due to the unprecedented nature of the commission's functions. Many of the preliminary applications received have been, and still continue to be, necessarily rejected because of obvious reasons, such as the absence of interstate commerce; but there are other considerations, not so obvious, of which a better understanding seems desirable.

The commission is not a court, and therefore can not decree specific performance of contracts nor award costs or damages. For this reason those injured by breaches of contracts find remedy in the courts. It is considered by the commission that there is little or no public interest in a proceeding by it where the injured party already has an adequate remedy at law or in equity, especially if a proceeding involving the same issues has already been begun.

A useful point to be borne in mind by intending applicants is the fact that the commission acts primarily on behalf of the public and only secondarily for the redress of private wrongs, and where a controversy appears to be essentially a quarrel between competitors, in which the public has little interest, the commission will therefore ordinarily decline to interfere.

It would be beneficial if the basis of the commission and Clayton Acts--the purpose of Congress in passing them--were more generally understood. That purpose is expressed in various ways, but the fundamental object was the preservation of the competitive system. To that end those practices which are unfair to competitors and a fraud upon the public were to be prevented. The public interest, which is made the test for the commission's consideration in all cases, is therefore an interest in the preservation of free and fair competition. Having this in mind, it is not easy to understand why the commission should be so frequently asked to take action which would tend directly to break down the competitive system, e. g., by forbidding ordinary competition in prices. It is true that price competition may be unfair, as, for example, where done maliciously for the purpose of injuring a weak competitor. But the mere fact that one man chooses to do business upon a smaller margin than another or gives the purchasing public the benefit of a lower overhead does not raise a presumption of anything unfair. To hold otherwise would be to run counter to the reason for the passage of the commission's organic act.

One of the most common mistakes is to suppose that the commission can issue orders, rulings, or regulations unconnected with any proceeding before it. It is frequently asked to do this, not only in a broad general way, but also to issue warnings to concerns alleged to be using unfair practices. The commission has been at considerable pains to prevent threats of prosecution by it from being used as a club by one competitor against another. It is hoped, in time to bring about a thorough understanding of the fact that the commission can not and will not function by any method not authorized in its organic act, whereby complete investigation, careful consideration, and, in short, due process of law and full respect for the moral and legal rights of both parties to controversies are assured.

Another thing which the commission can not and does not do is to give advice or opinions respecting the standing of corporations and the desirability of their stock as an investment. It is engaged in certain "blue sky" work, having for its object the prevention of the sale of worthless stocks by fraudulent representations; but it is no part of its duty, nor has it the necessary equipment to enable it, to advise regarding investments.

Another source of misunderstanding is the impression, apparently widely prevalent, that all that is necessary to set the commission's machinery in motion is to write it a letter suggesting that certain concerns or industries ought to be investigated. While the commission's doors are always open to legitimate complaints, yet the line is drawn at anonymous communications and complaints obviously animated by malice. A bona fide public interest in an investiga-

tion, founded upon something more substantial than the individual opinions of correspondents, is essential. If the commission allowed itself to be influenced by the many suggestions of this character which it receives, it could easily dissipate all the money given it by the Congress, and much more, in running down unfounded rumors and going on unprofitable fishing expeditions.

It is interesting to note the changes, and tendencies toward change, in the commission's work in the field for the past year as compared with the former one. The most outstanding feature is the fact that fewer applications for the issuance of complaints were docketed and more disposed of informally. The following table illustrates this drift:

	1920-21		1921-22	
	<i>Per cent.</i>		<i>Per cent.</i>	
Preliminary inquiries docketed	426	54	382	39
Filed without docketing	359	46	577	61

The reason for this change is because, as the commission's precedents increase in number and the field which they cover grows wider, it is possible to dispose of a greater number of applications with less investigation and consideration. Several important court decisions have also been helpful in this respect. It may be expected that, as time passes and the law of unfair competition becomes more settled, a still larger percentage of applications can be disposed of in a preliminary stage.

The commission also received a greater number of large and important cases for investigation than formerly. It would be gratifying to know that this was due to an increased feeling of confidence in the commission on the part of business men; but whatever the cause, the fact is as stated.

In this connection might be mentioned the increased interest shown in matters under consideration. Trade opinion as to the effect of questionable practices in a certain industry is often sought for the benefit, of the commission and much more satisfactory results are being obtained in inquiries of this character than formerly. Where a flagrant unfair practice is being used which is wide in effect it often happens that there are a number of applicants before the case can be investigated. The same interest follows a proceeding instituted by the commission until its final determination by the courts. An illustration of this fact is the Winsted Hosiery case, involving misbranding, recently decided by the Supreme Court, where trade associations of four important industries filed briefs *amici curiae* with the court.

Another noticeable feature of the work of this branch is the steady growth in the number of matters submitted to the commission for settlement. This growth has, in fact, been such that it has proven impossible, with the limited force and funds, to keep pace with it. The following table shows the increase in the work received and disposed of by this division. Attention is particularly invited to the increases in the number of assignments left over undisposed of at the close of each year:

	1919-20			1920-21			1921-22			On hand.
	On hand.	Re-ceived.	Com-pleted.	On hand.	Re-ceived.	Com-pleted.	On hand.	Re-ceived.	Com-pleted.	
Preliminary inquiries		1 634	1 600	34	832	838	28	877	881	24
Investigations:										
Docketed cases	203	724	527	400	461	603	258	382	388	231
Branch cases	39	155	167	27	233	220	40	346	263	123
Supplementary	15	127	130	12	86	77	21	162	176	35
Formal cases				7	105	98	14	115	110	19
Total	257	1,640	1,424	439	1,717	1,836	361	1,582	1,818	432

¹ Estimated.

Along with the steady increase in the "hang over" of work, there has been unavoidably a corresponding lengthening of the time which applications have had to await their turn before work upon them could be commenced. It is desired that the investigation of all complaints shall begin as soon as they are docketed, but for a long time past this has been a physical impossibility, with the force of men available under appropriations made. At the close of the fiscal year there were 231 docketed applications which had been on hand, upon an average, 6 months and 13 days each; and 123 branch applications, the average age of which was 4 months and 8 days. Complaints regarding delays in carrying out investigations are being received. If no new applications should be received for four months, the time would scarcely suffice to dispose of cases now in hand. If the present rate of increase is maintained, there will be about 800 undisposed-of assignments on hand at the close of the next fiscal year.

In this connection it seems proper to point out that this part of the commission's work is not optional with it. A duty is laid upon it to maintain a free tribunal where applicants' complaints can be promptly investigated and heard. Delay is often a denial of justice in the class of cases which come before the commission.

The legal investigating division comes in direct contact with the public, and especially with business men, in the capacity of investigators. It is the connecting link between the commission and those who are the victims, or are accused, of unfair practices, and the good will of business men depends in a large degree upon the conduct of

the men in this division. They have it in their power to cultivate good will or to arouse antagonism. It is a tribute to their work that the relations of the commission with business men are constantly growing better. Misunderstanding and suspicion have steadily given way to knowledge and confidence and willingness to avail themselves of the commission's facilities for the correction of trade abuses. There was never a time in the commission's history when its relations with those with whom it deals were better than to-day--a fact which shows clearly that the commission has won and is holding the confidence of the country.

ECONOMIC DIVISION.

The work of the economic division during the fiscal year 1921-22 included inquiries into the investment and profits of the bituminous coal industry, the operations and profits of grain exporters, prices and price combinations in the Pacific coast petroleum industry, the prices of tobacco products and the restraints of trade affecting their sale, the costs of production of lumber, prices and profits in the household furniture industry, the price of cotton and the causes of its decline, and fraudulent practices in the sale of securities. Most of these inquiries had some immediate incentive such as a complaint of unreasonable prices or allegation of unlawful practices in commerce.

Of the ten more important inquiries, five were undertaken in response to resolutions of the Senate, namely, the inquiries into the export grain business, the petroleum industry, the tobacco trade, the household furniture industry, and cotton prices. All these five inquiries originated during the fiscal year here reported on, except that relating to the petroleum industry on which a partial report was made in the preceding year. Of the four initiated during the fiscal year, reports were issued with respect to two; the other two were begun only a short time before the close of the year.

The part of the report on the Pacific coast petroleum industry issued during the fiscal year dealt with prices and competitive methods and the evidence tended to show definite combinations obnoxious to the Sherman law among certain of the large and small refiners, who generally followed the prices of the Standard Oil Co. of California. The report included extensive data on the petroleum industry of the United States as a whole, containing much information not hitherto published, which indicated clearly that the so-called Standard Oil Trust is still the dominating factor in almost every branch of the petroleum industry, as a result of an ineffective plan of dissolution. A remedy for such a monopolistic situation was proposed by this commission in a recent report which took the form of a bill to prohibit persons from holding stock in more than one company resulting from or formed in consequence of the dissolution of a trust.

The outstanding fact revealed by the report on the prices of tobacco was a recent effort of certain of the "successor companies" of the former Tobacco Trust severally to arrange with their respective

jobbers a plan of maintaining prices. This was especially note-worthy on account of the fact that there had been & marked decline in the prices of raw or leaf tobacco. Some of the so-called independent companies were interested in this plan also. On the other hand one of the largest companies, the R. J. Reynolds Tobacco Co., refused to follow the other companies in this attempt to control prices. In this report the commission repeated its former recommendation to strengthen the dissolution decree, by adding certain provisions to the injunctions now in effect, in order to prevent the threatened recrudescence of monopolistic conditions in the tobacco industry.

The inquiry into the methods and operations of grain exporters showed that the export trade in grain was largely in the hands of a comparatively few companies, among whom certain foreign companies were especially important. The profits of the grain export trade were also shown to be very large during the last two years, 1920 and 1921, which was especially remarkable for 1921, because in many branches of business this was a year of depression.

The inquiries into the house-furnishings industry and into the cotton trade were not begun until near the end of the fiscal year and were not completed nor reported on during that period.

For the general grain-trade investigation, concerning which, several volumes were published in previous years, a report was issued during the fiscal year on the subject of Terminal Grain Marketing. The chief feature of the report was the recommendation that adequate terminal elevator facilities under management of the railroads should be provided to enable grain dealers who do not operate terminal elevators to compete on more even terms with terminal elevator merchandisers, who appear likely to acquire an undue control over the grain trade.

In publishing extensive data on the average investment per ton of coal produced annually, and in connection therewith compiling and publishing extensive data with respect to average costs and prices, a body of information was provided which is of great practical interest in the consideration of the reasonableness or profitableness of coal prices from time to time. It does not, of course, furnish the complete and current information which the Government should have on this vital subject, and which this commission was collecting when it was interrupted in its work by a judicial injunction procured at the instance of the National Coal Association.

Assistance was given by the commission on several occasions to other branches of the Government and especially to the Departments of State, Justice, and Commerce.

At the request of the Joint Commission of Agricultural Inquiry a special investigation was made into the number and names of the

“open-price” trade associations, that is, associations collecting and distributing facts regarding the selling prices of their members.

COAL.

Report on investment and profit.--During the fiscal year the commission gathered no data on the coal industry. The injunctions in the Maynard Coal Co. case and the Claire Furnace Co. case were in effect throughout the year, which prevented the requirement of information from operators. A review of the progress of the litigation in the Maynard and the Claire Furnace cases is given elsewhere in this report.

From data on hand the commission prepared, and on May 31 and July 6, 1922, sent to both Houses of Congress a preliminary report on Investment and Profit in Soft Coal Mining. The report was printed as Senate Document 207, parts 1 and 2, and also subsequently reprinted as a report of the commission. The investment in the soft coal mining industry had never before been comprehensively examined by the commission nor any extensive compilation made to show investment per ton of production. The commission had in its files, however, balance sheets of a large number of companies submitted to it before the injunction in the Maynard Coal Co. case was entered. From these it compiled the investment figures contained in the abovementioned report of May 31. The result showed that for 1,126 operators producing about 32 per cent of the country's tonnage, the revised investment for each ton of average annual production was \$3.12. In other words, for every ton of coal sold, the operator's investment, on the average, in coal lands, mining plant, and working capital was \$3.12. The investment figure was from the balance sheets as of December 31, 1919, reduced to unit basis by using the average production of the 1,126 companies for the years 1918, 1919, and 1920.

While no figure of unit investment per ton had before been compiled by the commission, during the war and in the first half of 1920 the commission had compiled and published cost, sales realization, and margin data showing the margin earned by the coal operators on each ton sold. By assuming that the investment group of 1,126 companies was representative of the industry, and that the various groups of operators for 1916, 1917, 1918, and six months of 1920, for which the commission had published costs and margins, were representative for those periods, it was possible to arrive at a rough approximate percentage of return on investment which was earned in those respective periods by the bituminous coal mining industry. For 1919, however, the commission did not gather cost data. While its costs in 1920 covered only the first six months, and it had no data for 1921. For the years 1919 to 1921, therefore, the com-

mission had to rely for cost data on certain figures reported to the National Coal Association by operator members of that association and subsequently made public. The operators' reports to the association for 1919 and 1920 (9 months) were secured by the association in the fall of 1920 for presentation to committees of Congress as a defense against the charges of coal profiteering during the coal crisis of the summer and fall of 1920. These reports were subsequently subpoenaed by the Select Committee of the Senate on Reconstruction and Production (Senator Calder, chairman) and were tabulated and made public by that committee. For 1921 the National Coal Association gathered cost figures, which the association compiled and presented in hearings before the Interstate Commerce Commission in the General Freight Rate case in the spring of 1922. The Federal Trade Commission, in using these association figures as the only ones available, assumed no responsibility for their correctness, since it was not in a position to verify them.

The approximate rates of net income in soft coal mining for 1916-1921 inclusive, which were shown for the first time in this report, were marked by great fluctuations. The years 1917, 1918, and 9 months of 1920 showed high rates of profit while the years 1916, 1919, and 1921 were years of relatively low return. Thus the approximate rate for 1916 was 8 per cent on investment ; for 1917 it was 29 per cent; 1918 it was 18 per cent; 1919, 6 per cent; 1920 (9 months) 23 per cent, and for 1921, 3 per cent. The six years average return was 15 per cent on the investment and the average for 1918-1921 was 13 per cent. In the six months from April to September, 1920, 298 companies in Pennsylvania, Maryland, Virginia, West Virginia, Ohio, Kentucky, and Tennessee averaged at the rate of 39 per cent on their investment. These were companies producing an annual total of over 65,000,000 tons, or somewhere near one-eighth of the country's total production. Their return during the six months, when the coal crisis of 1920 was developing and reaching its crest, being at a rate which if continued for the year would have netted 39 per cent , is a marked contrast with the loss of 35 cents per ton which was reported to the National Coal Association by 511 operators for December, 1921, a loss which if it had been for the whole year instead of the one month and if applied to the commission s figures on investment would amount to approximately 11 per cent loss on the investment.

The report points out that the investment on which the rates heretofore stated were based includes, in the aggregate, many hundreds of millions of tons of excess reserves of coal lands, that is, reserves in excess of the quantities necessary to supply the respective mines for their normal life on the scale of their present production. In many instances reserves are sufficient to last the companies at their present scale for 100 years, and sometimes much longer. The commis-

sion estimated that if all the facts were known regarding the excess reserves of the 1,126 companies and if the investment in such excess reserves were excluded, the average investment of \$3.12 per ton would probably be reduced to \$2.80 per ton or less.

The fact that many coal operators in 1920 were favorable to continuation of the cost reports to the commission for compilation and tabulation for the benefit of the industry and the public was shown by numerous letters from operators quoted in the report.

The conclusions of the commission were as follows: (1) The need of more accurate and more complete information regarding the ownership of bituminous coal deposits and coal mines, the true investment therein, and the true profits arising therefrom. (2) The need of ascertaining the profits of selling companies owned by or affiliated with mining companies (no profits of such companies being included in this report) and also of other wholesalers or dealers in coal. (3) The need of establishing the coal industry in public confidence and protecting it by devising means of Federal supervision and publicity so as to avoid periods of excessively high prices and of severe depression.

Coal data, prepared for the coal committee of the President's Conference on Unemployment.--In the spring of 1922 the Secretary of Commerce, in behalf of the coal committee of the President's Conference on Unemployment, desired to have the commission tabulate from its files information on a number of subjects bearing on the question of intermittency of employment of coal miners so far as affected by the irregular operation of the coal mines. The various topics on which he suggested that information would be useful were the following:

Cost of storing coal, e. g., on Lake docks, in anthracite producers' yards, in retail coal yards.

Effect of intermittent operation upon cost of production, separating labor costs from other costs.

Capital invested, distinguished between coal lands and mining plant.

Degree of integration of ownership of coal lands, and of mines.

History of coal-trade associations to 1918.

Summer price discounts in the anthracite industry.

Types of coal contracts.

Capacity of coal mines.

Description of the existing system of marketing coal.

Economic causes of overdevelopment, including pressure to utilize holdings in coal lands, and to lower unit costs.

In complying with the Secretary's request the commission also directed his attention to the data which it had compiled and previously published on cost of production, sales realization and margins. Before the end of the fiscal year certain portions of this information were furnished, including especially the data in the above

described report on Investment and Profit in Soft Coal Mining, also an unpublished report which the commission had made to the United States Fuel Administration during the war on the costs of the northwestern coal dock operators on the Great Lakes, and extensive tabulations compiled from the commission's war-time data showing the relation between changes in the volume of production and costs per ton.

METHODS AND OPERATIONS OF GRAIN EXPORTERS.

The commission was directed, by Senate Resolution 133, Sixty-seventh Congress, second session, which was passed December 22, 1921, to make an inquiry into the various phases of the export grain business. The demand for this inquiry was the result of an unprecedented decline in the prices of the principal grains at a time when the quantities of certain cereals exported, particularly wheat and rye, were unusually large.

The first volume, dealing with interrelations and profits of grain exporters in 1920 and 1921, was transmitted to the Senate on May 16, 1922. The outstanding facts presented in Volume I of the commission's report on the Methods and Operations of Grain Exporters may be concisely stated as follows:

The business of the concerns whose records were examined was not homogeneous, and there were marked differences in the field of operations of different companies, some, called "fobbers," buying directly in the interior markets and selling f. o. b. (free on board) vessel, and others making the bulk of their purchases at the seaboard. The bulk of the grain exported from the United States was handled by a comparatively small number of firms, several of which were foreign companies. In 1921 eight concerns exported about 50 per cent of the total of 345,000,000 bushels of domestic and Canadian wheat exported from the United States, and 36 companies shipped over 85 per cent of that total, while two foreign concerns with branches in this country exported slightly more than one-fourth of all the domestic and Canadian wheat shipped from United States 'ports. There were three especially important groups of domestic-controlled companies engaged in the export grain business in 1921, viz: the Gray-Rosenbaum group, consisting of P. N. Gray & Co. (Inc.); the J. Rosenbaum Grain Co.; and the Gray-Rosenbaum Grain Co. (Inc.) jointly owned by the first two companies; the Rosenbaum-Armour group, which included E. F. Rosenbaum, the Armour Grain Co., and the Peoples Industrial Trading Corporation, in which an important interest was held by the former two interests; and the Barnes-Ames group composed of the Barnes-Ames Co. and its subsidiaries.

In the business of exporting grain as conducted at the present time in this country there is little fixed investment in plant; almost all the funds employed are in liquid form and a large proportion generally borrowed. The grain export merchant stores such grain as he holds in public warehouses and often sells again in a brief interval, and even on the same day. This is shown by the fact that for grain exporting companies, whose records were examined, the annual turnover of capital (capital stock, surplus, and reserves) as indicated by sales was 23 times in 1920 and 31 times in 1921.

The average profits of 18 companies, whose principal business was exporting, for their business year (including gains or losses on transactions in futures), were 58 per cent on their capital stock, surplus, and reserves in 1920 and 30 per cent in 1921. The average transactions in futures for exporters were relatively small in 1920 and relatively large in 1921. The average rate of return on capital stock, surplus, and reserves, excluding gains or losses on futures, was almost 53 per cent in 1920, while there was a loss of over 3 per cent in 1921. As already stated, most of these companies employed a large proportion of borrowed funds--about 50 per cent of the total funds used in 1920 and about 40 per cent in 1921. If the business is successful this method of financing, while enhancing his risk means relatively higher profits to the proprietor. The earnings of these companies (including gains or losses on future trading) on the total funds employed in the business, including capital stock, surplus, reserves, and borrowed money, averaged almost 29 per cent in 1920 and 19 per cent in 1921. In considering these profits it may also be observed that financial resources appear to be less important than valuable trade connections, knowledge of conditions, and especially credit.

For individual companies the financial results of both exporters and fobbers during 1920 and 1921 varied from considerable losses to large profits. Thus for exporters the profit on capital, surplus, and reserves (including the losses or gains from future trading) ranged from somewhat more than 5 per cent to 448 per cent in 1920 and from a loss of over 20 per cent to a profit of 641 per cent in 1921. Excluding gains or losses from futures, the range was from a loss of nearly 8 per cent to a profit of over 475 per cent in 1920 and from 55 per cent loss to a profit of over 410 per cent the following year. Wide ranges in the rate of earnings occurred with respect to the business of "fobbers," and wide variations also existed for both groups with respect to the profits earned on the total funds employed. Though a large part of the merchandising was protected by hedges in the futures market, apparently speculative transactions in futures also occurred.

The average profit per bushel for exporters varied greatly for different grains and it was generally larger in 1920 than in 1921.

For wheat, the most important grain, the average profit, excluding gains on losses from futures, was 8 cents per bushel in 1920 and only three-tenths of 1 cent in 1921. There was a small loss per bushel on wheat futures in 1920 and a profit of almost 2.5 cents per bushel in the following year. The total average profit on wheat including futures was 7.7 cents per bushel in 1920 and 2.7 cents per bushel the following year.

The United States Grain Corporation (and its predecessor, the United States Food Administration Grain Corporation) handled most of the wheat sold for export for the period September, 1917, to June 30, 1920. During the fiscal year ending June 30, 1919, it sold 173,450,000 bushels of wheat for export and in the following fifteen months 97,870,000 bushels. Although the Grain Corporation was not organized for profit, it added a small percentage to the cost of sales to cover expenses. The total net profits from all sources for the period September 1, 1917, to the end of February, 1921, amounted to approximately \$51,000,000. The rate of earnings on the total funds employed was about 10.5 per cent for the fiscal year ending June 30, 1919, and not quite 2 per cent the following year. The profit per bushel for the Grain Corporation was a little over 4 cents per bushel on wheat (including the profits from the sale of wheat imported from Australia) for the period prior to June 30, 1919, and 2.6 cents per bushel for the next fifteen months. On rye it was 4 cents per bushel prior to June 30, 1919, and due to increase in value of inventories almost 23 cents per bushel the following year. The profit on barley was 6.6 cents per bushel in the earlier period and about 3 cents per bushel after July 1, 1919.

While during most of 1920 wheat importations into the principal markets in western Europe were still largely controlled by governmental organizations established during the World War, the grain trade was to a large extent decontrolled by the spring of 1921, and thereafter foreign governmental buying apparently no longer dominated the American grain markets.

PETROLEUM.

Pacific coast petroleum industry.--The second part of a report on the Pacific coast petroleum industry, made pursuant to a Senate resolution directing the commission to inquire into the price of fuel oil, gasoline, and other petroleum products, more especially on the Pacific coast, was submitted to the Senate under date of November 28, 1921. The first part of the report which dealt with production, ownership, and profits was submitted to the Senate May 2, 1921. These two parts covered the information requested by the Senate resolution. The second part of the report discussed

prices and competitive conditions. Some of the principal facts set forth in Part II were as follows:

Five large companies, viz, the Standard Oil Co. (California), the Union Oil Co. of California, the Associated Oil Co., the Shell Co. of California, and the General Petroleum Corporation, produce and purchase the bulk of the crude petroleum produced in California, and refine and market most of the petroleum products sold in the Pacific coast territory, which includes the States of California, Oregon, Washington, Arizona, Nevada, and a part of western Idaho. In 1919 the crude petroleum production and purchases of these companies constituted over 80 per cent of the total production in California, while they refined and marketed fully 90 per cent of the petroleum products obtained therefrom.

The Standard Oil Co. is the most important factor both in the production and purchase of crude petroleum and in the sale of petroleum products. The prices announced by the Standard for the purchase of crude petroleum and for the sale of petroleum products are generally followed by the other California companies.

There was keen competition in the sale of gasoline in California during 1914 and part of 1915, which led the small refining and marketing companies in Los Angeles and vicinity to organize the Independent Petroleum Marketers Association. In 1916 the Union Oil Co. and the General Petroleum Co. became members of this association, and in November, 1920, the Associated Oil Co. also joined. The Standard Oil Co. and the Shell Co. were the only large California marketing companies that did not become members of this association. Since September, 1915, members of this association have agreed among themselves to maintain the prices announced by the Standard Oil Co., and in order to maintain these prices they adopted the same differentials and classifications of customers as were used by the Standard. They listed and, pursuant to agreement, refused to sell retailers who sold below the agreed price until such retailers maintained list prices. The association also prepared a list of recognized peddlers to which no new names were to be added.

During the period 1915-1919 the Los Angeles district sales manager of the Standard Oil Co. was promptly informed by a member of the Independent Petroleum Marketers Association of all important understandings and agreements affecting price maintenance reached by that association, and this information was promptly forwarded to the Standard's main office, which was also advised how well these agreements were carried out, thereby placing the Standard in a better position to know when a new price advance would be followed.

Since the fall of 1915 certain sales managers and local representatives of certain large marketing companies particularly of the Standard Oil Co. and the Union Oil Co., frequently conferred, and usually arrived at an understanding as to the differentials in the prices to be charged to individual customers and to various classes of purchasers. Presidents of the Standard Oil Co. and of the Associated Oil Co. deny that these practices were either consented to or known by the higher officials of their respective companies.

The Standard Oil interests occupy the same dominant position in the petroleum industry of the United States as in California, and usually take the initiative in price changes. The companies which were separated by the dissolution decree of 1911 do not compete or invade each other's marketing territory to any important extent. Recently a revival of the policy of absorbing independent petroleum interests has been made evident by the acquisition by

elements of the Standard group of a substantial control over the Humble Oil & Refining Co., the Midwest Refining Co., and the Sinclair Pipe Line Co.

This dominant position of the Standard group in the petroleum industry of the United States is due not merely to the magnitude of its various units with respect to production and capital investment, but also because of its solidarity, arising apparently from an interlocking stock ownership resting largely in the hands of a few great capitalists and its great financial resources and credit.

TOBACCO PRICES.

On January 17, 1922, the commission submitted a report on Prices, Profits, and Competitive Conditions in the Tobacco Industry made pursuant to Senate Resolution 129, Sixty-seventh Congress, adopted August 9, 1921. This resolution directed the Federal Trade Commission to investigate the tobacco situation in the United States, and appeared to require information as to the reasons for the reduced prices of leaf tobacco while manufactured tobacco products still remained at the high levels attained in 1919 when the prices of leaf tobacco were high.

The commission, after an inquiry of wide geographic scope, reported its conclusion that beginning with April, 1921, the American Tobacco Co., P. Lorillard Co., and to a less extent Liggett & Myers Tobacco Co., three of the successor companies of the old tobacco combination which was dissolved under an antitrust decree in 1911, had each been engaged in conspiracies with numerous sectional and local jobbers' associations to keep up the prices of tobacco products in the United States through price agreements and intimidation. During the same period the relation between supply of leaf tobacco and the demand for it resulted in such low prices to growers that tobacco farmers raising the more important types, burley and bright southern, formed marketing associations to sell their tobacco crops cooperatively.

While the evidence indicated that in some localities agreements to keep up the price of tobacco products originated with the jobbers, and in others were rather the result of the stand taken by the manufacturers, it was clear that the movement could not have developed so successfully on a practically nation-wide scale as it did except for the fact, shown by the evidence, that the above-named manufacturers fostered and aided these agreements and actively cooperated with the jobbers in carrying them out. There was one important successor company, however, viz, R. J. Reynolds Tobacco Co. which, in spite of strong pressure from jobbers and jobbers' associations, refused to lend any support to these conspiracies but actively opposed them, and in this respect is deserving of commendation. The object of the organization of jobbers' associations was to fix prices by eliminating price cutting among jobbers. Besides the three successor companies first named, the movement was aided by the Tobacco

Products Corporation, Bloch Bros. Tobacco Co., and Scotten-Dillon Co. The means of aiding the jobbers' combination was refusal by these manufacturers to sell to those jobbers who cut below the prices established by jobbers' associations. This refusal grew out of the fact that previous to the spring of 1921 competition was resulting in a material lowering of prices which jobbers charged to retailers and, in turn, of prices which retailers charged to consumers, which apparently caused the manufacturers to fear that these price reductions would mean that the manufacturers would be compelled ultimately to reduce their own prices.

A few cases were found where the jobbers went so far as to enter into a signed agreement with each other to maintain prices. Such an agreement was made by Rhode Island jobbers together with certain Massachusetts jobbers. The commission has in its possession the original of this agreement signed by eighteen jobbers.

Two of the successor companies refused access to correspondence files; the P. Lorillard Co. refused access entirely and the American Tobacco Co. in part. The commission subsequently brought a mandamus proceeding in order to enforce its demand for access to the files. (See p.40.)

Another feature of the report is found in the supply and demand data brought together, the net result of which factors, the report stated, was a large supply of leaf tobacco in the fall of 1921 caused chiefly by the enormous crop of 1920 and by the decrease in 1921 of the quantity of leaf needed for manufactured products and for export.

CANNED FOODS.

Following the entry of the United States into the World War, the Federal Trade Commission was directed by the President to determine the costs of production of various raw materials and finished products. In addition to many other commodities, costs were found in 1917 and 1918 for more than 50 food products. Shortly after the war the commission also obtained data from many companies covering investment and profits. In the case of canned corn, peas, string beans, tomatoes, and salmon it was thought that the figures would be of considerable value both to the canning trade and to the public. In consequence, the costs for these products in 1918, together with the profits for certain groups of canners, were put into form for publication during the year. The report in question brought out the wide variations in cost between different canning companies. For example, while the average cost of No.2 canned corn in 1918 was \$1.11 per dozen cans the individual costs ranged from 83 cents to \$2.05. Average costs for different geographical sections also showed considerable Variation. For 61 companies packing one or

more kinds of canned vegetables with an aggregate production of over 14,000,000 cases the return on investment in 1918 ranged from 10.3 to 129.1 per cent and averaged 34.4 per cent.

GRAIN TRADE.

Terminal grain marketing.--During the fiscal year the commission issued Volume III of its report on the grain trade, entitled "Terminal Grain Marketing." This volume presented the conclusions and recommendations of the commission with reference to cash grain marketing. Among other things the commission found that grain merchandising on the part of operators of licensed public elevators appeared to be contrary to sound principles of public warehousing; that the situation gives to the large elevator merchandisers practical control of the deliverable grain at terminal markets, facilitates the manipulation of futures, and has doubtless been at times responsible for the failure of the cash and future markets to move in harmony. To meet this situation the commission concluded that the railroads might be required to operate elevators or that the State government might operate storage elevators and that appropriate legislation would be justified.

In addition to the foregoing the report of the commission recommended improved banking arrangements for the grain movement in the Northwest; the elimination of the financing of commission houses by terminal elevators; improvement in the methods of making up cash grain quotations; the elimination or reduction of so-called insurance charges on country shippers at Duluth; Government supervision of the country price reports such as the Grain Bulletin and the prohibition of cash grain scalping by concerns acting as receivers.

Other work.--During the year two other parts of the commission's report on the grain trade were nearly completed. These will deal with the margins and profits of the middlemen in the grain trade and the average margin or spread between the grain producer and the consumer, and will analyze the movement of cash and future prices of various grains with reference to the determining factors in such movements, particularly the effects of cash prices upon future prices and vice versa.

TRADE ASSOCIATION ACTIVITIES.

At the request of the Joint Commission of Agricultural Inquiry of Congress, under date of July 16, 1921, the commission undertook a special investigation concerning the activities of trade associations. In this connection a questionnaire was addressed to some 2,750 different associations which were reported to be engaged in various

activities closely related to different phases of production, marketing, or distribution of commodities. Returns were received from 1,515 associations, or about 55 per cent of those addressed, and the replies were classified as follows:

Open-price associations, or those distributing or exchanging price information	150
Associations compiling and distributing trade statistics, not including prices	324
Nonstatistical associations	799
Inactive or disbanded	150
Miscellaneous, incomplete replies	92
Total	1,515

Most of the open-price associations also distributed or exchanged information on other features of business, such as orders received, purchases, production, stocks, cost of production and merchandising, and matters of general interest to members. Apart from the open-price associations the replies received from those classed as statistical indicate a wide range of subjects, some of which are covered in considerable detail. While ignoring the subject of prices, the information distributed by these associations comprehends current statistics on production, stocks, cost of production and merchandising, wages, freight rates, insurance, and credit data. Particular attention is given to legislation the business interests of members, and technical subjects and matters of general importance, which are both informing and of educational value, are also presented.

Many statistical associations distributed or exchanged information on production, sales, and stocks, based upon weekly or monthly averages or totals. Among the open-price associations the most popular plan for disseminating information on prices appears to have been in the form of daily quotations by individual concerns.

The nonstatistical group, which comprises more than 60 per cent of those reporting, includes associations that give practically no attention to the subjects specifically outlined in the questionnaire; that is, statistical activities, especially those which are usually found in open-price associations. Some furnish credit ratings which are valuable to members in dealing with customers; while others present matters of special importance with such statistics as might be necessary to elucidate a particular subject. Most of the associations of this class, however, purport to be organized for social, scientific, or educational purposes and their activities comprehend a wide range of scientific, technical, and trade subjects. Many of the associations reported inactive or disbanded were organized for war purposes, while others, through lack of interest by members, had ceased to function.

It may be noted that in determining whether or not a particular association might properly be classed as "open price," the commission was guided solely by the replies to questions concerning prices paid or received. Nine associations which prior to May, 1921, distributed information on orders received, prices, and shipments, reported having discontinued this practice pending a decision of the United States Supreme Court in the Hardwood Lumber case.

Practically 50 per cent of the associations reporting were composed of manufacturers, while wholesale and retail dealers comprise 36 per cent.

Under commodities produced or dealt in the associations engaged in some phase of producing or marketing food products constitute the largest group. For general purposes wholesale and retail grocers might also be included in this group. The lumber and building materials group was the next in number.

The membership of the associations was often composed of various classes, such as full, active, associate, and honorary members. The 81 open-price associations reporting membership had 12,432 full or active members.

PAPER.

The collection and compilation of statistics concerning the paper industry, which was begun in 1917, was continued throughout the fiscal year. The statistics obtained from the paper industry itself relate chiefly to the production, shipment, and stocks of paper and pulp by grades. The statistics obtained from publishers relate chiefly to the consumption, stocks, and prices of newsprint paper. The information so collected was compiled and published in monthly bulletins and in a yearly summary for the benefit of those engaged in the paper industry, the consumers, and the public. In addition to the data collected by the commission there was also included in its current bulletins data on the imports and exports of paper supplied by the Bureau of Foreign and Domestic Commerce, Department of Commerce.

MILK-PRODUCTS REFUNDS.

As an outgrowth of the war purchases of milk products, the commission made an inquiry at the request of the War and Navy Departments into the costs of production of certain companies producing condensed and evaporated milk, in order that the purchasing divisions of these two departments might ascertain whether under their contracts any refund was payable to the Government on the basis of the prices originally paid for such products. A report on this subject was submitted, containing results as ascertained by the commission from the records of the respective companies.

HOUSE FURNISHINGS.

Senate Resolution 127, Sixty-seventh Congress, second session, adopted January 4, 1922, directed the commission to inquire into factory and wholesale and retail price conditions in the principal branches of the house-furnishing goods industry since January, 1920, and particularly to ascertain the organization and interrelations of corporations and firms engaged therein, and whether there were unfair practices or methods of competition, and to report as various phases of the inquiry should be completed. The industry selected for the initial report was household furniture.

The inquiry was promptly started, and to expedite the work it was divided into two parts--one pertaining to the organization and interrelations of corporations and firms and unfair practices and the other pertaining to factory, wholesale and retail costs, prices, and profits.

Although there were some unavoidable delays in prosecuting the inquiry, due to the lack of a sufficiently large personnel, the field work was vigorously pushed and nearly completed before the close of the fiscal year.

BLUE-SKY SECURITIES.

Inquiry into the Federal and State regulations of the sales of securities begun shortly before the close of the preceding fiscal year was completed in so far as field investigation and research work was involved during the fiscal year here under report. These regulations included what are commonly known as the "blue-sky" laws which have been enacted by 45 States. These laws and their administration were studied and the results secured through their operation examined.

In nearly all of the States blue-sky legislation is of the regulatory type, i. e., designed to prevent the sale of securities which under certain tests made by the State failed to meet its standard of honesty and worth. In recent years the so-called "fraud act" has in its more comprehensive form been enacted in three States. Under this type of act power is vested in some office, usually that of the attorney general, to investigate any case in which there is evidence that a fraud in the sale of securities has been, or probably will be, perpetrated. Upon investigation, if the evidence appears sufficient, a stop order may be issued, which is subject to review in the courts.

Various legislative measures proposed from time to time for Federal enactment were examined and plans for remedial Federal legislation were given consideration by the commission.

LUMBER.

During the war much valuable information was collected from the lumber industry regarding costs, and in the spring of 1919 the commission secured reports from many of the manufacturers of southern pine lumber containing balance sheets, sales realization, and prof-its for the years 1917 and 1918. Owing to extensive reductions of the office force this information could only be tabulated intermittently, but it was nearly completed during the fiscal year and was sent to the printer.

COTTON TRADE.

Shortly before the close of the fiscal year, in accordance with Senate Resolution No.262, the commission began an inquiry into the causes of the decline in the prices of cotton, particularly with reference to the operations of the exchanges.

COOPERATION WITH THE LEGAL DIVISION.

Steel basing point case.--In connection with the complaint against the United States Steel Corporation and its subsidiaries, on account of the so-called "Pittsburgh plus" practice of selling rolled finished steel at a delivered price equivalent in all instances to the price at Pittsburgh plus the freight from Pittsburgh to destination, without regard to the actual source of shipment, the economic division, since July, 1921, was directed to supply the legal division with expert assistance in ascertaining and compiling economic facts bearing upon the matters at issue in this case, and in summarizing the very large volume of oral testimony.

Coal and steel injunction suits.--The injunction suits brought by certain coal and steel producing companies to prevent the Federal Trade Commission from requiring monthly reports about their business, including prices, costs, and profits on investment, in the preparation for trial, raised many important questions of fact, including the relation of the information called for to the statutory and constitutional powers of the commission, in answering which extensive assistance was furnished by members of the economic division especially conversant with the subject.

Baltimore & Philadelphia Steamboat Co. case.--Because of the issues joined in the proceedings by the Federal Trade Commission against the above-mentioned company it was necessary to go over the accounting records of both the applicant and the respondent to ascertain whether or not they were operating at a loss due to the alleged rate cutting by respondent. This work was performed by expert accountants of the economic division assigned for that purpose to the legal division.

AID TO OTHER BRANCHES OF THE GOVERNMENT.

Details regarding the assistance to the Department of Commerce have already been given above in connection with the discussion of inquiries into the coal industry. Aid was also given, as already stated, to the Departments of State and Justice, but the particulars are not of special interest in this connection, except in the case of the packers' consent decree.

Packers' consent decree.--The matter of the modification of the consent decree of February 27, 1920, in the case of *United States v. Swift & Co. et al.*, so far as concerns what are known as the unrelated lines, or grocery and other lines, which the decree prohibited the large packers from handling after February 27, 1922, came much into public attention in the early fall of 1921. Mr. Vernon Campbell, of the California Cooperative Canneries Co., and various others were urging the Attorney General to petition the court for modification of the decree so as to permit the packers again to enter the lines from which they were to be shut out. Representatives of whole-sale grocers opposed to any modification of the decree had secured the permission of the court to intervene in the case for the purpose of presenting arguments. Because of this controversy the Attorney General on October 12, 1921, sent out notice to a large number of persons interested in the matter announcing that an interdepartmental committee had been appointed by him, consisting of a representative selected by the Secretary of Agriculture, one selected by the Secretary of Commerce, and one selected by the Attorney General, to hear the contentions of those in favor of and those opposing a modification. On October 29, 1921, the Acting Attorney General specially called the attention of the Federal Trade Commission to this hearing in view, he said, of the fact that requests had been made to the Department of Justice that the commission appear and state its views and reasons in the matter. On November 5, after being notified by the commission that it would be glad to have representatives attend the hearings, the Department of Justice requested that the commission place before the committee such information and data as the commission had in its possession, and stated that the department was especially anxious that all information, data, or evidence showing unlawful acts by the packers, or monopoly by them, in connection with the handling of unrelated lines be furnished to the interdepartmental committee.

Hearings before this committee were begun on November 28, 1921, and concluded on December 15 after 15 days of actual taking of testimony of a large number of witnesses. The commission, through its chief counsel and one of its assistant chief economists, presented to the interdepartmental committee in testimony the facts in its posses-

sion bearing on the question at issue. Chairman Gaskill on December 14, 1921, at the direction of the commission, made the following statement before the committee as to the attitude of the Federal Trade Commission toward the proposed modification of the decree in question:

It is not my purpose to do more than state the commission's position, the support for which is to be found in the published reports of the commission upon the meat-packing industry which are before you, supplemented in the present instance by the particularized statements of Mr. Durand.

The Federal Trade Commission felt at the time of its entry that the consent decree failed to secure to the public complete remedy for and protection against the practices charged in the bill of complaint, for which the commission believed sufficient evidence was then available. It was no party to framing the terms of this decree and it was not consulted with reference to its provisions.

The commission feels that the proposed modification would still further lessen the remedial effect of the decree. It would be a surrender of one of the protective measures taken for the public which at the time of the compromise settlement was regarded as essential to the public right and which the respondents were willing to concede in exchange for concessions to them. If the provisions now sought to be eliminated from the decree were then essential to the protection of the public they are essential now.

The Federal Trade Commission in the light of its experience with the subject matter and with due regard only to the public right in the maintenance of the principles of free and fair competition presents its opposition to the proposed course of fiction with reference to this decree.

The interdepartmental committee made a report to the Attorney General, who, on the basis of this report, concluded to take no action, but to suggest that those who desired modification of the decree should apply directly to the Supreme Court of the District of Columbia, by which the decree had originally been made. The Attorney General, in response to a resolution of the Senate (S. Res. 211, February 3, 1922), transmitted his conclusion in the matter, together with the report of the interdepartmental committee and the testimony taken in the hearings before that committee. His report is printed as Senate Document 145, Sixty-seventh Congress, second session, while the hearings were subsequently printed under the title Packers' Consent Decree Hearings, before Subcommittee of the Committee on Agriculture and Forestry (U. S. Senate, 67th Cong., 2d sess.), pursuant to Senate Resolution 211, Washington, D. C., 1922.

Following the decision of the Attorney General not to take action, Mr. Campbell and others in favor of modifying the decree presented their plea for modification to the court. Argument was had on June 14, 1922. It was contended that the decree itself was void as to the canneries company, because it was based on an agreement made between the Government and the defendant packers prior to the bringing of the suit, which provided that this suit should be brought and this particular decree entered by consent; because in the decree the defendant packers maintained the truth of the allegations of

their answers, which denied any wrongdoing on the part of the defendant packers; and because there were, therefore, not only no sufficient findings of facts to authorize the decree, but even an express refusal to decree such facts; and because, in addition, the whole proceedings were a fraud upon the court. The decision of the court, which was unfavorable to these contentions, was handed down after the close of the fiscal year, at which time the attorney for the canneries company announced that an appeal would be taken.

Aid to congressional committee.--Just at the close of the fiscal year the Senate Committee on Manufactures requested from the Federal Trade Commission the detail of persons who were expert in matters relating to the petroleum industry for the purpose of aiding the committee in an inquiry directed by the Senate on June 3, 1922, with regard to the prices of petroleum products and related questions. In compliance with this request the commission detailed two examiners who were especially familiar with this industry. At the request of the chairman of the Senate Committee on Agriculture and Forestry the Federal Trade Commission sent an examiner familiar with its former inquiry into the fertilizer industry to testify with regard to matters which had been investigated at that time. In connection with the hearings before the Senate and House Agricultural Committees on bills for stabilizing the prices of farm products (S. 2964; H. R. 7735 and 9461) a representative of the commission was requested to testify regarding the costs, margins, and profits of grain traders, millers, and bakers. In response to this request one of the commission 's experts appeared before both the Senate and House committees in question and presented in summary form data obtained by the commission in various inquiries as to the costs and profits of country and terminal elevators, cash commission men and brokers, flour millers and jobbers, and wholesale bakers.

EXPORT TRADE DIVISION.

The activities of the commission relating to the foreign trade of the United States are twofold: (1) Administration of the export trade act (Webb-Pomerene law of April 10, 1918) (see Exhibit 5); (2) investigation of 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, as provided in section 6 (h) of the Federal Trade Commission act (p. 77).

PURPOSE OF THE EXPORT TRADE ACT.

The primary purpose of the export trade act is to assist the small American manufacturer as well as the large in securing markets and distributing his goods abroad through the single selling agencies. In this way our exporters can ship to known markets where there is an actual demand instead of hazarding their goods to chance opportunities for sale; can save overhead expense by means of selling through one agency instead of many, and thus compete with other selling combinations.

In 1916 the Federal Trade Commission in its report to Congress on Cooperation in American Export Trade surveyed the operation of foreign monopolies, syndicates, and cartels and their bearing on competitive conditions in American foreign trade. It was shown how foreign Governments in numerous instances promote buying and selling combines with which American exporters must deal and compete. To meet this situation, the export trade act was passed on April 10, 1918.

PROVISIONS OF THE ACT.

The act authorizes the formation of associations entered into for the sole purpose of engaging in export trade. Such associations are to be exempt from the antitrust laws of the United States, provided that there shall be through the association (a) no restraint of the export trade of any domestic competitor, (b) no enhancing or depression of prices, or (c) no substantial lessening of competition within the United States.

Section 1 of the act defines "export trade" and "association." Sections 2 and 3 provide exemption from the antitrust laws under

certain conditions. Section 4 extends the jurisdiction of the commission under the Federal Trade Commission act 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.” Section 5 provides for the filing of papers by export associations (see Exhibit 6) with the Federal Trade Commission, and other details of administration.

In order to meet the numerous inquiries concerning the act, the commission has issued a leaflet, entitled “Foreign Trade Series No.1,” covering a discussion of and practice and procedure under the act. Copies of this publication may be obtained from the export trade division upon request.

EXPORT ASSOCIATIONS OPERATING UNDER THE ACT.

At the close of the fiscal year ending June 30, 1922, there were 56 associations operating under the act. These are listed as follows:

American Locomotive Sales Corporation, 30 Church Street, New York City.
American Milk Products Corporation, 71 Hudson Street, New York City.
American Paper Exports (Inc.), 136 Liberty Street, New York City.
American Pitch Pine Export Co., 522 Audubon Building, New Orleans, La.
American Producers Export Corporation of Delaware, 51 Beaver Street, Broadway, New York City.
American Provisions Export Co., Room 538, Adams Franklin Building, 226 West Adams Street, Chicago, Ill.
American Soda Pulp Export Association, 200 Fifth Avenue, New York City.
American Tanning Materials Corporation, 82 Wall Street, New York City.
American Textile Machinery Corporation, 60 Federal Street, Boston, Mass.
American Webbing Manufacturers Export Co., 395 Broadway, New York City.
Associated Button Exporters of America (Inc.), 1182 Broadway, New York City.
Atlantic & Gulf Export Co., 501 West Building, Jacksonville, Fla.
Automatic Pearl Button Export Co. (Inc.), 301 Mulberry Avenue, Muscatine, Iowa.
Carolina Wood Export Corporation, 1203 Bank of Commerce Building, Norfolk, Va.
Cement Export Co. (Inc.), 302 Broadway, New York City.
Chalmers (Harvey) & Son Export Corporation, rear 31 East Main Street, Amsterdam, N. Y.
Clanders Export Corporation, 300 East Twenty-second Street, New York City.
Consolidated Steel Corporation, 25 Broadway, New York City.
Copper Export Association (Inc.), 60 Broadway, New York City.
Davenport Pearl Button Export Co., 1231 West Fifth Street, Davenport, Iowa.
Delta Export Lumber Corporation, 1336-1338 Bank of Commerce Building, Memphis, Tenn.
Douglas Fir Exploitation & Export Co., 2(30 California Street, San Francisco, Calif.
Export Clothes Pin Association of America (Inc.), 90 West Broadway, New York City.

Export Trade Association (Inc.), 29 John Street, New York City.
 Florida Hard Rock Phosphate Export Association, Savannah Bank & Trust Building, Savannah, Ga.
 Florida Pebble-Phosphate Export Association, 2 Rector Street, New York City.
 General Alcohol Export Corporation, GO Wall Street, New York City.
 Goodyear Tire & Rubber Export Co., The, 1144 East Market Street, Akron, Ohio.
 Grand Rapids Furniture Export Association, 214 Lyon Street NW., Grand Rapids, Mich.
 Gulf Pitch Pine Export Association, 1212 Whitney Bank Building, New Orleans, La.
 Hawkeye Pearl Button Export Co., 601 East Second Street, Muscatine, Iowa.
 Locomotive Export Association. 30 Church Street, New York City.
 McKee Button Export Co., 1000 Hershey Avenue, Muscatine, Iowa.
 Millers' Exports Association (Inc.), The, Room 308, 108 South La Salle Street, Chicago, Ill.
 Mississippi Valley Trading & Navigation Co., 708 Equitable Building, St. Louis, Mo.
 Namusa Corporation, 39 Cortlandt Street, New York City.
 Nogales Garbanzo Association of Nogales, Ariz., and W. It. Grace & Co., No. 7 Hanover Square, New York City.
 Pan American Trading Co., 490 Broome Street, New York City.
 Phosphate Export Association, 2 Rector Street, New York City.
 Phosphate Export Association & Florida Hard Rock Phosphate Export Association, 2 Rector Street, New York City.
 Pioneer Pearl Button Export Corporation, 257 Mansion Street, Poughkeepsie, N.Y.
 Pipe Fittings & Valve Export Association, The, care of A. E. Rowe, secretary, Branford Conn.
 Redwood Export Co., 260 California Street, San Francisco, Calif.
 Sugar Export Corporation, 7 West Tenth Street, Wilmington, Del.
 United Paint & Varnish Export Co., The, 601 Canal Road, Cleveland, Ohio.
 United States Alkali Export Association (Inc.), 25 Pine Street, New York City.
 United States Button Export Co., 701 East Third Street, Muscatine, Iowa. United States Forest Products Co., care of Corporation Trust Co. of Delaware, Dover, Del.
 United States Handle Export Co., The, Piqua, Ohio.
 United States Maize Products Export Association, 17 Battery Place, New York City.
 United States Office Equipment Export Association, 134-136 Grand Street, New York City.
 United States Provision Export Corporation, 332 South La Salle Street, Chicago, Ill.
 Walnut Export Sales Co. (Inc.), 616 South Michigan Avenue, Chicago, Ill.
 Walworth International Co., 88 Pearl Street, Boston, Mass.
 Wisconsin Cannery Export Association, Manitowoc Wis.
 Wood Pipe Export Co., 523 White Building, Seattle, Wash.

MEMBERSHIP OF EXPORT ASSOCIATIONS.

The membership of the associations listed above includes about a thousand plants and factories scattered over every section of the country and employing a large number of workers.

Some of the associations are composed of small concerns which otherwise could not hold their own in foreign markets. Others are formed by well-established houses, which nevertheless are benefited by cooperation under the act. Several represent a large percentage of the export trade of the industry in which they are engaged.

The associations include exporters of steel, coffee, cement, lumber, rubber, sugar, locomotives, machinery, implements, pipes and valves, foundry equipment, phosphate rock, alkali, soda, pulp, paper, tanning materials, paint and varnish, alcohol, naval stores, furniture milk, meat and other foodstuffs, webbing materials, clothespins, buttons, and general merchandise.

Agencies and branches are maintained in leading foreign markets, one association operating as many as 40 active agencies abroad.

BENEFITS DENIED UNDER THE ACT.

Notwithstanding numerous obstacles which seriously handicapped American export trade during the past year, associations operating under the act have, on the whole, reported satisfactory progress and encouraging prospects. While in some instances, due to price changes, the money value of exports declined as compared with the year 1920, an increase in the physical volume of goods exported was noted. Gains were recorded in the shipments of milk products, meat and other foodstuffs, also in copper, phosphates, and lumber. The export of lumber by export associations in 1921 amounted to a total of 357,821,224 feet, or an increase of 22,353,200 feet over the previous year.

Several associations report economies in selling costs abroad by reason of organization. Other advantages reported are the following: Saving of inland freight and cable expense; greater efficiency in foreign advertising and promotion work; consolidation of clerical force, packing, billing, and handling of goods; elimination of variety of sales media; central office for soliciting orders abroad. One association reports a saving of at least one-third in expenses at home and about two-thirds in expense abroad, while another states that its selling costs were reduced about 50 per cent by cooperation.

COMPETITIVE CONDITIONS IN INTERNATIONAL TRADE.

Pursuant to section 6 (*h*) of the Federal Trade Commission act, the commission has kept itself currently informed as to competitive conditions in world commerce and trade, resulting from associations and combinations and affecting the foreign trade of the United States.

During the past year the commission has received frequent requests from Government departments trade associations, and indi-

vidual business concerns, to which has been furnished such information as was available concerning foreign combinations.

The number of foreign trade complaints referred to the commission for investigation by various Government departments, commercial organizations, and private parties has increased steadily. Approximately 106 complaints of this character have been investigated during the past year, involving a large variety of unfair practices affecting the foreign trade of the United States.

Complaints against American traders have an important bearing on the reputation of our country in foreign trade and if allowed to go unheeded may seriously prejudice the mind of the foreign purchaser. Some of these complaints have been found to be without merit, and report of the facts by the commission has served to clear the respondent of unjust accusations. In others the matter in dispute was adjusted satisfactorily where the facts had been brought out and the justice or injustice of the claim was clearly established.

The commission is assured that the adjustment of even a small complaint goes far toward the establishment of confidence and good will in foreign markets.

ENEMY TRADE DIVISION.

ADMINISTRATION OF PATENT, TRADE-MARK, AND COPYRIGHT MATTERS UNDER THE TRADING WITH THE ENEMY ACT.

With the advent of the World War, the monopoly which Germany had long maintained over many of the important industries of this country was broken, when the act of October 6, 1917, familiarly known as the "enemy trade act," vested in the President power which he, in turn, delegated to the Federal Trade Commission, to issue licenses to American citizens or corporations under patents, trade-marks, and copyrights owned or controlled by enemies or allies of enemies. As a result there have been built up in this country industries which it is believed will for all time establish our independence in the industrial world and forever break the hold so long maintained, particularly by Germany, upon many of the vital industries of this country.

By the provisions of subsection (c), section 10 of the said act of October 6, 1917 together with the authority conferred by the Executive order of October 12, 1917, the commission was vested with full power to grant in its discretion to any citizen or corporation of the United States a license to make, use, and vend any machine, manufacture, composition of matter or design, or to use any process, trade-mark, print, label, or copyright owned or controlled by an enemy or ally of enemy. The commission was clothed with full authority to prescribe the terms and conditions of such licenses, including the fixing of the fee to be charged therefor, which, by the terms of the act, might not exceed \$100 nor 1 per cent of the fund deposited as royalty thereunder.

The commission was given authority to prescribe the rate of royalty which might not exceed 5 per cent of the gross sums received by the licensee from the sale of the said invention or the use of the said trade-mark, print, label, or copyrighted matter; said royalty by the terms of the act to be paid semiannually on order of the commission to the Alien Property Custodian for deposit in the Treasury, thus creating a trust fund against which the "owner" of the said patent, trade-mark, print, label, or copyright might sue in equity, pursuant to the provisions of subsection (f), section 10 of the said

act, at any time within one year following the close of the war. The act further provided that if no suit were brought within the statutory one-year period following peace, then licensee was to be relieved of the liability to make any further deposits and all funds deposited by him should be repaid to him on order of the Alien Property Custodian.

The said subsection further provided that upon institution of suit thereunder the court might at any time terminate the license, issuing an injunction to restrain licensee from infringing thereafter: or in case licensee should have made investigation of capital based on possession of the license, might continue such license for such period and upon such terms and with such royalties as it should find to be just and reasonable.

Under the powers thus conferred there have been issued by the commission, through its enemy trade division, an aggregate of 89 licenses under patents, trade-marks, and copyrights. This relatively small number is explained by the fact that in many instances a single license covered a number of patents; thus, one single dye license covered the entire group of patents involved in the manufacture and production of "azo" dyes; another the entire group known as "indigo." In like manner one license covered some 12 patents involving the manufacture of gyroscopic compasses and one the 25 patents involved in the manufacture of ammonia.

The licenses have covered a wide range of subjects, those for the production of coal-tar dyes being the most important perhaps from an industrial viewpoint, while the drug licenses have been the most important issued from a humanitarian viewpoint. The drug which presented the gravest and most pressing problem was that introduced in this country as "salvarsan" or "606," the available supply of which was practically exhausted at the time the United States entered the war, this country having been entirely dependent upon Germany for its supply prior thereto. At the time this commission received its licensing power, the demand for "salvarsan" from the Army and Navy and medical profession at large was so great and the supply so limited that the price demanded rendered its use almost prohibitive--\$15 in many instances being charged for a single dose. The first "salvarsan" licenses, issued by the commission on November 27, 1917, little more than one month following the passage of the enemy trade act, were granted to the Dermatological Research Laboratories of Philadelphia, (Inc.) Takamine Laboratory (Inc.) of Clifton, N. J., and the H. A. Metz Laboratories (Inc.) of New York City, a fourth being issued shortly thereafter to the Diarsenol Co. (Inc.), of Buffalo. Each of these concerns was also licensed to manufacture and sell "neosalvarsan," a related and substitute drug.

Since the German patent owners or their agents in this country

generally possessed trade-mark rights for the only names by which these and other important drugs had previously been known in this country, it was determined upon conference with the American Medical Association, the National Research Council, the Surgeon Generals of the Army and Navy, and the Public Health Service, to prescribe new names to be used for such drugs when manufactured under licenses issued by this commission. "Arsphenamine" and "nearsphenamine" were the names prescribed, respectively, for the drugs previously known as "salvarsan" and "neosalvarsan." As against \$3.50 per ampule, or dose, which was the average price charged at the time of the passage of the enemy trade act, "arsphenamine" is now supplied to the Government for the use of the Army and Navy at 20 cents per ampule, while the price to physicians and the trade is approximately 75 cents to \$1.50 per dose. The immense demand for this drug can be appreciated from the fact that on a basis of 5 per cent of gross amounts received from sales there has been deposited in royalties under the four licenses above named since November, 1917, an aggregate of \$280,755.10.

In addition to the four licenses above enumerated, licenses were also issued for the manufacture of "arsphenamine" to the Division of Laboratories and Research of the New York State Department of Health and to the Massachusetts State Department of Health, through which media "arsphenamine" is supplied free of charge to the clinics and institutions of the New England States. During the year ended July 1, 1922, under these two licenses alone there were distributed 33,293 doses.

Other important drugs licensed cover "barbital," a widely used hypnotic formerly introduced as "veronal;" "procaine," a local anaesthetic extensively used as a substitute for cocaine and formerly introduced as "novocain;" and "atophan," a drug valuable in the treatment of rheumatism and gout. Other important licenses cover the Imhoff system of sewage disposal, the Ruping process of impregnating wood, "Pulmotor" life-saving apparatus, Bosch magnetos, and gyroscopic compasses. The licenses have, with but few exceptions, been nonexclusive in character and for the life of the patent and save in some few instances are still in full force and effect under the active supervision of the commission.

The activities of the commission in its issue of licenses were in a large measure restricted when by an amendment to the appropriation act of November 4, 1918, authority was for the first time conferred as the Alien Property Custodian to seize enemy patents, trade-marks, or copyrights in conjunction with other enemy property: and following such legislation the Executive order of December 3 1918, limited the licensing power of the commission to such patents trade-marks, and copyrights as had not been so seized or

demand. In any instance, however, where demand was made by the Alien Property Custodian affecting a patent under which the commission had previously granted a license, such seizure and subsequent transfer to American ownership were subject to and with full recognition of the rights of the commission and of the licensee with respect to the issued license.

The custodian's authority to seize and sell patents obviously diminished in large measure the applications made to the commission for license; this number being reduced to a minimum when in April, 1919, the entire class of enemy dye, drug, and chemical patents (approximately 4,500) was after seizure transferred by the Alien Property Custodian to the Chemical Foundation (Inc.).

Closely following the transfer to American ownership of the first seized patents, the commission was requested to so revise its outstanding licenses that the royalty earned thereunder should from date of sale be paid direct to the new (American) owner. The commission, however, adhering strictly to the original legislation under which it had received its licensing power, determined that it was without authorization of law to revise its issued licenses in respect to the recipient of the royalties thereunder, and that all funds earned by the licenses must continue to be deposited in the Treasury. In this connection it will be recalled that subsection (d), section 10, provides for the deposit in the Treasury of all royalty accrued under licenses in a trust fund against which the "owner" might sue following peace. Pursuant to such decision on the part of the commission, all royalties accrued under Federal Trade Commission licenses are on deposit in the Treasury, none having been diverted to the American purchaser taking title from the custodian.

In some few instances, as heretofore stated, the licenses issued by this commission have been surrendered, licensee taking in lieu thereof a license from the Chemical Foundation (Inc.), but the large majority of originally issued licenses are still in full force and effect, as will be indicated in the statistical summary accompanying this report. Of those surrendered perhaps the most important were the licenses issued to the Dermatological Research Laboratories, Pacific Flush Tank Co., and E. I. du Pont de Nemours & Co., covering, respectively, "arsphenamine" and "neo"; the Imhoff system of sewage treatment; and certain patents covering the production of dyes.

Patent No. 994437, owned by Chemische Fabrik auf Actien (vorm. E. Schering), of Berlin, Germany, covering a certain step in the process of preparing camphor, was licensed to Dr. Horatio Nelson Fraser, president of the Fraser Tablet Co., of Brooklyn, N. Y. certain other steps essential in the production of camphor being already owned or controlled by Doctor Fraser. Upon the

transfer of the business of the Fraser Tablet Co. to the Chemical Refining Syndicate of Brooklyn, N. Y., the commission approved and sanctioned the transfer of its issued license in order that the said Chemical Refining Syndicate might be enabled to use the process of the German patent in connection with the American rights acquired under such general transfer.

Under date of February 19, 1919, license was issued by this commission to the Ault & Wiborg Co., of Cincinnati, Ohio, under Patent No. 741029, covering "re(l azo lake." In July, 1920, the Ault & Wiborg Co. reorganized, a new syndicate being formed for the better exploitation of the dye and chemical interests of the company; upon which reorganization permission was requested for a transfer to the newly organized company of the license which had been issued by this commission. Since the commission, by reason of the seizure and sale of the patent involved, was without authority to issue a new license to the reorganized corporation, permission was granted for the desired transfer.

In these two instances only has the commission in its discretionary power authorized and sanctioned the transfer of its issued licenses.

Since the commission's authorization to issue licenses extended only for the "duration of the war," such power automatically terminated on July 2, 1921, when by the President's proclamation war was declared to have officially ended. Therefore, while the supervision of all outstanding licenses continued, no new licenses were issued during the fiscal year just ended. Considerable activity was evidenced, however, in anticipation of the suits to be filed under subsection (f), section 10, and in this connection under the commission's authorization, the enemy trade division made a personal audit of all reports rendered by its licensees. As a result some \$13,636.43 previously unreported was turned into the Treasury, while credits were given for about \$223.33 representing overpayments. In addition payment was secured of some \$36,013.09 previously reported, but payment of which was long overdue.

By the terms of subsection (f), section 10, the "owner" of any licensed patent, trademark, print, label, or copyright is empowered, "after the end of the war and until the expiration of one year thereafter," to file a bill in equity against the licensee for the recovery of all use and enjoyment of the licensed subject matter, together with the payment of "a reasonable royalty" for the use thereof. July 2, 1922, marked the expiration of the statutory period within which such suits might be filed.

Under this subsection approximately 150 suits have been entered--70 on behalf of the enemy owners, 64 by the Chemical Foundation or other American purchasers taking title from the custodian, and 16 by the Alien Property Custodian as trustee of enemy property.

The rights of the respective litigants, not only with respect to the deposited royalties but also to the title to the property involved, is a matter upon which the courts must pass, and the outcome of this litigation will be awaited with the keenest interest by all concerned.

TRADE-MARKS AND COPYRIGHTS.

The total number of trade-mark applications received by the commission since the passage of the act of October 6, 1917, has been comparatively small 13 only, on which but 4 licenses have issued, it having been the policy of the commission to issue such licenses only where the mark sought to be licensed was the name of an article covered by a patent under which license was also simultaneously sought or where the mark was the name of an article manufactured under an expired patent. Lehn & Fink, of New York City, were licensed to use the trade-mark "Pedeco" for tooth paste; Anchor Packing Co., of Philadelphia, the trade-mark "Tauril" for packing; Draeger oxygen Apparatus Co. (now American Atmos Corporation) to use the trade-mark "Pulmotor" for life-saving apparatus; and the Abbott Laboratories of Chicago were licensed to use the trade-mark "Veronal" in connection with a widely used hypnotic manufactured under a patent under which license was simultaneously granted. Since this trade-mark license was dependent upon such patent license it automatically terminated with the expiration of the patent involved, February 14, 1922.

Lehn & Fink in 1919 tendered surrender of its license covering "Pebeco" upon its acquiring title to this mark, together with certain other assets of Beiersdorf & Co., of Germany, the original registrant, following the seizure of this property by the Alien Property, Custodian. The two remaining licenses, to Draeger Oxygen Apparatus Co. and Anchor Packing Co., are still in force. Suit has been entered under subsection (f), section 10, by the Ungarisehe Gummiwaarenfabriks Aektiengesellschaft against the Anchor Packing Co. in connection with the trade-mark "Tauril," a similar suit being entered against this mark by the Alien Property Custodian, who now holds title by virtue of seizure. Suit has also been entered by the Alien Property Custodian against the Draeger Oxygen Apparatus Co. on account of the trade-mark "Pulmotor."

A total of 13 licenses have been issued by the commission under enemy copyrights, of which perhaps the most important are those to the San Carlo Grand Opera Co., of New York City, to present certain operas covered by enemy registrations. The Ravinia Co., of Chicago, Ill., and the Philadelphia Operatic Co., Philadelphia, Pa., were also licensed to present certain operas covered by enemy registrations; as was Joseph W. Herbert, of New York City. Houghton

Mifflin Co. of Boston, Mass., were licensed to publish a German Officer's Description of Submarine Warfare, while David McKay published an English and Greek Dictionary under license from this commission. In addition license was issued to the John Crerar Library of Chicago, Ill., to publish important technical works on dyestuffs and condiments. None of the above have been surrendered or canceled, nor has any suit been filed against these copyright licenses. Therefore, under the provisions of subsection (f), section 10, these licensees would appear to be entitled, upon application to the Alien Property Custodian, to a refund of royalties paid in under their respective licenses.

LICENSES TO FILE AND PROSECUTE APPLICATIONS AND PAY FEES IN ENEMY COUNTRIES.

The act of October 6, 1917, and the Executive order of October 12, 1917 in addition to its licensing power conferred on the commission authority under section 10--

(b) 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 patent or for registration of trade-marks, prints, labels, or copyrights, or to pay any taxes, annuities, or fees in relation thereto.

A considerable number of applications under this subsection had been received and some licenses issued (details of which are shown in summary accompanying this report), when at the suggestion of the commission this authority was revoked by the President by Executive order dated April 11, 1918. This suggestion on the part of the commission was prompted by an appreciation of the dangerous possibilities involved in the transmittal to enemy countries of the payments and documents sought to be licensed, such documents consisting of many sheets of descriptive matter and drawings, which it was felt, might be the means of transmitting by code information of value to the enemy in the prosecution of the war. After conference, therefore, with the War Trade Board, the Censorship Board and the Military and Naval Intelligence Sections, the recommendation was made to the President and the authority revoked, as above stated.

Following the removal of the censorship upon the signing of the armistice and the resumption of communication with enemy countries by mail, postal, and cable, in order to regularize the situation and to remove any doubt as to the propriety of transmitting patent applications and fees, in view of the Executive order of April 11, 1918, the President by Executive order of November 25, 1919, restored to the commission its former authority to license transmission of such documents and fees. Pursuant thereto a blanket license was on November 29, 1919, issued by the commission to all United States

citizens and corporations to file or prosecute such applications in enemy countries, or to pay any fees or annuities in relation thereto. The text of the Executive orders and the license referred to herein will be found in Exhibit 4.

ORDERS OF SECRECY REGARDING INVENTIONS.

Section 10 (i) of the act authorized the President, which power he delegated to the commission, to order that an invention be kept secret and the grant of a patent withheld until the end of the war whenever, in his opinion, the publication of an invention by the granting of a patent might be detrimental to the public safety or defense, or might assist the enemy or endanger the successful prosecution of the war. If the invention be published in violation of such order, without the consent of the Commissioner of Patents or the Federal Trade Commission, the penalty was the abandonment of the invention and a fine of not exceeding \$10,000 or imprisonment for not exceeding 10 years, or both. Under an amendment to rule 77 of the Rules of Practice in the United States Patent Office, the Commissioner of Patents had, prior to the passage of the act of October 6, 1917, been given authority to suspend action on any patent application whenever during a time when the United States was at war, the publication of an invention by the granting of a patent might be, in the opinion of the commission, detrimental to the public safety or defense or might assist the enemy or endanger the successful prosecution of the war. The Commissioner of Patents under this authority was without power to enforce any penalty, save only the abandonment of the application. Therefore, while at the outset there appeared to be some conflict of authority by reason of the concurrent jurisdiction of the Federal Trade Commission and the Commissioner of Patents, a workable plan of procedure was soon determined under which, with the cooperation of the Commissioner of Patents, orders of secrecy were issued by this commission to the inventor, his attorney and assignee, and to all others having knowledge of the invention involved. Such orders (which, however, were subject to modification by the Commissioner of Patents or this commission) enjoined any disclosure of the invention except to the Secretary of War, the Secretary of the Navy, and such other persons as they might officially designate in writing. In some instances for specific reasons this injunction was vacated or modified during the active war period, but practically all remained in force until lifted with the signing of the armistice. Copies of the form used in enjoining secrecy of invention will be found among the exhibits attached to this report.

INVESTIGATION OF ENEMY CONTROL OF CORPORATIONS.

It was appreciated during the active war period that under the authority of the creative act of the commission corporations could

be required to file reports which could be made to disclose membership or control by enemies. This proved of inestimable value when at the request of the Alien Property Custodian questionnaires were sent to many corporations under suspicion, with a view to disclosing their list of stockholders for the years 1915, 1916, and 1917. From such lists questionnaires were sent to each stockholder. As a result more than 100 of the corporations investigated were found to be controlled by enemies, in a majority of cases German. When the questionnaire disclosed any enemy interest in the concerns under investigation, this commission promptly reported such facts to the Alien Property Custodian, the War Trade Board, or any other department which might be peculiarly interested therein, and the work thus accomplished by the commission was a powerful aid in nullifying the attempts of enemy financial interests to dominate many American industries. At the same time such information was of value to the military and naval intelligence sections in connection with individuals whose activities were inimical to the best interests of our country.

In summarizing each branch of the division's activities the following will be of interest:

Applications for licenses under any patents, trade-marks and copyrights.

Applications granted under patents	206
Applications withdrawn or denied	42
Total applications under patents	248
Exclusive licenses issued	5
Nonexclusive licenses issued	67
Total licenses issued under patents	72
Licenses canceled	18
Licenses outstanding	54
Aggregate royalty accrued under patent licenses	\$615,240.53
Royalty accrued during year ending July 1, 1922	\$65,674.86
Applications granted under trade-marks	4
Applications denied or withdrawn	9
Total applications under trade-marks	13
Exclusive licenses Issued	2
Nonexclusive licenses Issued under trade-marks	2
Total licenses issued under trade-marks	4
Aggregate royalty accrued under trade-mark licenses	\$372,696.05
Royalty accrued during the year ending July 1, 1922	\$6,788.36

Applications granted under copyrights	13
Applications denied or withdrawn	5
Total applications under copyrights	18

Nonexclusive licenses issued	13
Aggregate royalty accrued under copyright licenses	\$1, 033.99
Royalty accrued during year ending July 1, 1922	\$201.08
Aggregate royalty accrued under patent, trade-mark and copyright licenses (1917-1922)	\$996, 048.44
Aggregate accrued during year ending July 1, 1922	\$72, 742.17

Applications to file of prosecute or to pay taxes concerning patents and trade-marks in enemy countries.

Applications granted to file and prosecute	248
Applications denied	14
Informal application	10
Applications pending and returned on Apr. 11, 1918	578
Total applications to file and prosecute	850

Applications granted to pay taxes	1,015
Informal applications	15
Applications pending and returned on Apr. 11, 1918	270
Total applications to pay taxes	1,300

Orders enjoining enemy of invention

Inventions disclosed in patent applications regarding which secrecy was enjoined	2,640
Persons and corporations enjoined to secrecy regarding the foregoing	4,277

Investigation of enemy control of corporations.

Number of corporations reporting	628
Stockholders reporting	1,736

All of which is respectfully submitted.

NELSON B. GASKILL, *Chairman.*
VICTOR MURDOCK.
JOHN F. NUGENT.
HUSTON THOMPSON.
VERNON W. VAN FLEET.

EXHIBITS.

EXHIBIT I.

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

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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 appeals 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 aside. 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 shall 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 be 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 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 the service of the same.

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

(a) To gather and compile information concerning, and to investigate from time to time the organization, business, conduct, practices, and 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 the 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 the 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 have power to require by subpoena the attendance and testimony of witnesses and the production of all such documentary evidence relating to any matter

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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 as 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 any 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 failure 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 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 be 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 lessen 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 the 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 and 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 the 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 he shall not become or be deemed amenable to all 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 opinion that any of the provisions of said sections have been or are 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 of 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 filing 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 pleading's, 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 that 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 and 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 appeals by filing 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 the 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 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 mailed as aforesaid shall be proof of the 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, the 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 he 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 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 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

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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 mailed 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 he 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, stating 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. HEARINGS BEFORE EXAMINERS.

When issue in the case is set for trial it shall be referred to an examiner for the taking of testimony. It shall be the duty of the examiner to complete the taking of testimony with all due dispatch, and he shall set the day and hour to which the taking of testimony may from time to time be adjourned. The taking of the testimony both for the commission and the respondent shall be completed within 30 days after time beginning of the same unless, for good cause shown, the commission shall extend the time. The examiner shall, within 10 days after the receipt of the stenographic report of the testimony, make his proposed finding as to the facts and his proposed order thereon, and shall forthwith serve copy of the same on the parties or their attorneys, who, within 10 days after the receipt of same, shall file in writing their exceptions, if any, to such proposed findings and order, and said exceptions shall specify the particular part or parts of the proposed findings of fact or proposed order to which exception is made, and said exceptions shall include any additional findings and any change in or addition to the proposed order which either party may think proper. Citations to the record shall be made in support of such exceptions. Where briefs are filed the same shall contain a copy of such exceptions. Argument on the exceptions to the proposed findings and order, if exceptions be filed, shall be had at the final argument on the merits.

XIII. DEPOSITIONS IN CONTESTED PROCEEDINGS.

The commission may order testimony to be taken by deposition in a contest 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 depositions 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 or 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.

XIV. 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.

XV. 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 brief shall be filed and service thereof shall be made upon the adverse parties.

All briefs must be filed with the secretary and be accompanied by proof of service upon the adverse parties. Twenty 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 the 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 flyleaves 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 1/2 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.

XVI. ADDRESS OF THE COMMISSION.

All communications to the commission must be addressed to Federal Trade Commission, Washington D. C., unless otherwise specially 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 such 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, non-exclusive or exclusive as he shall deem best, provided he 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 centum 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 in 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 such 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 Court.

(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, he 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, he shall, if he 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 and authority vested in the Federal Trade Commission under section 10 (b) of the Trading with the Enemy Act and 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

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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 indirectly, 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.

[SEAL]

(Signed)

FEDERAL TRADE COMMISSION,
J. P. YODER, *Secretary*.

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 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 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 cancer 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 therefore 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, sec. 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 from 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 made 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
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(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 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 or 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 to the licensee to terminate 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.

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 thereof, 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 copyright work, the price or prices charged thereof, 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 out 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 involved 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 under 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, whether 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 case 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-

(I) 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 the 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.

To:

(Date)
In re application for United States
patent of _____

_____. Ser. No. _____

Filed

For

GENTLEMEN: Inclosed is a duly certified copy of an order of the Federal Trade Commission with reference to the matter identified in the caption of this letter. Violation of this order entails a fine of not more than ten thousand dollars (\$10,000) or imprisonment of not more than ten (10) years, or both. You are directed to govern yourselves accordingly.

Very truly yours,

(Signed) FEDERAL TRADE COMMISSION,
L. L. BRACKEN, Secretary.

UNITED STATES OF AMERICA,
FEDERAL TRADE COMMISSION,
(Date.)

IN THE MATTER OF ENJOINING PUBLICATION OF CERTAIN PATENTS AND SECRECY
OF INVENTIONS.

It appearing to the Federal Trade Commission that the publication of certain alleged inventions, for which applications for patents have been made in the United States Patent Office, and which are fully identified in a schedule filed within the Federal Trade Commission _____, said schedule being dated _____, and now in the files of the Federal Trade Commission, may be detrimental to the public safety or defense and may assist the enemy and endanger the successful prosecution of the war, and that said alleged inventions are in whole or in part known to the alleged inventors, assigns, if any, and their solicitors.

Therefore, in conformity with the provisions of the trading with the enemy act and of the Executive order of October 12, 1917--

It is ordered that, without the consent or approval of the Commissioner of Patents or license from the Federal Trade Commission, the said inventors, assigns, if any, and solicitors, and each thereof, and all others having knowledge of the said inventions or any thereof, keep the said inventions and each of them secret and refrain from publication or any disclosure thereof.

It is further ordered that a copy of this order be served upon the said inventors, assigns, if any, and solicitors by registered mail forthwith.

A true copy of the order this day entered.

FEDERAL TRADE COMMISSION.

Attest:

[SEAL.]

(Signed)

L. L. BRACKEN, *Secretary*.

EXHIBIT 5.

[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 conspiracy, 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 6.

WINSTED HOSIERY CASE.

Supreme Court of the United States. No. 333. October term, 1921.

Federal Trade Commission, petitioner, v. Winsted Hosiery Company. On writ of certiorari to the United States Circuit Court of Appeals for the Second Circuit.

[April 24, 1922.)

Mr. Justice Brandeis delivered the opinion of the court.

The Winsted Hosiery Company has for many years manufactured underwear which it sells to retailers throughout the United States. It brands or labels the cartons in which the underwear is sold as "Natural Merino," "Gray Wool," "Natural Wool," "Natural Worsted," or "Australian Wool." None of this underwear is all wool. Much of it contains only a small percentage of wool; some as little as 10 per cent. The Federal Trade Commission instituted a complaint under section 5 of the act of September 26, 1914, c. 311, 38 Stat. 717, 719, and called upon the company to show cause why use of these brands and labels alleged to be false and deceptive should not be discontinued. After appropriate proceedings an order was issued which, as later modified, directed the company to cease and desist from employing or using as labels or brands on underwear or other knit goods not composed wholly of wool, or on the wrappers, boxes, or other containers in which they are delivered to customers, the words 'Merino,' 'Wool,' or 'Worsted,' alone or in combination with any other word or words, unless accompanied by a word or words designating the substance, fiber, or material other than wool of which the garments are composed in part (e. g., 'Merino, Wool, and Cotton'; 'Wool and Cotton'; 'Worsted, Wool, and Cotton'; 'Wool, Cotton, and Silk') or by a word or words otherwise clearly indicating that such underwear or other goods is not made wholly of wool (e. g., part wool)."

A petition for review of this order was filed by the company in the United States Circuit Court of Appeals for the Second Circuit. The prayer that the order be set aside was granted; and a decree to that effect was entered.¹ That court said: "Conscientious manufacturers may prefer not to use a label which is capable of misleading and it may be that it will be desirable to prevent the use of the particular labels, but it is in our opinion not within the province of the Federal Trade Commission to do so," 272 Fed. 957, 961. The case is here on writ of certiorari. 256 U. S. 688.

The order of the commission rests upon findings of fact; and these upon evidence which fills three hundred and fifty pages of the printed record. Section 5 of the act makes the commission's findings conclusive as to the facts, if supported by evidence.

The findings here involved are clear, specific, and comprehensive: The word "Merino" as applied to wool "means primarily and popularly" a fine long-staple wool which commands the highest price. The words "Australian

¹ The original order of the commission was based on findings which rested upon an agreed statement of facts. The petition for review urged, among other things, that the agreed statement did not support the findings. Thereupon the commission moved in the court of appeals that the case be remanded to the commission for additional evidence as provided in the fourth paragraph of section 5 of the act. Under leave so granted the evidence was taken; and modified findings of fact were made. The modified order was based on these findings. It is this modified order

which was set aside by the court of appeals; and we have no occasion to consider the original order or the proceedings which led up to it.

100

Wool” means a distinct commodity—a fine grade of wool grown in Australia. The word “wool” when used as an adjective means made of wool. The word “worsted” means primarily and popularly a yarn or fabric made wholly of wool. A substantial part of the consuming public, and also some buyers for retailers and sales people, understand the words “Merino,” “Natural Merino,” “Gray Merino,” “Natural Wool,” “Gray Wool,” “Australian Wool,” and “Natural Worsted” as applied to underwear to mean that the underwear is all wool. By means of the labels and brands of the Winsted Company bearing such words part of the public is misled into selling or into buying as all wool underwear which in fact is in large part cotton. And these brands and labels tend to aid and encourage the representations of unscrupulous retailers and their salesmen who knowingly sell to their customers as all-wool underwear which is largely composed of cotton. Knit underwear made wholly of wool has for many years been widely manufactured and sold in this country and constitutes a substantial part of all knit underwear dealt in. It is sold under various labels or brands, including “Wool,” “All Wool,” “Natural Wool,” and “Pure Wool,” and also under other labels which do not contain any words descriptive of the composition of the article. Knit underwear made of cotton and wool is also used in this country by some manufacturers, who market it without any label or marking describing the material or fibers of which it is composed, and by some who market it under labels bearing the words “Cotton and Wool” or “Part Wool.” The Winsted Company’s product, labeled and branded as above stated, is being sold in competition with such all-wool underwear and such cotton and wool underwear.

That these findings of fact are supported by evidence can not be doubted. But it is contended that the method of competition complained of is not unfair within the meaning of the act, because labels such as the Winsted Company employs, and particularly those bearing the word “Merino,” have long been established in the trade and are generally understood by it as indicating goods partly of cotton; that the trade is not deceived by them; that there was no unfair competition for which another manufacturer of underwear could maintain a suit against the Winsted Company; and that even if consumers are misled because they do not understand the trade signification of the label or because some retailers deliberately deceive them as to its meaning, the result is in no way legally connected with unfair competition.

This argument appears to have prevailed with the court of appeals; but it is unsound. The labels in question are literally false, and, except those which bear the word “Merino,” are palpably so. All are, as the commission found, calculated to deceive, and do in fact deceive, a substantial portion of the purchasing public. That deception is due primarily to the words of the labels and not to deliberate deception by the retailers from whom the consumer purchases. While it is true that a secondary meaning of the word “Merino” is shown, it is not a meaning so thoroughly established that the description which the label carries has ceased to deceive the public, for even buyers for retailers and sales people are found to have been misled. The facts show that it is to the interest of the public that a proceeding to stop the practice be brought. And they show also that the practice constitutes an unfair method of competition as against manufacturers of all-wool knit underwear and as against those manufacturers of mixed wool and cotton underwear who brand their product truthfully. For when misbranded goods attract customers by means of the fraud which they perpetrate, trade is diverted from the producer of truthfully marked goods. That these honest manufacturers might protect their trade by also resorting to deceptive labels is no defense to this proceeding brought against the Winsted Company in the public interest.

The fact that misrepresentation and misdescription have become so common in the knit underwear trade that most dealers no longer accept labels at their face value does not prevent their use being an unfair method of competition. A method inherently unfair does not cease to be so because those competed against have become aware of the wrongful practice. Nor does it cease to be unfair because the falsity of the manufacturer's representation has become so well

known to the trade that dealers, as distinguished from consumers, are no longer deceived. the honest manufacturer's business may suffer, not merely through a competitor's deceiving his direct customer, the retailer, but also through the competitor's putting into the demands of the retailer an unlawful instrument, which enables the retailer to increase his own sales of the dishonest goods, thereby lessening the market for the honest product. That a person is a wrongdoer who so furnishes another with the means of consummat-

ing a fraud has long been a part of the law of unfair competition.² And trade-marks which deceive the public are denied protection although members of the trade are not misled thereby.³ As a substantial part of the public was still misled by the use of the labels which the Winsted Company employed, the public had an interest in stopping the practice as wrongful; and since the business of its trade rivals who marked their goods truthfully was necessarily affected by that practice, the commission was justified in its conclusion that the practice constituted an unfair method of competition; and it was authorized to order that the practice be discontinued.

Reversed.

Mr. Justice McReynolds dissenting.

² *Von Mumm v. Frash*, 56 Fed. 880; *Coca Cola Co. v. Gay-Ola Co.*, 200 Fed. 720, 722; *New England Awl & Needle Co. v. Marlborough Awl & Needle Co.*, 168 Mass. 154, 155.

³ *Manhattan Medicine Co. v. Wood*, 108 U. S. 218; *Worden v. California Fig Syrup Co.*, 187 U.S. 516, 538.

EXHIBIT 7.

BEECH-NUT CASE.

Supreme Court of the United States. No.47. October Term, 1921.

Federal Trade Commission, petitioner, v. Beech-Nut Packing Company, respondent. On writ of certiorari to the United States Circuit Court of Appeals for the Second Circuit.

[January 3, 1922.]

Mr. Justice DAY delivered the opinion of the court.

This case is here upon a writ of certiorari to the United States Circuit Court of Appeals for the Second Circuit, which court set aside an order of the Federal Trade Commission requiring the Beech-Nut Packing Company, a corporation engaged in the manufacture and sale of food and other products throughout the United States, to cease and desist from carrying out a plan of resale of its products.¹ (264 Fed. 885.)

The Commission condemned the plan as an unfair method of competition within the meaning of section 5 of the Federal Trade Commission act. (38 Stat. 719.)

In the original complaint it was charged that in order to accomplish the illegal purpose intended the Beech-Nut Company required its purchasers to agree to maintain or resell such products at standard selling prices, and that for the purpose of maintaining such standard resale prices and for the purpose of inducing and compelling its customers to maintain and keep such standard prices the company refused to sell its products to customers and dealers who would not agree to maintain such specified standard resale prices, and who did not resell such products at the specified standard selling prices fixed and determined by the company. By stipulation before trial the complaint was amended so as to charge: That the Beech-Nut Company has adopted and enforced a system of fixing and maintaining certain specified standard prices at which its chewing gum and food products shall be resold by purchasers thereof, including jobbers, wholesalers, and retailers, with the purpose and effect of securing the trade of such jobbers, wholesalers, and retailers and of enlisting their active support and cooperation in enlarging the sale of respondent's products, to the prejudice of its competitors who do not require and enforce the maintenance of resale prices for their products; and with the purpose and effect of eliminating competition in prices among all jobbers, wholesalers, and retailers, respectively, engaged in handling the products manufactured by the company, thereby depriving such distributors of their right to sell, and preventing them from selling its products at such prices as they may deem to be, and as are, adequate and warranted by their respective selling costs and

1 "Now, therefore, it is ordered, that respondent, the Beech-Nut Packing Company, its officers, directors, agents, servants, and employees cease and desist from directly or indirectly recommending, requiring, or by any means bringing about the resale of Beech-Nut products by distributors, whether at wholesale or retail according to any system of prices fixed or established by respondent, and more particularly by any or all of the following means:

"1. Refusing to sell to any such distributors because of their failure to adhere to any such system of resale prices.

“2. Refusing to sell to any such distributors because of their having resold respondent’s said products to other distributor’s who have failed to adhere to any such system of resale prices.

”3. Securing or seeking to secure the cooperation of its distributors in maintaining or enforcing any such system of resale prices.

“4. Carrying out or causing others to carry out a resale price maintenance policy by any such means.”

efficiency, and with various other effects; and that the company as a means of making effective its system of resale prices and of inducing and compelling its customers and the dealer customers of its customers to maintain such resale prices, has for more than two years last past made it generally known to jobbers, wholesalers, and retailers, respectively, that it required and insisted that they should sell its products at the resale prices so fixed by it, and refused to sell to jobbers, wholesalers, or retailers not maintaining such prices; that the company threatened to and did refuse to sell to all jobbers, wholesalers, and retailers who failed to maintain the resale prices so fixed by it, or who sold to other distributors who failed to maintain such prices; induced or compelled the jobbers, wholesalers, and retailers, by divers other means, not only to maintain its resale prices so fixed, but also to discontinue selling its products to other jobbers, wholesalers, and retailers who did not maintain such resale prices; that the company caused the diversion of retailers' orders away from jobbers and wholesalers who did not maintain such resale prices so fixed by it, or who had resold its products to other jobbers, wholesalers, or retailers who had failed to maintain such resale prices, and caused such orders to be given to other jobbers and wholesalers who had maintained such resale prices and/or had refused to supply other jobbers, wholesalers, and retailers failing to maintain such prices; that the company solicited and secured the cooperation of wholesalers, jobbers, and retailers in reporting price cutters, all in pursuance of Its efforts to ascertain the names of all distributors of its products who had failed to maintain the resale prices fixed by it, and/or who had resold to other jobbers, wholesalers, and retailers failing to maintain such prices; that it entered in card records kept by it the names of all dealers reported to it, either in this or other ways, as not maintaining its resale prices or as selling to other distributors not maintaining such prices, and has taken various measures to prevent all such dealers from obtaining further shipments of its products from any source until it has received from them declarations, promises, assurances, statements, or other similar expressions, to the effect that in the future such dealers intend to and will sell such products at the resale prices fixed by the company and will refrain from selling the same to other jobbers, wholesalers, and retailers failing to maintain such prices; that respondent employed various other means and methods for the enforcement of its system of maintaining resale prices.

The case was heard before the commission upon an agreed statement of facts, from which, among other things, it found:

The Beech-Nut Packing Company customarily markets its products principally through jobbers and wholesalers in the grocery, drug, candy, and tobacco lines, who in turn resell to retailers in these lines. Such wholesale and retail dealers are selected as desirable customers because they are known or believed to be of good credit standing; willing to resell at the resale prices suggested by the company and who do resell at such prices; are willing to refuse to sell and who do refuse to sell to jobbers, wholesalers, and retailers who do not resell at the resale prices suggested by the company, find who do not sell to such jobbers, wholesalers, and retailers who in other respects are good and satisfactory merchandisers. Such jobbers, wholesalers, and retailers are designated by the company as "selected" or "desirable" dealers. In a few instances the company also sells "direct" to certain large retailers who are selected as the jobbers, wholesalers, and retailers. The total number of such dealers handling the products of the company includes the greater portion of the jobbers, wholesalers, and retailers, respectively, in the grocery trades, and a large proportion of the jobbers, wholesalers, and retailers in the drug, candy, and tobacco trades, respectively, throughout the United States.

The company has adopted and maintained, and still maintained at the complaint was filed by the commission, in the sale and distribution of its products, a policy known as the "Beech-Nut Policy," and requests the cooperation therein of all dealers selling the products manufactured by it, dealing with each customer separately.

In order to secure such cooperation and to carry out the Beech-Nut policy the company:

Issues circulars, price lists, and letters to the trade generally showing suggested uniform resale

prices, both wholesale and retail, to be charged for Beech-Nut products.

Requests and insists that the selected jobbers, wholesalers, and retainers sell only to such other jobbers, wholesalers, and retailers as have been and are willing to resell and do resell at the prices so suggested by the company; and

requests and insists that such jobbers, wholesalers, and retailers discontinue selling to other jobbers, wholesalers, and retailers who fail to resell at the prices so suggested by the company.

Makes it known broadcast to such selected jobbers, wholesalers, and retailers, whether sold "direct" or not, that if they, or any of them, fail to sell at the resale prices suggested by the company, it will absolutely refuse to sell further supplies of its product to them, or any of them, and will also absolutely refuse to sell to any jobbers, wholesalers, and retailers whatsoever who sell to other jobbers, wholesalers, and retailers failing to resell at the prices suggested by the company.

The company, in the carrying out of its policy, has refused and does refuse to sell its products to practically all such jobbers, wholesalers, and retailers as do not sell at the prices so suggested by it. It has refused and does refuse to sell to practically all such jobbers, wholesalers, and retailers reselling to other jobbers, wholesalers, and retailers, who have failed to resell at the prices so suggested by it. It has refused and does refuse to sell to practically all so-called mail-order houses engaged in interstate commerce on the ground that such mail-order houses frequently sell at cut prices, and has refused and does refuse to sell to practically all jobbers, wholesalers, and retailers who sell its products to such mail-order houses. It has refused and does refuse to sell to practically all so-called price cutters. It has maintained and does maintain a large force of so-called specialty salesmen or representatives who call upon the retail trade and solicit orders therefrom to be filled through jobbers and wholesalers, which orders are commonly known in the trade as "turnover orders"; its salesmen, under respondent's instructions, have refused and do refuse to accept any such turnover orders to be filled through jobbers and wholesalers who themselves sell or have sold at less than the suggested resale prices, or sell or have sold to jobbers, wholesalers, and retailers who sell or have sold at less than such suggested resale prices; and in such cases has requested such retailers to name other jobbers.

The company has and does reinstate as distributors of its product jobbers, wholesalers, and retailers previously cut off or withdrawn from the list of selected jobbers, wholesalers, and retailers for failure to resell at the prices suggested by it and for selling to distributors who do not maintain such suggested resale prices, upon the basis of declarations, assurances, statements, promises, and similar expressions, as the case may be, by such distributors, respectively, who satisfy the company that such distributors will thereafter resell at the prices suggested by it and will refuse to sell to distributors who do not maintain such suggested resale prices.

The company has added and does add to its list of new distributors concerns reported by its representatives as declaring that they intend to and will resell at the prices suggested to it and will refuse to sell to those who do not maintain such suggested resale prices. It has utilized a system of key numbers or symbols stamped or marked upon the cases containing the "Beech-Nut Brand" products, thus enabling it, for any purpose whatsoever, to ascertain the identity of the distributors from whom such products were purchased; and that repeatedly, when instances of price cutting have been reported to it by the selected wholesalers and retailers, or ascertained in other ways, its salesmen and representatives have been instructed by it to investigate, and that in pursuance of these instructions they have by means of these key numbers or symbols traced the price cutters from whom the goods have been obtained, and have thus ascertained the identity of such price cutters, and have also thus traced and ascertained the identity of distributors from whom price cutters have purchased "Beech-Nut Brand" products, and has thereafter refused to supply all such dealers with its products, whether such dealers were themselves cutting the suggested resale prices or were selling to dealers cutting the suggested resale prices.

The company has and does maintain card records containing the names of thousands of jobbing wholesale and retail distributors, including the selected distributors, and in furtherance of its refusal to sell goods either to distributors selling at less than the suggested resale price, or

to distributors selling to other distributors who sell at less than the suggested resale prices, has listed upon those cards, bearing the names of such distributors, the words "Undesirable-Price Cutters," "Do Not Sell," or "D. N. S.," the abbreviation for "Do Not Sell," or expressions of a like character, to indicate that the particular distributor was in the future not to be supplied with respondent's goods on account of failure to maintain the suggested resale prices, or

on account of failure to discontinue selling to dealers failing to maintain such suggested resale prices. When the company has received declarations, assurances, statements, promises, or similar expressions, as the case may be, by distributors which satisfy it that such distributors will resell at the prices suggested by it, and discontinue selling to distributors failing to maintain the resale prices suggested by it, it has issued instructions to "Clear the record," or directions of similar import, notation of which is made on the cards, and it has thereafter permitted shipments of its products to be made to such distributors; and such distributors to whom shipments are thus allowed to go forward constitute the company's list of so-called "selected" jobbers, wholesalers, and retailers; and no distributor is thus listed on such card record as one to whom goods are allowed to go forward who fails to maintain the resale prices suggested by it or sells to distributors failing to resell at such suggested price; and when a jobber, wholesaler, or retailer is reported as failing to maintain the suggested retail prices, and has been entered in the card records as one to whom shipments should not go forward, respondent notifies those jobbers, wholesalers, and retailers who supply the distributor of this fact, and also notifies its specialty salesmen, and gives similar notices to such jobbers, wholesalers, and retailers and to its specialty salesmen when reinstatements are made in its list of "selected" jobbers, wholesalers, and retailers.

The circuit court of appeals was of opinion that the only difference between the price-fixing policy condemned as unlawful in *Miles Medical Company v. Park & Sons Company*, 220 U. S. 373, and the price-fixing plan embodied in the Beech-Nut policy was that in the former case there was an agreement in writing, while in this case the success or failure of the plan depended upon a tacit understanding with purchasers and prospective purchasers. While it expressed its difficulty in seeing any difference between a written agreement and a tacit understanding in their effect upon the restraint of trade, it nevertheless regarded the case as governed by the decision of this court in *United States v. Colgate & Co.*, 250 U. S. 300, and accordingly held that the commission had exceeded its power in making the order appealed from.

The *Colgate* case was prosecuted under the Sherman Anti-Trust Act and came to this court under the criminal appeals act. We therein held that this court must accept the construction of the indictment as made in the district court; and that upon such construction the only act charged amounted to the exercise of the right of the trader, or manufacturer, engaged in private business, to exercise his own discretion as to those with whom he would deal and to announce the circumstances under which he would refuse to sell, and that thus interpreted no act was charged in the indictment which amounted to a violation of the Sherman Act prohibiting monopolies, contracts, combinations, and conspiracies in restraint of interstate commerce.

In the subsequent case of *United States v. Schrader's Son, Inc.*, 252 U. S. 85, this court had occasion to deal with a case under the criminal appeals act, wherein there was a charge that a manufacturer sold to manufacturers in several States under an agreement to observe certain resale prices fixed by the vendor--which we held to be a violation of the Sherman Anti-Trust Act. In referring to the *Colgate* case we said: "The court below misapprehended the meaning and effect of the opinion and judgment in that cause. We had no intention to overrule or modify the doctrine of *Dr. Miles Medical Company v. Park & Sons Co.* [220 U. S.], where the effort was to destroy the dealers' independent discretion through restrictive agreements. Under the interpretation adopted by the trial court and necessarily accepted by us, the indictment failed to charge that Colgate & Company made agreements, either express or implied, which undertook to obligate vendees to observe specified resale prices; and it was treated as alleging only recognition of the manufacturer's undoubted right to specify resale prices and refuse to deal with anyone who failed to maintain the same."

In the still later case of *Frey & Son v. Cudahy Packing Company*, 41 Sup. Ct. Rep. 451, wherein this court again had occasion to consider the subject, it was said of the previous decisions in *United States v. Colgate* and *United States v. Schrader's Son, Inc.*, *supra*,

“Apparently the former case was misapprehended. The latter opinion distinctly states that the essential agreement, combination, or conspiracy might be implied from a course of dealing or other circumstances.”

By these decisions it is settled that in prosecutions under the Sherman Act a trader is not guilty of violating its terms who simply refuses to sell to others, and he may withhold his goods from those who will not sell them at the prices which he fixes for their resale. He may not, consistently with the act, go beyond the exercise of this right, and by contracts or combinations, express or implied, unduly hinder or obstruct the free and natural flow of commerce in the channels. of interstate trade.

The Sherman Act is not involved here except in so far as it shows a declaration of public policy to be considered in determining what are unfair methods of competition, which the Federal Trade Commission is empowered to condemn and suppress. The case now before us was begun under the Federal Trade Commission act which was intended to supplement previous antitrust legislation. (See Report No.597, of the Senate Committee on Interstate Commerce, June 13, 1914, 63d Con g., 2d sess.) That act declares unlawful "unfair methods of competition" and gives the Commission authority after hearing to make orders to compel the discontinuance of such methods. What shall constitute unfair methods of competition denounced by the act is left without specific definition. Congress deemed it better to leave the subject without precise definition, and to have each case determined upon its own facts, owing to the multifarious means by which it is sought to effectuate such schemes. The Commission, in the first instance, subject to the judicial review provided, has the determination of practices which come within the scope of the act. (See Report No.597, Senate Committee on Interstate Commerce, June 13, 1914, 63d Cong., 2d sess.)

Of the Federal Trade Commission act we said, in *Federal Trade Commission v. Cratz*, 253 U. S. 421, 427: "The words 'unfair methods of competition' are not defined by the statute and their exact meaning is in dispute. It is for the courts, not the Commission, ultimately to determine as matter of law what they include. They are clearly inapplicable to practices never heretofore regarded as opposed to good morals because characterized by deception, bad faith, fraud, or oppression, or as against public policy because of their dangerous tendency unduly to hinder competition or create monopoly. The act was certainly not intended to fetter free and fair competition as commonly understood and practiced by honorable opponents in trade."

If the "Beech-Nut system of merchandising" is against public policy because of "its dangerous tendency unduly to hinder competition or to create monopoly,"

It was within the power of the Commission to make an order forbidding its continuation. We have already seen to what extent the declaration of public policy contained in the Sherman Act permits a trader to go. The facts found show that the Beech-Nut system goes far beyond the simple refusal to sell goods to persons who will not sell at stated prices, which in the *Colgate* case was held to be within the legal right of the producer.

The system here disclosed necessarily constitutes a scheme which restrains the natural flow of commerce and the freedom of competition in the channels of interstate trade which it has been the purpose of all the antitrust acts to maintain. In its practical operation it necessarily constrains the trader, if he would have the products of the Beech-Nut Company, to maintain the prices "suggested" by it. If he fails to do so, he is subject to be reported to the company either by special agents, numerous and active in that behalf, or by dealers whose aid is enlisted in maintaining the system and the prices fixed by it. Furthermore, he is enrolled upon a list known as "Undesirable-Price Cutters," to whom goods are not to be sold, and who are only to be reinstated as one whose record is "clear" and to whom sales may be made upon his giving satisfactory assurance that he will not resell the goods of the company except at the prices suggested by it, and will refuse to sell to distributors who do not maintain such prices.

From this course of conduct a court may infer indeed can not escape the conclusion that competition among retail distributors is practically suppressed, for all who would deal in the company's products are constrained to sell at the suggested prices. Jobbers and wholesale dealers who would supply the trade may not get the goods of the company if they sell to those

who do not observe the prices indicated or who are on the company's list of undesirables, until they are restored to favor by satisfactory assurances of future compliance with the company's schedules of resale prices. Nor is the inference overcome by the conclusion stated in the Commission's findings that the merchandising conduct of the company does not constitute a contract or contracts whereby resale prices are fixed, maintained, or enforced. The specific facts found show suppression

of the freedom of competition by methods in which the company secures the cooperation of its distributors and customers, which are quite as effectual as agreements, express or implied, intended to accomplish the same purpose. By these methods the company, although selling its products at prices satisfactory to it, is enabled to prevent competition in their subsequent disposition by preventing all who do not sell at resale prices fixed by it from obtaining its goods.

Under the facts established we have no doubt of the authority and power of the Commission to order a discontinuance of practices in trading such as are embodied in the system of the Beech-Nut Company.

We are, however, of opinion that the order of the Commission is too broad. The order should have required the company to cease and desist from carrying into effect its so-called beech-nut policy by cooperative methods in which the respondent and its distributors, customers, and agents undertake to prevent others from obtaining the company's products at less than the prices designated by it (1) by the practice of reporting the names of dealers who do not observe such resale prices; (2) by causing dealers to be enrolled upon lists of undesirable purchasers who are not to be supplied with the products of the company unless and until they have given satisfactory assurances of their purpose to maintain such designated prices in the future; (3) by employing salesmen or agents to assist in such plan by reporting dealers who do not observe such resale prices, and giving orders of purchase only to such jobbers and wholesalers as sell at the suggested prices and refusing to give such orders to dealers who sell at less than such prices, or who sell to others who sell at less than such prices; (4) by utilizing numbers and symbols marked upon cases containing their products with a view to ascertaining the names of dealers who sell the company's products at less than the suggested prices, or who sell to others who sell at less than such prices in order to prevent such dealers from obtaining the products of the company; or (5) by utilizing any other equivalent cooperative means of accomplishing the maintenance of prices fixed by the company.

The judgment of the circuit court of appeals is reversed, and the cause remanded to that court with instructions to enter judgment in conformity with this opinion.

Reversed.

A true copy.

Test:

Clerk Supreme Court, U.

S.

Supreme Court of the United States. No. 47. October term, 1921.

Federal Trade Commission, petitioner, v. Beech-Nut Packing Company, respondent. On writ of certiorari to the United States Circuit Court of Appeals for the Second Circuit.

[January 3, 1922.]

Mr. Justice HOLMES, dissenting.

There are obvious limits of propriety to the persistent expression of opinion that do not command the agreement of the court. But as this case presents a somewhat new field--the determination of what is unfair competition within the meaning of the Federal Trade Commission act--I venture a few words to explain my dissent. I will not recur to fundamental questions. The ground on which the respondent is held guilty is that its conduct has a dangerous tendency unduly to hinder competition or to create monopoly. It is enough to say that this I can not understand. So far as the Sherman Act is concerned I had supposed that its policy was aimed against attempts to create a monopoly in the doers of the condemned act or to hinder

competition with them. Of course there can be nothing of that sort here. The respondent already has the monopoly of its own goods with the full assent of the law and no one can compete with it with regard to those goods which are the only ones concerned. It seems obvious that the respondent is not creating a monopoly in them for anyone else, although I see nothing to hinder its doing so by conveying them all to one single vendee. The worst that can be said, so far as I see, is that it hinders

competition among those who purchase from it. But it seems to me that the very foundation of the policy of the law to keep competition open is that the subject matter of the competition would be open to all but for the hindrance complained of. I can not see what that policy has to do with a subject matter that comes from a single hand that is admitted to be free to shut as closely as it will. And to come back to the words of the statute, I can not see how it is unfair competition to say to those to whom the respondent sells and to the world, you can have my goods only on the terms that I propose, when the existence of any competition in dealing with them depends upon the respondent's will. I see no wrong in so doing, and if I did I should not think it a wrong within the possible scope of the word unfair. Many unfair devices have been exposed in suits under the Sherman Act, but to whom the respondent's conduct is unfair I do not understand.

Mr. Justice MCKENNA and Mr. Justice BRANDEIS concur in this opinion.

Supreme Court of the United States. No.47. October Term, 1921.

Federal Trade Commission, petitioner, vs. Beech-Nut Packing Company, respondent. On writ of certiorari to the United States Circuit Court of Appeals for the Second Circuit.

[January 3, 1922.]

Mr. Justice MCREYNOLDS, dissenting.

With regret, I dissent from the opinion and judgment of the court.

This matter was submitted to the commission upon an agreed statement of facts, the twelfth clause of which--the last but one--declares: "12. That the merchandising conduct of respondent heretofore defined and as herein involved does not constitute a contract or contracts whereby resale prices are fixed, maintained, and enforced."

Of course, the Packing Company entered into this stipulation relying upon the quoted clause; and I am not at liberty either to disregard it or to minimize the plain import of its words. It is not a mere conclusion of the commission but a definite and essential admission of record upon which the company rested and without which I must conclude a different case might have been presented.

There is no question of monopoly. Acting alone, respondent certainly had the clear right freely to select its customers, to refuse to deal when and as it saw fit, and to announce that future sales would be limited to those whose conduct met with its approval. *United States v. Colgate & Co.*, 250 U. S. 300; *United States v. Schrader's Son, Inc.*, 252 U. S. 85; *Frey & Son v. Cudahy Packing Co.* (decided April 18, 1921).

If the solemn stipulation did not expressly negative the existence of contracts amongst the parties to maintain prices, I should think the detailed facts sufficient to support a finding that there were such agreements. But starting with that plain negation, I can find no adequate ground for condemning the respondent.

The very order which the court below is now directed to enter conflicts with the stipulation between the parties by presupposing "methods of cooperation between respondent and the distributors of its products, especially the cooperative methods by which the respondent and the distributors of its products undertake to prevent others from obtaining such products at less than the prices fixed by respondent (by) the cooperation of customers in reporting the names of dealers who do not observe such resale prices with the view to prevent their obtaining the product of the Beech-Nut Company thereafter." How can there be methods of cooperation, cooperative methods, an undertaking to prevent others, or the cooperation of customers with a view to prevent others, when the existence of the essential contracts is definitely excluded?

Having the undoubted right to sell to whom it will, why should respondent be enjoined from writing down the names of dealers regarded as undesirable customers? Nor does there appear to be any wrong in maintaining special salesmen who turn over orders to selected wholesalers and who honestly investigate and report to their principal the treatment accorded its products by dealers. Finally, as respondent may freely select customers, how can injury result from

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marks on packages which enable it to trace their movements? The privilege to sell or not to sell at will surely involves the right by open and honest means to ascertain what selected customers do with goods voluntarily sold to them.

Under the circumstances disclosed, constraint upon the freedom of merchants can only result from withholding trade relations or threatening so to do. These, when acting alone, respondent may assume or decline at pleasure, there being neither monopoly nor attempt to monopolize. And the exercise of this right does not become an unfair method of competition merely because some dealers can not obtain goods which they desire, and others may be deterred from selling at reduced prices. If a manufacturer should limit his customers to consumers he would thereby destroy competition among dealers, but neither they nor the public could complain.

EXHIBIT 8.

PROCEEDINGS PENDING AND DISPOSED OF.

PROCEEDINGS PENDING JUNE 30, 1922.

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 section 5 of the Federal Trade Commission act. Status: This proceeding is pending before the Commission.

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 intent 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 and 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 the 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 fines and 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. 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 products 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 privileged, by rebating if prices are lowered, and by other discriminations, in alleged violation of section 5 of the Federal Trade Commission act. Status: Testimony now being taken.

Complaint No. 131.--Federal Trade Commission v. Atlantic Refining Co. Charge: Unfair methods of competition in the sale of petroleum and automatic measuring oil pumps, tanks, etc. (the product of the Gilbert and Baker Mfg. Co.), by falsely representing the product of certain of their competitors to be unsatisfactory and defective; and that it was sold at exorbitant prices; by inducing competitors' customers to cancel orders; selling and loaning pumps, etc., without adequate compensation; threatening to sell oil direct by retail unless dealers used the Gilbert and Barker product; and by holding itself out to be the agent of its competitors as well as of the Gilbert and Barker Mfg. Co.--in alleged violation of section 5 of the Federal Trade Commission act; and price discrimination in alleged violation of section 2 of the Clayton Act. Status: This proceeding suspended pending decision in a similar case by the Supreme Court of the United States.

Complaint No. 167.--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" and 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: The final determination of this case is suspended, awaiting the outcome of a case involving the same industry now before the commission.

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 unwarranted 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 the complaint of the commission and answer of respondent and is ready for trial.

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 and obstructing certain of their competitors by inducing or compelling manufacturers to refuse to recognize competitors as jobbers and 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 proceeding is at issue upon the complaint and answer of the respondent and is ready for trial.

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. 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 pre-venting independent concerns from selling or licensing any independent commodities without respondent's 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 opera-

tions 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 respondents, 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 the 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 2 of the Clayton Act; selling commodities handled by respondents on the 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 has been tried and now awaits findings of the trial examiner.

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 of goods and the market price to which they had declined, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding has been tried and now awaits findings of the trial examiner.

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 dealer 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: The final determination of this case is suspended, awaiting the outcome of a somewhat similar proceeding now before the commission.

Complaint No. 293.--Federal Trade Commission v. Non-Derrick Drilling Machine Co. (Inc.). Charge; 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 drilling 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 now before the Commission for final determination.

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 now before the commission for final determination.

Complaint No. 308.--Federal Trade Commission v. The Ohio Cities Gas 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 suspended, pending decision in a similar case by the Supreme Court of the United States.

Complaint No. 324.--Federal Trade Commission v. The Factory Oil Co. Charge: (Ante, complaint No. 308). Status: This proceeding suspended pending decision in a similar case by the Supreme Court of the United States.

Complaint No. 339.--Federal Trade Commission v. The Pictorial Review Co. and the Oklahoma Publishing Co. Charge: Unfair methods of competition in 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: Pending before the commission.

Complaint No. 372.--Federal Trade Commission v. Standard Oil Co. of Kentucky. Charge: (Ante, complaint No. 308). Status: This case is suspended, pending decision in a similar proceeding by the Supreme Court of the United States.

Complaint No. 395.--Federal Trade Commission v. David Davis Sons. Charge : 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 such sponges, defrauding and misleading customers, and causing prejudice and injury to competitors, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is now ready for briefing.

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. Priaux, 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 Ortl, 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 effect 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 prices of such publications were increased and enhanced, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is in course of trial.

Complaint No. 424.--Federal Trade Commission V. Lutz 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 time 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 or such products as were indisposed 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: The final determination of this case dependent upon the outcome of a case involving the same practice now before the Commission.

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.424.) Status: (Ante, complaint No.424).

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 : (Ante, complaint No.424).

Complaint No. 427.--Federal Trade Commission V. B. T. Babbitt (Inc.). Charge: Using unfair methods of competition in the sale of soap, soap powders, and other cleansing compounds. (Ante, complaint No.424.) Status: (Ante, complaint No.424).

Complaint No. 428.--Federal Trade Commission v. Curtice Bros. Co. Charge: Using unfair methods of competition in the sale of canned food products. (Ante, complaint No.424.) Status: (Ante, complaint No.424).

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: (Ante, complaint No.424).

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 this 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: Awaiting answer to third amended complaint.

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: The Commission has completed its case.

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 and ready for trial.

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 Eskerson 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 and ready for trial.

Complaint No. 453.--Federal Trade Commission v. Swift & Co. Charge: That respondent purchased 956 shares of the 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, were 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 awaiting decision by the Commission after argument upon its merits.

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 Bald 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 and ready for trial.

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 Brothers 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 the capital stock of the Loudon Packing Co., an Ohio corporation, which corporation transferred all its business and property to the Loudon Packing Co., a Delaware corporation, in consideration of all of 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 elimina-

tion 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: The testimony in this case has been practically completed.

Complaint No. 456.--Federal Trade Commission v. Western Meat Co. Charge: That 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, Nevada, in violation of section 5 of the Federal Trade Commission act and section 7 of the Clayton Act. Status: This proceeding has been tried and now awaits findings of the trial examiner.

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., 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: (Ante, complaint No.456).

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 manufactures 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: Testimony in this case now being taken.

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 has been tried and now awaits the findings of the trial examiner.

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 consist of but one layer or ply, with the effect of misleading and deceiving the public and giving respondent's product 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, which was formerly on suspense, awaiting the decision of the Supreme Court of the United States in the Winsted Hosiery Co.

Case, will now be pressed to an early conclusion as a result of the action of the Supreme Court in sustaining the Commission's order.

Complaint No. 473.--Federal Trade Commission v. Western Elaterite Roofing Co. Charge: (Ante, complaint No. 472). Status: (Ante, complaint No. 472).

Complaint No. 474.--Federal Trade Commission v. Sifo Products Co). Charge: (Ante, complaint No. 472). Status: (Ante, complaint No. 472).

Complaint No. 475.--Federal Trade Commission v. Oertell Roofing Manufacturing Co. Charge: (Ante, complaint No. 472). Status: (Ante, complaint No. 472).

Complaint No. 476.--Federal Trade Commission v. Stowell Manufacturing Co. Charge: (Ante, complaint No.472). Status: (Ante, complaint No.472).

Complaint No. 477.--Federal Trade Commission v. Beckman-Dawson Co. Charge: (Ante, complaint No. 472). Status: (Ante, complaint No.472). *Complaint No. 478.*--Federal Trade Commission v. Durable Roofing Manufacturing Co. Charge: (Ante, complaint No.472). Status : (Ante, complaint No. 472).

Complaint No. 479.--Federal Trade Commission v. McHenry-Millhouse Manufacturing Co. Charge: (Ante, complaint No.472). Status: (Ante, complaint No.472).

Complaint No. 480.--Federal Trade Commission v. International Roofing Manufacturing Co. Charge : (Ante, complaint No.472). Status : (Ante, complaint No.472).

Complaint No. 481.--Federal Trade Commission v. Amalgamated Roofing Co. Charge : (Ante, complaint No.472). Status : (Ante, complaint No.472).

Complaint No. 482.--Federal Trade Commission v. The Chatfield Manufacturing Co. (Charge : (Ante, complaint No. 472). Status : (Ante, complaint No. 472).

Complaint No. 483.--Federal Trade Commission v. H. W. Johns-Manville Co.. Charge: (Ante, complaint No.472). Status: (Ante, complaint No.472).

Complaint No. 484.--Federal Trade Commission r. Keystone Roofing Manufacturing Co.. Charge : (Ante, complaint No.472). Status : (Ante, complaint No. 472).

Complaint No. 485.--Federal Trade Commission v. The Barrett Co. Charge : (Ante, complaint No.472). Status : (Ante, complaint No.472).

Complaint No. 486.--Federal Trade Commission v. Patent Vulcanite Roofing Co. Charge : (Ante, complaint No.472). Status : (Ante, complaint No.472).

Complaint No. 487.--Federal Trade Commission v. Philip Carey Manufacturing Co. Charge : (Ante, complaint no. 472). Status : (Ante, complaint No. 472).

Complaint No. 488.--Federal Trade Commission v. H. F. Watson Co. Charge: (Ante, complaint No.472). Status : (Ante, complaint No.472).

Complaint No. 489.--Federal Trade Commission v. The Paraffine Companies. Charge : (Ante, complaint No.472). Status : (Ante, complaint No.472).

Complaint No. 490.--Federal Trade Commission v. Sylvester L. Weaver, trading as the Weaver Roof Co. Charge : (Ante, complaint No. 472). Status: (Ante, complaint No.472).

Complaint No. 499.--Federal Trade Commission v. The Bayer Co. (Inc.). Charge : Using unfair methods of competition by publishing in newspaper 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. 504.--Federal Trade Commission v. F. Hecht, Louis Friedhelm, and T. I. Glynn, partners styling themselves F. Hecht & Co. and T. I. Gynn 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 samples and billed as "calf" being of the inferior grade known to the trade as "kips;" and leather sold by samples 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 awaiting decision by the Commission after argument upon its merits.

Complaint No. 515.--Federal Trade Commission v. The Heller & Memiz Co. Charge : (Ante, complaint No.468). Status : This proceeding has been tried, the trial examiner has submitted his report, and the case is ready for briefing.

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 has been tried and now awaits the findings of the trial examiner.

Complaint No. 520.--Federal Trade Commission v. Proctor & Gamble Distributing Co. Charge : Using unfair methods of competition in the sale of soap. (Ante, complaint No.424). Status : This case has been tried and now awaits the findings of the trial examiner.

Complaint No. 522.--Federal Trade Commission v. Rub-No-More Co. Charge: Using unfair competition in the sale of soaps. (Ante, complaint No).. 424). Status : (Ante, complaint No.424).

Complaint No. 525.--Federal Trade Commission v. New York Color & Chemical Co. Charge : (Ante, complaint No. 468.) Status: This proceeding has been tried and now awaits the findings of the trial examiner.

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. 468.) Status: This proceeding has been tried, the trial examiner has submitted his report and the case is now ready for briefing.

Complaint No. 528.--Federal Trade Commission v. Arkansas Distributing Co. Charge: (Ante, complaint No. 468.) Status: This proceeding has been tried and now awaits the findings of the trial examiner.

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.468.) Status: This proceeding has been tried and now awaits the findings of the trial examiner.

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 upon the amended complaint of the Commission and answer of the respondent thereto, and is now ready for 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 the answer of the respondent and is in preparation for trial.

Complaint No. 544.--Federal Trade Commission v. Valvoline Oil 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 are 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 suspended pending decision in a similar case by the Supreme Court of the United States.

Complaint No. 545.--Federal Trade Commission v. Irving Abraham, doing business under the name and style of Abraham Bros. Charge: Using unfair methods of competition in offering and giving to employees of customers, with-

out the knowledge and consent of their employers, sums of money as an inducement to influence their employers to purchase paints, varnishes, and kindred products from the respondent and refrain from dealing with competitors of the respondent, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding has been tried, the trial examiner has submitted his report, and the case is now ready for briefing.

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 has been suspended, pending action by the Department of Justice.

Complaint No. 551.--Federal Trade Commission v. Armour & 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 fee, 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 has been suspended pending decision by the commission in another similar case. The latter having been decided, this proceeding will be brought to a conclusion in the regular course.

Complaint No. 552.--Federal Trade Commission v. Swift & Co. Charge: (Ante, complaint No.551). Status: (Ante, complaint No. 551).

Complaint No. 553.--Federal Trade Commission v. Downey-Farrel Co. Charge: (Ante, complaint No.551). Status: (Ante, complaint No.551).

Complaint No. 554.--Federal Trade Commission v. Wm. J. Moxley (Inc.). Charge: (Ante, complaint No.551). Status: (Ante, complaint No.551).

Complaint No. 555.--Federal Trade Commission v. The Ed. S. Vail Butterine Co. Charge: (Ante, complaint No.551). Status: (Ante, complaint No. 551).

Complaint No. 556.--Federal Trade Commission v. The G. H. Hammond Co. Charge: (Ante, complaint No.551). Status: (Ante, complaint No.551).

Complaint No. 557.--Federal Trade Commission v. Morris & Co. Charge: (Ante, complaint No.551). Status: (Ante, complaint No.551).

Complaint No. 558.--Federal Trade Commission v. Wilson & Co. Charge: (Ante, complaint No.551). Status: (Ante, complaint No. 551).

Complaint No. 559.--Federal Trade Commission v. Troco Nut Butter Co. Charge: (Ante, complaint No.551). Status: (Ante, complaint No.551).

Complaint No. 560.--Federal Trade Commission v. Friedman Manufacturing Company. Charge: (Ante, complaint No. 551). Status: (Ante, complaint No.551).

Complaint No. 573.--Federal Trade Commission v. Owens Bottle Company. 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 now at issue upon amended complaint and answer.

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, in effect a *subsidiary* of the *respondent*, Swift & Co., acquired all of the share capital of the Thomas Pineapple Co., the share capital, property, and business of the 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 in 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 the answer of the respondent, and is now ready for trial.

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 has been tried and argued, and is now pending before the Commission for further action.

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.308). Status: This proceeding suspended pending decision in a similar case by the Supreme Court of the United States.

Complaint No. 688.--Federal Trade Commission v. Esco Hosiery Co. (Inc.). Charge: **U** 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 is silk, the remaining portion being composed for the most part of cotton and wool, 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: (Ante, complaint No.472).

Complaint No. 591.--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 see to those who do not maintain such resale prices, in 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, licensee shall not use or deal in 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, which was formerly on suspense awaiting the decision of the Supreme Court of the United States in the Beech-Nut Packing Co. case, will now proceed to trial, as a result of the action of the Supreme Court in sustaining the Commission's order.

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: Negotiations pending for stipulation of facts in lieu of testimony.

Complaint No. 624.--Federal Trade Commission v. Autographic Register Co. Charge: Leasing autographic registers to numerous users thereof under contracts containing the express provision that such lessees will use on such registers only the supplies furnished by respondent--this provision preventing such lessees from purchasing from competitors of the respondent any supplies to be used upon or in connection with the registers leased by respondent--with the effect of the elimination of competition in the purchase and sale of supplies for such registers, and the creation for the respondent of a monopoly in that line of commerce, in alleged violation of section 3 of the Clayton Act. Status: This proceeding is in course of trial.

Complaint No. 626.--Federal Trade Commission v. Gulf Ship Chandlery Co. Charge: Unfair methods of competition in that the respondent, engaged in the sale of ship chandlery, etc., has given valuable gifts, cash commissions, and gratuities to captains and other officers of ships to induce them to purchase ship chandlery and supplies from the respondent, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding suspended because of the action of the Supreme Court of the United States in denying petitions for writs of certiorari in the Winslow and Norden cases. (Dockets 458 and 614.)

Complaint No. 648.--Federal Trade Commission v. Alabama Dry Dock & Ship Building Co. (Inc.). Charge: Unfair methods of competition in that the respondent, engaged in the business of repairing ships and furnishing repair parts; has given to captains and other officers and employees of vessels valuable gifts, cash commissions, and gratuities as an inducement to have the ships operated by them for the owners thereof repaired by the respondent, in alleged violation of section 5 of the Federal Trade Commission act. Status: (Ante, complaint No.626).

Complaint No. 662.--Federal Trade Commission v. Deep Wells Oil Co., George B. Mechem & Co., and George B. Mechem.. Charge: Using unfair methods of competition in the sale of the capital stock of the respondent oil companies issued in exchange for oil and gas leases which were in part nonexistent and for an agreement to drill certain test wells, which agreement was not carried out by the respondent, Mechem, principal stockholder, which stock was sold by respondent, George B. Mechem & Co., by means of false and misleading statements concerning its business and property, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the amended complaint of the Commission and the answer of the respondent.

Complaint No. 676.--Federal Trade Commission v. Harry Friedman, trading under the name and style of Rex Hosiery Co. Charge: Using unfair methods of competition in the wholesale sale of hosiery by labeling hosiery with the words "American silk," when such hosiery in fact contains no genuine silk, in alleged violation of section 5 of the Federal Trade Commission act. Status: (Ante, complaint No.472).

Complaint No. 677.--Federal Trade Commission v. W. A. Shoffner and L. I. Young, partners, styling themselves the Alamance Hosiery Mills. Charge: Using unfair methods of competition in the manufacture and sale of hosiery labeled as "American silk," when such hosiery contains no genuine silk, with the effect of misleading and deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status: (Ante, complaint No.472).

Complaint No. 678.--Federal Trade Commission v. Brown Durrell Co. Charge: Using unfair methods of competition in the wholesale distribution of hosiery and underwear by falsely labeling it "Worsted," "Fine wool," "Merino," "All wool," "Natural wool," or "Cashmere," when such hosiery and underwear is made of mixed cotton and wool, with the effect of deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status: (Ante, complaint No.472).

Complaint No. 679.--Federal Trade Commission v. Nolde & Horst Co. Charge: Using unfair methods of competition in the manufacture and sale of hosiery by labeling hosiery made of mixed cotton and wool in approximately equal parts as "Worsted," "Fine wool," "Merino," "All wool," "Natural wool," or "Cashmere," with the effect of misleading and deceiving the

purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status:
(Ante, complaint No.472).

Complaint No. 680.--Federal Trade Commission v. Hancock Knitting Mills. Charge : Using
unfair methods of competition in the manufacture and sale

of hosiery by labeling hosiery made wholly of cotton or of cotton and wool in approximately equal parts, as "Silk Lisle," "Best Silk Lisle," or "Oriental Sylk," or "Men's Cashmere Half Hose," with the effect of misleading and deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status: (Ante, complaint No.472).

Complaint No. 681.--Federal Trade Commission v. Fidelity Knitting Mills. Charge: Using unfair methods of competition in the manufacture and sale of hosiery by labeling hosiery made wholly of cotton or of cotton and wool In approximately equal parts, as "Silk Lisle," or "Cashmere," with the effect of misleading and deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status: (Ante, complaint No. 472).

Complaint No. 682.--Federal Trade Commission v. Joseph Kalin, Jacob Frank, and Jerome Framik, partners, styling themselves Kahn & Frank. Charge: Using unfair methods of competition in the wholesale distribution of hosiery by labeling hosiery containing no genuine silk as "Ladies' Silk Boot Hose," "Ladies Art Silk Hose," etc., with the effect of misleading and deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status: (Ante, complaint No.472).

Complaint No. 683.--Federal Trade Commission v. J. Reed Thompson, An-drew N. Thompson, George L. Thompson, and A. Walter Thompson, partners, styling them selves Thompson Brothers. Charge: Using unfair methods of competition in the manufacture and sale of Hosiery by labeling hosiery containing no genuine silk as "Ladies' Silk Boot Hose," "Ladies' Art Silk Hose," etc., with the effect of misleading and deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status: (Ante, complaint No.472).

Complaint No. 684.--Federal Trade Commission v. Charles Daum, Thomas J. Rogers, and Harry Spritzer, partners, styling themselves the Daum, Rogers, Spritzer Co. Charge : Using unfair methods of competition in the wholesale distribution of hosiery made of cotton and silk, cotton and wool, or silk fiber and wool, as "Men's Silk Half Hose," "Cashmere Hose," or "Silk and Wool," with the effect of misleading and deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status: (Ante, complaint No.472).

Complaint No. 685.--Federal Trade Commission v. Aristo Hosiery Co. Charge: Using unfair methods of competition in the manufacture and sale of hosiery by labeling hosiery made of mixed cotton and wool as "Worsted Ribbed Hose," "Worsted Fashioned Hose," "Wool Fashioned Hose," "Women's Black Cashmere Hose," "Black Cashmere," "Fashioned Cashmere Hose," "Women's Black Wool Hose, Fashioned," "Ladies High Grade Cashmere," with the effect of misleading and deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status : (Ante, complaint No.472).

Complaint No. 686.--Federal Trade Commission v. Rockford Mitten & Hosiery Co. Charge : Using unfair methods of competition in the manufacture and sale of hosiery made of mixed cotton and wool by labeling it "Worsted Ribbed Hose," "Worsted Fashioned Hose," "Wool Fashioned Hose," "Women's Black Cashmere Hose," "Black Cashmere," "Fashioned Cashmere Hose," "Women's Black Wool Hose, Fashioned," "Ladies' High Grade Cashmere," with the effect of misleading and deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status: (Ante, complaint No. 472).

Complaint No. 687.--Federal Trade Commission v. John T. Moore, Clarence G. Fisher, Edward J. Murphy, and W. K. Mathews, partners, styling themselves Moore & Fisher. Charge : Using unfair methods of competition in the wholesale distribution of hosiery made of mixed cotton and silk by labeling it as "World's Best Pure Thread Silk" or "Silk Plated," and by placing on hosiery containing no genuine silk the label "Silk Lisle" and by labeling hosiery made of mixed cotton and wool as "Cashimere" with the effect of misleading and deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status: (Ante, complaint No. 472).

Complaint No. 688.--Federal Trade Commission v. Reber Manufacturing Co. Charge: Using

unfair methods of competition in the manufacture and sale of hosiery made of mixed cotton and silk by labeling it "World's Best Pure Thread Silk" or "Silk Plated," and by labeling hosiery containing no genuine silk as "Silk Lisle," and by labeling hosiery made of mixed cotton and wool

as "Cashmere," with the effect of misleading and deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status: (Ante, complaint No.472).

Complaint No. 689.--Federal Trade Commission v. Everett F. Boyden, trading under the name and style of George E. Boyden & Son. Charge : Using unfair methods of competition by selling hosiery made of cotton and wool in approximately equal parts as "Cashmere," with the effect of misleading and deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status: (Ante, complaint No.472).

Complaint No. 694.--Federal Trade Commission v. The Chamber of Commerce of Minneapolis; the officers, board of directors, and members of the Chamber of Commerce of Minneapolis; Manager Publishing Co.; John H. Adams; and John F. Fleming. Charge: Using unfair methods of competition by engaging in a confederation and conspiracy to annoy and embarrass and destroy the business of the Equity Cooperative Exchange, a competitor of the respondent chamber of commerce and its members, in the selling, buying, and distribution of grain, by (a) the publication of false and misleading statements concerning the said cooperative exchange, particularly in the publications of the respondent publishing company; (b) the instigation and preparation for trial of certain litigation; (c) refusal to make available to said cooperative exchange and its members the telegraphic market quotation service supplied by the respondents; (d) the boycott of and persistent refusal to buy grain from the said cooperative exchange; (e) the suppression of competition among members of the respondent chamber of commerce and discrimination against non-members; and (f) by the means of contracts binding country shippers to ship all or a greater part of their grain to the respondent chamber of commerce members, 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 the answer of the respondent and is now in course of trial.

Complaint No. 695.--Federal Trade Commission v. Associated Oil Co. (Inc.), Adey-Johnston Co. (Inc.), E. A. Adey, Jr., S. B. Coleman, and B. V. Johnston. Charge : Using unfair methods of competition in the sale of the corporate stock of the respondent, Associated Oil Co., by the use of false and misleading statements concerning the business and property of such oil company, with the effect of misleading and deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding has been suspended indefinitely because of indictment of the respondent by the United States.

Complaint No. 697.--Federal Trade Commission v. New York Hosiery Works. Charge : Using unfair methods of competition in the wholesale distribution of hosiery, by placing on hosiery made of cotton and silk the labels "Ladies' Silk Hose," "Men's Silk Half Hose." "Silk Hose," "Silk Half Hose," or "Pure Silk," with the effect of misleading and deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status: (Ante, complaint No.472).

Complaint No. 698.--Federal Trade Commission v. Pilling and Madeley. Charge: Using unfair methods of competition in the wholesale distribution of hosiery by labeling hosiery containing no genuine silk as "Gordon Silk Hose," "Women's Two Tone Silk Hose," or "Pure Thread Silk Hose," with the effect of misleading and deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status : (Ante, complaint No. 472).

Complaint No. 699.--Federal Trade Commission v. Oscar Schmied. Charge: Using unfair methods of competition in the wholesale distribution of hosiery by labeling hosiery made of cotton and silk as "Ladies' Silk Hose," "Men's Silk Half Hose," "Silk Hose," or "Silk Half Hose," with the effect of misleading and deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status : (Ante, complaint No.472).

Complaint No. 705.--Federal Trade Commission v. S. Davidson Co., D. R. Davidson, S. Davidson, and M. A. Davidson. Charge: Using unfair methods of competition in the sale of ship chandlery by giving expensive gifts and large sums of money in the form of cash commissions

to officers and employees of ships to induce them to purchase ship-chandlery supplies from the respondent, in alleged violation of section 5 of the Federal Trade Commission act. Status: (Ante, complaint No.626).

Complaint No. 710.--Federal Trade Commission v. Tide Water Oil Co. and Tide Water Oil Sales Corporation. Charge: Using unfair methods of competi-

tion in the sale of lubricating oils by inserting in their advertising matter a facsimile copy of a letter from the Bethman Motor Co. to the Tide Water Oil Co. containing a statement to the effect that Henry Ford & Son (Inc.) recommended for exclusive use in Fordson tractors the respondents' heavy special Veedol oil, which statement was known to the respondents to be false and was calculated to mislead the purchasing public and owners of Fordson tractors, 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 the answer of the respondent and is in course of trial.

Complaint No. 716.--Federal Trade Commission v. Simon Adelson, trading under the name and style of United States Refining Co. Charge: Using unfair methods of competition in the manufacture and sale of paints and other products by using false advertising matter and deceptive labels to lead the purchasing public into the erroneous belief that his product is ground in pure linseed oil or is pure white lead and is procured from or manufactured by the United States Government, in alleged violation of section 5 of the Federal Trade Commission act. Status: (Ante, complaint No.472).

Complaint No. 726.--Federal Trade Commission v. Constantine Calevas, Joseph Garcia, and E. A. Piller, partners, styling themselves Garcia, Piller & Co. and Calevas Brothers. Charge: Using unfair methods of competition In the sale of ship chandlery, including stewards' supplies, deck engine and cabin supplies, by giving to captains and other officers of vessels valuable gifts, cash commissions, and gratuities to induce them to purchase supplies from the respondents, in alleged violation of section 5 of the Federal Trade Commission act. Status: (Ante, complaint No.626).

Complaint No. 727.--Federal Trade Commission v. Austin Bond, doing business under the trade name and style of Bond Brothers & Co., New York. Charge : Using unfair methods of competition in the buying, packing, and selling of overissued, unused newspapers by simulating and appropriating the trade-mark and code address of the long-established and favorably known "Bond Brothers & Co.," engaged in the export and import of overissued and unused newspapers with the effect of misleading and deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status: (Ante, complaint No.472).

Complaint No. 728.--Federal Trade Commission v. American Safety Razor Corporation. Charge: Using unfair methods of competition by the use of advertising matter containing false and misleading statements concerning the quality of material and workmanship entered into shaving brushes sold by it and by placing deceptive labels on the containers of such brushes with the effect of misleading and deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status: (Ante, complaint No.472).

Complaint No. 734.--Federal Trade Commission v. International Paint and Oil Co. Charge : Using unfair methods of competition by labeling as "Tar-pen-tine," its coal-tar distillate, which Is capable of being used for some of the purposes for which turpentine can be used, which labeling so closely simulates the word "turpentine" that the purchasing public is deceived and misled to believe that the respondent's product is turpentine or similar thereto, in alleged violation of section 5 of the Federal Trade Commission act. Status : (Ante, complaint No.472).

Complaint No. 736.--Federal Trade Commission v. Sulloway Mills. Charge: Using unfair methods of competition by the use of false and deceptive labels on hosiery made of wool and other material in approximately equal proportions, which create the belief that its hosiery was made wholly of wool, in alleged violation of section 5 of the Federal Trade Commission act. Status: Ante, complaint No.472).

Complaint No. 788.--Federal Trade Commission v. Thatcher Manufacturing Co. Charge: Using unfair methods of competition by acquiring from the Owens Bottling Machine Co. the exclusive right to manufacture and sell milk bottles produced by the first automatic bottle-making machine. Subsequently another bottle-making machine was invented and licensed by the Hartford Fairmont Co.; and that the respondent, by taking over the control of the Hartford

Fairmont Co. and its licensees tends to eliminate competition and create a monopoly in the manufacture and sale of milk bottles, in alleged violation

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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. 740.--Federal Trade Commission v. Prichard & Constance (Inc.). Charge : Using unfair methods of competition in the manufacture of cosmetics and toilet articles by adopting and maintaining a system of fixing the resale price of its products and refusing to sell until prospective customers have given written assurance that the resale prices fixed by respondent will be maintained, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the amended complaint of the Commission and the answer of the respondent thereto.

Corn plaint No. 741.--Federal Trade Commission v. Eskay Harris Feature Film Co. Charge : Using unfair methods of competition by the adoption of the title "Black Beauty" for a film reconstructed by it from an old film entitled "Your Obedient Servant," with the purpose and effect of appropriating the value created by the advertising campaign of the Vitagraph Co. for its bona fide production "Black Beauty," and by falsely claiming the control of the motion-picture rights and title of "Black Beauty" and threatening to prosecute any infringement, in alleged violation of section 5 of the Federal Trade Commission act. Status : This proceeding is ready for briefing.

Complaint No. 742.--Federal Trade Commission v. F. B. Dunn, R. T. Harris, L. G. Wright, T. E. Lester, S. H. Miles, George F. Burton, F. L. McCoy, and J. H. Darby. Charge : Using unfair methods of competition in the sale of the capital stock of the Congressional Oil Co. by the use of said company as a device for the disposition of certain oil leases at exclusive and fictitious prices; by published false and misleading statements relative to the company's property, earnings, and prospects, and by deceiving the purchasing public by humorous fraudulent schemes of promotion, in alleged violation of section 5 of the Federal Trade Commission act. Status : This proceeding has been suspended during the pendency of a criminal proceeding against the same respondents.

Complaint No. 745.--Federal Trade Commission v. Austin Nichols & Co. (Inc.) (Virginia). Charge: That Austin, Nichols & Co. (Inc.) entered into an agreement with Wilson & Co. (Inc.) for the acquisition of the Wilson & Co. (Whiteland, Ind.) vegetable canning plant and control of the Fame Canning Co. and Wilson Fisheries Co. in anticipation of a consent decree resulting from the prosecution of a suit in equity brought by the Attorney General of the United States, by which decree Wilson & Co. (Inc.) were perpetually enjoined from engaging in business unrelated to the meat-packing industry. The respondent, incorporated to effect the consolidation of all the properties, now holds control thereof and is charged with the suppressing of competition, tending to create a monopoly in the grocery and food product business, in alleged violation of section 7 of the Clayton Act. Status : Testimony is now being taken in this proceeding.

Complaint No. 746.--Federal Trade Commission v. W. J. Chapman. Charge: Using unfair methods of competition by offering and giving to captains of vessels cash gratuities to induce them to purchase ship chandlery, steward's supplies, deck engine and cabin supplies from the respondent, in alleged violation of section 5 of the Federal Trade Commission act. Status : (Ante, complaint No.626).

Complaint No. 747.--Federal Trade Commission v. The Standard Electric Manufacturing Co. Charge : That the respondent with the purpose and effect of lessening competition and creating a monopoly in the manufacture and sale of electrical appliances enters into tying contracts with dealers whereby they, in consideration of a 10 per cent rebate, agreed to refrain from dealing in the products of competitors of the respondent, and that the respondent refuses to sell its appliances to dealers who fail to maintain its standard resale prices, all in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the amended complaint of the Commission and the answer of the respondent thereto.

Complaint No. 760.-Federal Trade Commission v. United States Steel Corporation, American Bridge Co., American Sheet & Tin Plate Co., Carnegie Steel Co., National Tube Co., American Steel & Wire Co., Illinois Steel Co., Minnesota Steel Co., Clairton Steel Co., Union Steel Co., The Lorain Steel Co., and the Tennessee Coal, Iron & Railroad Co. Charge: Using unfair methods of competition and discrimination in prices, in that the United States Steel Corporation and its subsidiaries in fixing the price of steel which is made and used

in such centers as Chicago, Duluth, and Birmingham upon the price f. o. b. mill at Pittsburgh, plus the freight rates from Pittsburgh to such centers, operates as a discrimination in price in favor of Pittsburgh fabricators as against fabricators in Chicago, Duluth, and Birmingham districts, in violation of section 2 of the Clayton Act and section 5 of the Federal Trade Commission act. Status: Testimony is now being taken in this proceeding.

Complaint No. 761.--Federal Trade Commission v. The Prest-O-Lite Co. (Inc.). Charge: The respondent sells its acetylene gas in metal containers on which is etched a notice to the effect that the device is sold and licensed for sale and use only while filled by the respondent and when sold for not less than the fixed price, the cylinder being exchangeable in the Prest-O-Lite system only when filled and issued by the respondent. Unfair methods of competition and a tendency to create a monopoly in the sale of acetylene gas are charged, in that, as the respondent sells its metal cylinders containing acetylene gas and passes title to the purchasers thereof, said notices are false and misleading and tend to deceive the purchasing public; that the respondent refuses to refill cylinders not of its issue or which have been issued by it but refilled by competitors; that the respondent maintains for its products a fixed resale price and eliminates all competition as to price between dealers in its products by refusing to supply dealers who resell its products at less than the price indicated, all in alleged violation of section 5 of the Federal Trade Commission act and section 3 of the Clayton Act. Status : Negotiations for stipulation of facts proceeding.

Complaint No. 767.--Federal Trade Commission v. Wichita-Engle Oil Co., E. U. Engle, C. T. Engle, and W. S. Pratt. Charge: Using unfair methods of competition in the sale of the capital stock of the respondent company by the use of false and misleading statements respecting the location, owners, productivity, and value of respondent's oil interests, with the effect of misleading and deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding has been tried, and now awaits the findings of the trial examiner.

Complaint No. 770.--Federal Trade Commission v. Simons, Hatch & Whitten Co. Charge : Using unfair methods of competition in the wholesale distribution of hosiery by labeling and advertising hosiery made of animal or vegetable fiber product containing no silk as "Pure silk," by labeling a cotton product as "Silk lisle," and by labeling a cotton and wool product as "Cashmere" or "Wool," with the effect of misleading and deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status : (Ante, complaint No.472.)

Complaint No. 771.--Federal Trade Commission v. Louis Philippe (Inc.), and Park & Tilford. Charge: Using unfair methods of competition in the manufacture and sale of a face cream, known as "Creme angejus," containing no lemon juice, by falsely labeling and advertising it as a French product made with and compounded from real lemons, with the effect of misleading and deceiving the purchasing public and hindering competitors from marketing similar toilet preparations which do contain the juice of lemons, in alleged violation of section 5 of the Federal Trade Commission act. Status : This case now before the Commission for final determination.

Complaint No. 774.--Federal Trade Commission v. Pinene Manufacturing Co. (Inc.), Charge : Using unfair methods of competition by falsely advertising its product "Pinene" as equal to turpentine and a chemically correct substitute therefore, whereas said product is in fact the petroleum distillate with a small portion of turpentine, with the effect of misleading and deceiving the purchasing public and by further misleading the purchasing public by the use of the name "Pinene," the respondent's product containing little, if any, pinene in alleged violation of section 5 of the Federal Trade Commission act. Status : (Ante, complaint No.472).

Complaint No. 775.--Federal Trade Commission v. Swift & Co., National Leather Co. Charge: That the respondent. Swift & Co., by reason of its acquisition of a controlling interest

in England, Walton & Co. (Inc.) and its subsidiaries and the subsequent organization by Swift & Co. of respondent National Leather Co. and the transfer thereto of the Swift & Co. interest in England, Walton & Co., and in numerous other corporations engaged in tanning and the manufacture and sale of leather and by-products, the corporate stock of which had been acquired by Swift & Co., has been for the purpose and effect of substantially lessening competition and of creating a combination in

restraint of trade in the manufacture and sale of leather, in alleged violation of section 5 of the Federal Trade Commission act and section 7 of the Clayton Act. Status : This proceeding at issue and ready for trial.

Complaint No. 776.--Federal Trade Commission v. Armstrong Paint & Varnish Works, United States Roofing Paper and Paint Factories (Inc.), and Abe Hochman and Harry Goldfish, partners doing business under the trade name of Army & Navy Stores. Charge : Using unfair methods of competition by offering for sale paints, varnishes, and roofing paper, labeled "U. S." with a reproduction of a picture of Uncle Sam, with the purpose and effect of misleading the purchasing public into the belief that the goods were made for the Army or Navy, or according to Government specifications, and by labeling its product in such manner as to indicate they were manufactured by the respondent United States Roofing Paper and Paint Factories (Inc.), and by the use of numerous false and misleading statements by the respondent, Hochman and Goldfish, as to the value and quality of the paints, varnishes, and roofing paper offered for sale, with the effect of misleading and deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status : (Ante, complaint No.472).

Complaint No. 778.--Federal Trade Commission v. Tide Water Oil Co. and Tide Water Oil Sales Corporation. Charge: That the respondents, by maintaining a system of rebates and discounts based and graduated on the separate purchases of their petroleum products by dealers during a definite period and on purchases of carload lots thereof, thereby causing the purchasers to confine their purchases to the respondents, have indulged in the practice which tends to substantially lessen competition and create a monopoly, in alleged violation of section 5 of the Federal Trade Commission act and section 2 of the Clayton Act. Status : This case is at issue and ready for trial.

Complaint No. 785.--Federal Trade Commission v. J. H. Crites, John G. Dee, W. J. Ross, M. W. McQuaid, and M. L. Chandler. Charge: Using unfair methods of competition in the sale of share stock of the O-tex Production Co., by the use of numerous false and misleading statements as to the said company's drilling operations and the productivity of its properties, to the effect of misleading and deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status: This case has been tried and now awaits the findings of the trial examiner.

Complaint No. 786.--Federal Trade Commission v. Kelly Dry Dock & Ship Building Co. (Inc.). Charge: Using unfair methods of competition by offering and giving to officers and other employees of vessels, without the knowledge and consent of their employers, cash commissions and gratuities as an inducement to have their vessels repaired and repair parts furnished by the respondent, in alleged violation of section 5 of the Federal Trade Commission act. Status: (Ante, complaint No.626).

Complaint No. 789.--Federal Trade Commission v. Royal Duke Oil Company. Charge : Unfair methods of competition in connection with the sale of stock, in that false and deceptive statements were made In advertisements, such as claiming ownership in land where a contingent leasehold interest only existed, and describing certain tracts covered by leases as being proven acreage although no oil had been produced, and drilling had been abandoned by respondent, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding has been tried and is now awaiting the findings of the trial examiner.

Complaint No. 790.--Federal Trade Commission v. Charles Goodman, trading under the name and style of Eagle Safety Razor Company. Charge: Unfair competition in the marketing of safety razors and shaving outfits in printing false, fictitious, and misleading prices on the containers, knowing that those to whom he sells will retail the merchandise at much lower prices, thus tending to deceive the consumer into believing that his purchase is at a greatly reduced price, in alleged violation of section 5 of the Federal Trade Commission act. Status: This case has been tried and briefed and is now ready for presentation to the commission for

final action.

Complaint No. 792.--Federal Trade Commission v. Caravel Company (Inc.). Charge : Unfair competition, tending to discredit American apple growers and other American exporters, in selling abroad as and at the price of "Oregon Newtown Pippins" a superior apple for export purposes, the admittedly inferior "California Newtown Pippins," in alleged violation of section 5 of the Federal Trade Commission act and section 4 of the Webb Act. Status : This proceeding is at issue and ready for trial.

Complaint No. 793.--Federal Trade Commission v. The Q. R. S. Music Company. Charge: Unfair competition in the manufacture and sale of rolls for player pianos, in establishing and announcing fixed resale prices and stating that it will refuse to sell, and in fact has refused to sell, to those who fail to maintain such prices, in alleged violation of section 5 of the Federal Trade Commission act; further, because of contracts entered into with dealers under the terms of which such dealers to the extent of their trade in player rolls are to handle respondent's products only, the effect is to substantially lessen competition and tend to create a monopoly, in alleged violation of section 3 of the Clayton Act. Status: This proceeding, which was formerly on suspense awaiting the decision of the Supreme Court of the United States in the Beech-Nut Packing Company case, will now proceed to final determination, as a result of the action of the Supreme Court in sustaining the Commission's order.

Complaint No. 794.--Federal Trade Commission v. Big Bear Oil Company, Wm. G. Krape Investment Company (Inc.), and Wm. G. Krape. Charge: Unfair methods of competition in the sale of capital stock of the respondent oil company, in publishing false and misleading statements, thereby deceiving the purchasing public with respect to the location, productivity, and value of respondents' oil interests, in alleged violation of section 5 of the Federal Trade Commission act. Status: This case is at issue and will be tried in the near future.

Complaint No. 795.--Federal Trade Commission v. Big Diamond Oil & Refining Company, P. M. Faver, J. F. Dofflmeyer, B. F. King, and O. E. Houston. Charge: Unfair methods of competition in the sale of the capital stock of the respondent oil company, in publishing false and misleading statements, thereby deceiving the purchasing public with respect to the location, ownership, productivity, and value of respondents' oil interests, in alleged violation of section 5 of the Federal Trade Commission act. Status: Testimony in this proceeding now being taken.

Complaint No. 796.--Federal Trade Commission v. Lone Star Oil Company, Joe L. Stetman, Mrs. M. S. Lawson, C. H. Langdon, C. A. Bradley, J. D. Hawk, George F. Barton, J. B. Braidwood, and George B. Komp. Charge: Unfair methods of competition in the sale of the corporate stock of the respondent Lone Star Oil Company, in circulating false and misleading statements with respect to the extent of its operations and the value of its stock, and further, that said stock was treasury stock of the Lone Star Oil Company, and the proceeds of sale were to be used for the development of its properties, whereas said stock was the property of the respondent, C. A. Bradley, and no part of said proceeds was turned into the treasury of the Lone Star Oil Company, all in alleged violation of section 5 of the Federal Trade Commission act. Status: Considerable testimony has been taken, and it is expected that more will follow.

Complaint No. 799.--Federal Trade Commission v. Phillip King, Harry King, and Joseph King, partners, doing business under the name and style of King's Palace. Charge: Unfair methods of competition in advertising cotton blankets as "Wool-Finished Blankets," mercerized cotton tablecloths as "Mercerized Satin Damask Table Cloths," and hosiery composed partly of wool and partly of cotton as "Men's Wool Sport Socks," thereby deceiving and misleading the purchasing public as to the quality and value of the commodities thus offered for sale, in alleged violation of section 5 of the Federal Trade Commission act. Status : (Ante, complaint 472).

Complaint No. 800.--Federal Trade Commission v. Herbert W. Brand, Harry C. Oppenheimer, and Edwin W. Brand, partners, doing business under the name and style of Brand & Oppenheimer. Charge: Unfair methods of competition in that the respondents advertise and label their product (cotton lining material) as "Silkette," thereby misleading the purchasing public into the belief that their linings are partly or wholly composed of silk, in alleged violation of section 5 of the Federal Trade Commission act. Status: (Ante, complaint 472).

Complaint No. 801.--Federal Trade Commission v. Adolphe Schwobe (Inc.). Charge : Unfair methods of competition in taking advantage of the American practice of grading watches by the number of jewels in the movement, by importing Swiss lever watch movements of a low grade

but containing fifteen to twenty-three jewels, and after casing said movements, selling the watches to retailers with the number of jewels conspicuously marked on the works or

dial or both, thereby enabling said retailers to deceive the purchasing public as to the value and quality of said watches and injuring the manufacturers of and dealers in Swiss and American-made watches, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon complaint and answer and is ready for trial.

Complaint No. 804.--Federal Trade Commission v. Maritime Company (Inc.). Charge: Unfair methods of competition in offering and giving to captains, engineers, and other officers of vessels, without the knowledge of their employers, as an inducement to have their vessels cleaned, painted, and repaired by the respondent, lavish entertainment, including automobile, dinner, and theater parties, lodging accommodations, and for other forms of entertainment, are in alleged violation of section 5 of the Federal Trade Commission act. Status: (Ante, complaint No.626).

Complaint No. 807.--Federal Trade Commission v. Athol Manufacturing Company. Charge : The respondent, which is engaged in the manufacture of "Atholeather," a cotton fabric product finished so as to resemble genuine leather, indicates by the use of the name of "Atholeather" that its product consists of or contains leather, thereby tending to confuse the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue upon amended complaint and answer and ready for trial.

Complaint No. 820.--Federal Trade Commission v. The Carnick Brothers Company. Charge: Unfair methods of competition in purchasing steel and iron specialties which are unmerchantable, or of inferior grade, quality, and size, selling them for export, misrepresenting them to be of certain specified grades, qualities, and sizes, and underbidding competitors who sell similar goods but of character and quality as represented, this practice resulting in injury to the respondent's customers who purchase and export its goods without examination, and to the general exporting public of the United States by bringing into disrepute the character of certain exports, all in alleged violation of section 5 of the Federal Trade Commission act and section 4 of the Webb Act. Status: This case is at issue upon complaint and answer and is ready for trial.

Complaint No. 821.--Federal Trade Commission v. Liberty Iron & Wire Company (Inc.). Charge: Unfair methods of competition in offering and giving to captains, engineers, and other officers of vessels, without the knowledge of their employers, as an inducement to have their vessels repaired and repair parts furnished by the respondent, money and lavish entertainment, including automobile parties, dinner and theater parties, lodging accommodations, and forms of amusement, in alleged violation of section 5 of the Federal Trade Commission act. Status: (Ante, complaint No. 620).

Complaint No. 825.--Federal Trade Commission v. J. Berman and B. Brenmier, partners, styling themselves Berman & Brenner. Charge: Unfair methods of competition in that the respondent's, engaged in New York, N. Y., in the manufacture and sale of clothing for men and boys, label their clothes to indicate Rochester, N. Y., manufacture thereby misleading the purchasing public into the belief that the respondents' clothing is of the quality produced in Rochester and under Rochester manufacturing conditions, as extensively advertised by the chamber of commerce and other business associations of that city. In alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding has been suspended pending the disposition of other similar cases.

Complaint No. 826.--Federal Trade Commission v. Philip Moskowitz, trading under the name and style of Rochester Clothing Co. Charge : Unfair methods of competition in that the respondent engaged in New York, N. Y., in the manufacture and sale of clothing for women and boys, labels his clothes "Trade-Mark, Rochester Clothing Co., for particular men," with the abbreviation "Co." inconspicuously placed, thereby misleading the purchasing public into the belief that the respondent's clothing is of the quality produced in Rochester and under Rochester manufacturing conditions as extensively advertised by the chamber of commerce and other

business associations of that city, in alleged violation of section 5 of the Federal Trade Commission act. Status: Testimony now being taken.

Complaint No. 827.-Federal Trade Commission *v.* Samuel Blum. Charge: Unfair methods of competition in that the respondent, engaged In New York, N. Y., in the manufacture and sale of clothing for men and boys labels his clothes to indicate Rochester, N. Y., manufacture, thereby misleading the purchasing public into the belief that the respondent's clothing is of the quality

produced in Rochester and under Rochester manufacturing conditions, as extensively advertised by the chamber of commerce and other business associations of that city, in alleged violation of section 5 of the Federal Trade Commission act. Status: Testimony now being taken.

Complaint No. 828.--Federal Trade Commission v. A. D. Davis Packing Company. Charge: Unfair methods of competition in offering and giving to officers and employees of vessels without the knowledge of their employers, as an inducement to have their vessels provisioned by the respondent, lavish entertainment, in alleged violation of section 5 of the Federal Trade Commission act. Status: (Ante, complaint No.626).

Complaint No. 831.--Federal Trade Commission v. The Excelsior Shoe Company. Charge: Unfair methods of competition in that the respondent, though unauthorized to use the names, designations, and emblems of the organization known as the Boy Scouts of America, advertises, pictures, and labels its shoes as "Boy Scout" shoes and indicates the approval thereof by the Boy Scouts of America as a part of the regulation Boy Scout uniform, thereby misleading the purchasing public into the belief that the respondent's shoes are of superior quality, that the respondent enjoys the exclusive right to sell shoes under said names, and that boys buying the respondent's shoes, having acquired medallions furnished by the respondent, are eligible for membership in Boy Scout troops, in alleged violation of section 5 of the Federal Trade Commission act. Status: This case now in course of trial.

Complaint No. 834.--Federal Trade Commission v. Meyer J. Loeb, doing business under the name and style of Loeb & Company, and P. Hutner, doing business under the name and style P. Hutner & Company. Charge: A material known as "Salt's Peco Plush" and used in the manufacture of coats is well known to the trade and purchasing public as of high quality. The respondent Hutner is charged with having furnished the respondent Loeb with certain coats of inferior material and "Salt's Peco Plush" labels therefor, the said respondents thereupon advertising these coats as made of "Salt's Peco Plush" and so misrepresenting them to the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status: It is expected that this proceeding will be tried in the near future.

Complaint No. 835.--Federal Trade Commission v. Famous Players-Lasky Corporation, The Stanley Company of America, Stanley Booking Corporation, Black New England Theaters (Inc.), Southern Enterprises (Inc.), Saenger Amusement Company, Adolphe Zukor, Jesse L. Lasky, Jules Mastbaum, Alfred S. Blank, Stephen A. Lynch, Ernest V. Richards, Jr. Charge: Unfair methods of competition in that the respondents Famous Phayers-Lasky Corporation, Adolphe Zukor, and Jesse L. Lasky have combined and conspired to secure control of and monopolize the motion-picture industry, and to restrain, restrict, and suppress competition in the distribution of motion-picture films by (a) acquisition of all the corporate stock of Bosworth (Inc.), Jesse L. Lasky Feature Play Company (Inc.), Famous Players Film Company, and, by coercion, Paramount Pictures Corporation; (b) affiliation with certain Independent producers; (c) the creation and exploitation of the Realart Pictures Corporation which the respondents held out to the general public as wholly independent and not affiliated with or controlled by said respondents; (d) acquiring, with the aid of the other respondents, the control of numerous theater corporations operating motion-picture theaters throughout the United States; and (e) building or acquiring numerous theaters for the exhibition of respondents' motion pictures exclusively, all in alleged violation of section 5 of the Federal Trade Commission act, and, as to respondents Famous Players-Lasky Corporation, Adolphe Zukor, and Jesse L. Lasky, in alleged violation of section 7 of the Clayton Act. Status: This case is at issue and being prepared for trial.

Complaint No. 836.--Federal Trade Commission v. National Biscuit Company. Charge: Unfair methods of competition in that the respondent, engaged in the manufacture and sale of biscuits, crackers, and other bakery products, in allowing discounts based on aggregate monthly orders, refuses to grant as high a rate of discount on the pooled orders of two or more retail store owners as on the orders of owners of so-called chain stores, thereby giving the owners of chains of retail

stores an undue advantage in competing with owners operating but one retail store, the said discrimination in price tending to lessen competition and create a monopoly, in alleged violation of section 5 of the Federal Trade Commission act and section 2 of the Clayton Act. Status: At issue and ready for trial. It is expected that testimony will be taken during July, 1922.

Compliant No. 887.--Federal Trade Commission v. Loose-Wiles Biscuit Company. Charge : Unfair methods of competition in that the respondent, engaged in the manufacture and sale of biscuits, crackers, and other bakery products, in allowing discounts based on aggregate monthly orders refuses to grant as high a rate of discount on the pooled orders of two or more retail store owners as on the orders of owners of so-called chain stores, thereby giving the owners of chains of retail stores an undue advantage in competing with owners operating but one retail store, the said discrimination in price tending to lessen competition and create a monopoly, in alleged violation of section 5 of the Federal Trade Commission act and section 2 of the Clayton Act. Status: At issue and ready for trial.

Complaint No. 838.--Federal Trade Commission v. Gypsum Industries' Association, its officers, committees, and members. Charge: The respondents are charged with having conspired to hinder competition in the sale and distribution of gypsum products manufactured by the members of the respondent association by limiting the territory in which such products may be sold by customers of its members and by prohibiting sale to dealers who deal with customers without their territory, thereby restricting the sale of such products by mail orders, or otherwise, for delivery at points other than those at which the authorized dealer maintains a retail establishment, in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue, and negotiations for settlement proceeding.

Complaint No. 840.--Federal Trade Commission v. Chicago Portrait Company. Charge: Unfair methods of competition in that the respondent, engaged in making portraits from photographs, obtains orders for such portraits by means of drawings for so-called "lucky envelopes," or by giving trade checks for one-half the pretended purchase price, by which the prospective purchaser is misled to believe that he is obtaining said portraits at prices substantially below their usual selling prices, and in that the respondent misrepresents its portraits to be hand paintings and induces the purchasing public to sign a contract for the reproduction of photographs, falsely representing said contract as a receipt for the photographs obtained from the customer, whereas said contract contains numerous provisions of a binding nature on the customer which are not explained to or understood by said customer, and which serve to nullify verbal agreements made and false impressions created by respondent's salesmen as to the value of the portraits, the furnishing of frame and glass, etc., in alleged violation of section 5 of the Federal Trade Commission act. Status: This case has been tried, and is now awaiting the findings of the trial examiner.

Complaint No. 841.--Federal Trade Commission v. The Chamber of Commerce of Missoula, its officers, directors, and members, and the Northwest Theatres Company. Charge: Unfair methods of competition in that the respondents conspired to hinder or prevent the sale of goods by mail-order houses situated without the State of Montana, by providing for the acceptance of catalogues of mail-order houses in lieu of the usual price of admission to the respondent theater company's playhouse, and offering prizes for certain of such catalogues, all such catalogues being destroyed subsequent to receipt and pursuant to said conspiracy, in alleged violation of section 5 of the Federal Trade Commission act. Status : At issue, and will be tried during July, 1922.

Complaint No. 842.--Federal Trade Commission v. Berkeley Machine Works (Inc.). Charge: Unfair methods of competition in that cash commissions, gratuities, and lavish entertainment, including automobile parties, dinner and theater parties, lodging accommodations, and other forms of entertainment and amusement are offered and given to officers, agents, and employees of vessels, without the knowledge or consent of their employers, to induce them to have their vessels repaired by the respondent, in alleged violation of section 5 of the Federal Trade Commission act. Status: (Ante, complaint No. 626.)

Complaint No. 845.--Federal Trade Commission v. Melvin Behrend and Leopold Behrend, copartners, doing business under the firm name and style of Behrend's. Charge : Unfair methods

of competition in advertising their comfortable to the public as “Silkoline Covered Comforts” and their blankets as “Superior Wool Finish,” thereby misleading the purchasing public to believe that their comfortable are covered with material made of silk, when in fact they are made of a highly mercerized cotton, and that their blankets are made

of wool, when in fact they contain no wool whatsoever, in alleged violation of section 5 of the Federal Trade Commission act. Status : (Ante, complaint No.472).

Complaint No. 849.--Federal Trade Commission v. Morrison & Company. Charge : Unfair methods of competition in labeling certain razors of inferior quality with fictitious and excessive resale prices to mislead and deceive the purchasing public with regard to the grade or quality of said razors, in alleged violation of section 5 of the Federal Trade Commission act. Status : This case has been tried and the trial examiner has made his report. It is now ready for briefing.

Complaint No. 850.--Federal Trade Commission v. Goheen Manufacturing Company. Charge : Unfair methods of competition in selling its especially prepared paint for galvanized iron and labeled "Galvanum," in that it has circulated letters which contain the false and misleading statement that "It is the standard of the United States Government," when in fact the Government of the United States has never adopted said Galvanum as a standard for any purpose, in alleged violation of section 5 of the Federal Trade Commission act. Status: Action in this proceeding has been indefinitely postponed pending bankruptcy proceedings, in which the respondent is involved.

Complaint No. 851.--Federal Trade Commission v. C. H. Parker Company. Charge : Unfair methods of competition in that the respondent falsely advertises as "Navy Architectural Spar and Interior Varnish," a varnish which was in fact rejected by the Navy Department because the product had not been made in conformity with the Government specifications, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding has been tried and the trial examiner has submitted his report. It is now ready for briefing.

Complaint No. 852.--Federal Trade Commission v. The Procter & Gamble Company and The Procter and Gamble Distributing Company. Charge : Unfair methods of competition in that the respondents, certain of whose soaps and washing powders contain no naphtha, falsely designate said products as naphtha soap and naphtha washing powders, and further advertise their soap as of the highest grade because it is white and because it contains naphtha, which loosens the dirt, whereas said soap contains no naphtha, and the fact that it is white adds nothing to its cleansing value, thereby misleading and deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status : Pending before the commission.

Complaint No. 853.--Federal Trade Commission v. Budd Tailoring Company. Charge: The respondent has adopted a plan of selling \$30 suits of clothing or overcoats to be paid for by the customer in sixty weekly payments of fifty cents, each payable in advance, with the understanding that such customers will be grouped into clubs of sixty customers each and that the name of one customer will be drawn from each club every week, either by lot or for services rendered in securing additional customers, the customers so selected to be given the clothing ordered without payment other than the weekly installments previously paid. Unfair methods of competition are charged in that the said sales methods constitute a lottery and in that customers are deceived and misled as to the value and quality of the clothing to be furnished thereunder, in alleged violation of section 5 of the Federal Trade Commission act. Status : This case is ready for final argument.

Complaint No. 856.--Federal Trade Commission v. George F. Barton, Rockwood Brown, Charles N. Edwards, Claude A. Hargis, and R. W. Watts. Charge: The respondents are the officers and promoters of the Consolidated Royalty and Leasing Syndicate, an unincorporated association. They are charged with making and publishing numerous false and misleading statements relative to the organization, business, and prospects of the association, as a means of deceiving the purchasing public and furthering the sale of the share stock of the said Consolidated Royalty and Leasing Syndicate, all in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding has been tried and is now awaiting the findings of the trial examiner.

Complaint No. 857.--Federal Trade Commission v. S. F. Shepard, Rockwood Brown, A. L.

Todd, R. Allyn Lewis, R. J. Wiswell, D. M. Leopold, H. P. Hanson, E. H. Eshleman, F. L. Moorman, and E. H. McArthur. Charge: The respondents are trustees for or associated in the promotion of the Burkley Oil Company, Burk Crest Oil Company, Burk Bethel Oil Company, Gypsy Burk Oil Company, Burk Imperial Oil Company, and Burk Consolidated

Oil Company. Unfair methods of competition are charged in that the respondents to further the sale of the share stock of said unincorporated associations issued and published numerous false and misleading statements and concealed or withheld other material information relative to the organization, business, and properties of the said companies, thereby deceiving and misleading the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding has been tried and is now awaiting the findings of the trial examiner.

Complaint No. 858.--Federal Trade Commission v. B. H. Stinemetz & Son Company. Charge : The respondent, an old and established mercantile house, advertised a special sale or series of sales in terms, inducing the belief on the part of the purchasing public that high-grade goods in regular stocks would be sold at unusual reductions from market value, whereas inferior goods were purchased and mingled with the regular stock goods, all subjected to a fictitious mark up before establishing mark-down or sale prices, to the deception of the public and the injury of competitors, in alleged violation of section 5 of the Federal Trade Commission act. Status : Testimony is now being taken in this proceeding.

Complaint No. 859.--Federal Trade Commission v. P. E. Ennis, doing business under the name and style of Pure Silk Hosiery Mills. Charge : Unfair methods of competition in that the respondent, a former agent of the "Reel Silk Hosiery Mills" and now engaged in the sale of hosiery, simulates the trade name of his former employers and their method of doing business, and falsely represents that he as the "Pure Silk Hosiery Mills" actually manufactures his hosiery in his own mills, when in fact such mills exist in trade name only, thereby misleading and deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status: This case has been tried, the trial examiner has submitted his report, and the matter will be presented to the Commission in final hearing early in the next fiscal year.

Complaint No. 861.--Federal Trade Commission v. Old Dominion Oil Company, Great Western Oil Company, Bethlehem Oil Company, Metropolitan Oil Company, O. L. Pardue, A. B. Pardue, J. H. West, J. L. Stout, H. J. Gingles, W. B. Young, and J. D. Towner. Charge : The respondent individuals are the promoters of the respondent corporations. Unfair methods of competition are charged in that they, to further the sale of the corporate stock of the said corporations, issued and published numerous false statements and concealed or withheld other material information relative to the organization, business, and properties of said corporations, thereby deceiving and misleading the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding has been tried and is now awaiting the findings of the trial examiner.

Complaint No. 862.--Federal Trade Commission v. Crofts & Reed Company, Polonia Soap Company. Charge: Unfair methods of competition in that the respondent Crofts & Reed Company, controlled by the respondent Polonia Soap Company, brands and mislabels its products to promote the belief that olive oil, poroxido, palm oil, witch-hazel, buttermilk, medicines, or drugs are contained in the soaps so designated, when in fact its soaps contain no such ingredients, in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue upon complaint and answer.

Complaint No. 863.--Federal Trade Commission v. Central Railway Signal Company. Charge : Unfair methods of competition in that the respondent, which is a manufacturer of certain compounds, features, and parts for railway signal fuses, brought suit in equity against the Unexcelled Manufacturing Company (Inc.), for alleged infringement of patents and notified a number of railway companies who were the principal purchasers of said fuses of the pendency of said suit, stating that other fuses on the market were infringements also, and making mention of a right to recover damages from the users of any such alleged infringing fuses, all of which was calculated to bring and had the tendency of bringing all railway signal fuses other than those manufactured by the respondent into suspicion among the railway companies, in alleged violation of section 5 of the Federal Trade Commission act. Status :

Pending before the Commission.

Complaint No. 864.-Federal Trade Commission v. The Guaranty Fund Oil Company, E. M. Thomasson, N. V. S. Mallory, John G. Menke, Individually and as trustees and officers of the Guaranty Fund Oil Company. Charge : Unfair methods of competition in that the respondents, to further the sale of the shares

of beneficial interest in the properties of the respondent company, an unincorporated voluntary association, Issued and published numerous false and misleading statements relative to the organization, business, and properties of said association, thereby deceiving and misleading the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue, and it is expected that testimony will be taken in July, 1922.

Complaint No. 865.--Federal Trade Commission v. Henry H. Hoffman, R. C. Russell, J. H. Cain, R. V. Wilson, B. Baernstein, the Ranger-Burkburnett Oil Company, the Ranger-Comanche Oil Company, and the Union National Oil Company. Charge: The respondent individuals are promoters of the respondent corporations. Unfair methods of competition are charged in that they, in order to further the sale of the share stock of the said corporations, issued and published numerous false and misleading statements and concealed or withheld other material information relative to the organization, business, and properties of the said corporations, thereby deceiving and misleading the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status: This case has been tried and is now awaiting the findings of the trial examiner.

Complaint No. 866.--Federal Trade Commission v. R. C. Russell, L. C. Hamblet, R. D. Hamblet, Mrs. M. H. Merrill, and First National Oil Company. Charge: The respondent individuals are the promoters of the respondent oil company, a Texas corporation. Unfair methods of competition are charged in that they, in order to further the sale of the share stock of the corporation, issued and published numerous false and misleading statements and concealed or withheld other material information relative to the organization, business property, and prospects of said corporation. thereby deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status: This case has been tried and is now awaiting the findings of the trial examiner.

Complaint No. 867.--Federal Trade Commission v. Imperial Production Company, J. T. Craig, S. F. Tubbs, and J. B. Bright. Charge: The respondent individuals are the promoters of the respondent Imperial Production Company, a Texas trust. Unfair methods of competition are charged in that they, in order to further the sale of the share stock of the company, issued and published numerous false and misleading statements and concealed or withheld other material information relative to the organizations, business, property, and products of said company, thereby deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status: This case has been tried and is now awaiting the findings of the trial examiner.

Complaint No. 868.--Federal Trade Commission v. Calumet Baking Powder Company. Charge: Unfair methods of competition in that the respondent, for the purpose of furthering the sale of its baking powders, adopted the practice of publishing, anonymously, adverse, disparaging, and derogatory opinions, statements, and commitments as to the wholesomeness of self-rising flours, the misc of which does not involve the addition of baking powder, such statements being not founded in fact, all for the purpose of deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status : This proceeding is at issue upon complaint and answer and is ready for trial.

Complaint No. 869.--Federal Trade Commission v. Baltimore & Philadelphia Steamboat Company. Charge: The respondent, engaged in the transportation by water of freight and passengers between Baltimore and Philadelphia, has made it a practice to cut the price of transportation below cost to compel a competitor, the Marine Transport Corporation, to withdraw and discontinue its business, that the previously existing monopoly held by the respondent may be restored to it, in alleged violation of section 5 of the Federal Trade Commission act. Status: This case has been tried and is now awaiting the findings of the trial examiner.

Complaint No. 871.--Federal Trade Commission v. A. W. Perryman, doing business under the

name and style Perryman Investment Company; A. W. Perryman, F. P. Penfield, C. S. Thomas. individually and as trustees and officers of the Houston Oil and Refining Company, a trust; W. L. Diehl, individually and as second vice president of the Houston Oil and Refining Company, a trust; and William M. Huff, individually and as third vice president of the Houston Oil and Refining Company, a trust. Charge : The respondents are the promoters of the Houston Oil and Refining Company, a Texas trust. Unfair methods of competition are charged in that the respondents, for the

purpose of furthering the sale of the share stock of the said oil company, issued and published numerous false and misleading statements and concealed or withheld other material information relative to the organization, business, property, and prospects of said corporation, thereby deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue and ready for trial.

Complaint No. 872.--Federal Trade Commission v. William F. Melhuish, Jr., and Henry Clay Silver, doing business under the firm name and style of, Melhuish & Company, T. A. Edmonds, Y. E. Hildreth, W. E. Weathers, J. W. Mastin, and the Edmonds Oil & Refining Corporation. Charge : The respondent individuals are promoters of the respondent Edmonds Oil & Refining Corporation, incorporated under the laws of the State of Louisiana. In order to further the sale of the share stock of said corporation they issued and published numerous false and misleading statements relative to the organization, business, properties, and products of said corporation to deceive and mislead the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status: In course of trial.

Complaint No. 878.--Federal Trade Commission v. Hewitt Brothers Soap Co. Charge: Unfair methods of competition in that the respondent advertises, brands, and labels its soap as "white naphtha," stating that it is made by a new process and of a combination of naphtha, coconut oil, and other cleansing ingredients, when, in fact, the said soap contains no naphtha, but contains instead a petroleum distillate other than naphtha, originally only to the extent of 1 per cent or less of the whole constituent ingredients, and substantially all lost by volatilization or evaporation before such soap reaches the ultimate consumer, thereby misleading and deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue upon complaint and answer.

Complaint No. 874.--Federal Trade Commission v. Morris Klein, doing business under the name and style of Racine Tire Sales Company. Charge: Unfair methods of competition in that the respondent, engaged in the business of re-building and repairing secondhand and used automobile tires, solicits, by means of advertising and circulars, mail orders for said tires without disclosing, unless in small type, the fact that the said tires are secondhand or used tires rebuilt and repaired by the respondent, and in that the respondent simulates the name of the Racine Rubber Company, a well-established and favorably known manufacturer of tires, and simulates its trade name "Multi-Mile Cord" by advertising his tires as "Multi-Cord," thereby tending to deceive and mislead the purchasing public, all in alleged violation of section 5 of the Federal Trade Commission act. Status: Answer to complaint not yet received.

Complaint No. 875.--Federal Trade Commission v. Lexington Manufacturing Company, Middlesburg Mills, Millwood Corporation. Charge: The respondents Lexington Manufacturing Company and Middlesburg Mills are engaged in the manufacture of cotton bedticking and other cotton products and are controlled by the respondent Millwood Corporation, a holding company. Unfair methods of competition are charged in that some of the respondent's bedtickings of various grades and qualities are labeled "A. C. A.," in simulation of a symbol used for many years by the Amoskeag Manufacturing Company as a designation for its best quality special process bedticking, which because of its quality and adaptability to purpose is popular and in great demand in the trade, the said practice by the respondents tending to mislead and deceive the purchasing public into the belief that tickings manufactured by respondent manufacturers are identical with those of the Amoskeag Manufacturing Company, in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue upon complaint and answer and being prepared for trial.

Complaint No. 876.--Federal Trade Commission v. Lawrence S. Mayers and Chauncey H. Mayers, partners, doing business under the firm name and style of Geneva Watch Company. Charge: The respondents, wholesale dealers in watches the movements of which they import from places in Switzerland other than Geneva, have adopted the trade name "Geneva Watch

Company” for their watch business, have procured the United States registration of the trademark “Geneva” and stamp it on the dials of their watches with the addition of the word “Swiss” to simulate the standard method of designating high-grade Geneva watches, and advertise the said watches as “Geneva” watches manufactured by the “Geneva Watch Company” and offered at the lowest manufacturer’s prices, all for the purpose of creating the mistaken belief that they

are engaged in the manufacture of watches in the Swiss city of Geneva, well known as the place of origin of the highest grade of Swiss watches, that their watches are manufactured in said city, and that they are sold direct to the trade at manufacturer's prices, and thereby induce the trade and consuming public to purchase respondents' watches in preference to competitors' watches of like quality which are not falsely designated "Geneva," and in many instances in preference to competitors' watches actually made in the city of Geneva, in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue upon complaint and answer and being prepared for trial.

Complaint No. 877.--Federal Trade Commission v. Sam Silverman, Jacob Silverman, and Henry Greenblatt, partners, doing business under the name and style of Warewell Company. Charge: Unfair methods of competition in that the respondents, engaged in the publication and sale of books (at times as the Famous Authors Association or Classics Publishing Company), under the pretense of securing advice from an advertising agency connected with the Little Leather Library Corporation, a favorably known publisher of a collection of thirty pocket editions known as the "Little Leather Library," generally advertised at a price of \$2.98 per set, obtained confidential information and data concerning the publication and sale of the said Little Leather Library and thereupon caused to be published a set of thirty similar volumes containing the same selections published in the said Little Leather Library, closely simulating the latter in materials, form, and advertising copy; all to mislead and deceive the purchasing public to believe that the respondents' set of books is the well advertised "Little Leather Library," in alleged violation of section 5 of the Federal Trade Commission act. Status: It is expected that testimony in this proceeding will be taken during the month of July, 1922.

Complaint No. 878.--Federal Trade Commission v. Dudley D. Gessler. Charge: The respondent, engaged in the sale of dyes, dyestuffs, and chemicals used in connection with said dyes, trading under his own name and at times under the trade name and style of the Keystone Chemical Company, offers and gives cash commissions and gratuities to superintendents, foremen, and other employees of textile mills and like industries without the knowledge of their employers to induce said employees to purchase the respondent's commodities in preference to those of its competitors, in alleged violation of section 5 of the Federal Trade Commission act. Status: This case is at issue upon complaint and answer and is ready for trial.

Complaint No. 879.--Federal Trade Commission v. Bellas Hess & Company. Charge: The respondent, a mail-order house, purchased and advertised in its catalogues the coats manufactured by the Salts Textile Manufacturing Company under the trade name "Salts Peco Seal Plush" and also purchased and advertised on the same pages in said catalogues, at lower prices and as "Iceland Seal Plush," similar coats manufactured from a plush having a cotton pile which is much inferior in value to the fur fabric with silk pile generally known as "seal plush," and by false and misleading statements concerning the origin, nature, quality, and values of these cotton plush coats tended to mislead and deceive the purchasing public to believe that its "Iceland Seal Plush" coats are of the quality of genuine "seal plush" and so induced the public to purchase cotton plush coats in preference to seal plush coats and in preference to cotton plush coats sold by its competitors without the use of misleading names and statements, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding at issue upon complaint and answer.

Complaint No. 880.--Federal Trade Commission v. Douglas Fir Exploitation & Export Company, incorporated, and one hundred seven others. Charge: The complaint sets forth that, although the respondent Douglas Fir Exploitation & Export Company, a domestic corporation of the State of Washington, engaged in the manufacture and sale of lumber in interstate and foreign commerce, has filed papers with the Federal Trade Commission under the Webb Export Trade Associations act, by reason of its policy and plan of business it is not such an association within the meaning of said act. The one hundred seven other respondents are stockholders and

officers of the respondent company and are themselves engaged in the lumber business, representing about eighty-five per cent of the productive capacity of all American manufacturers, vendors, shippers, and dealers in Oregon pine, red fir, yellow fir, Columbian pine, Puget Sound pine, and British Columbia pine, and the products thereof. Respondents are charged with having fixed the prices and terms at which they have agreed to sell their lumber and by various and divers means conspiring to hinder and obstruct competition in the sale and distribution of said lumber and lumber

products, all in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue and being prepared for trial.

Complaint No. 881.--Federal Trade Commission v. Citrus Soap Company. Charge: The respondent, engaged in the manufacture and sale of washing powders, soaps, and similar products, has adopted and employs a system for the maintenance and enforcement of uniform prices fixed by it for the resale of its products to retail dealers, refusing to sell to wholesale dealers who fail to observe and maintain said resale prices and requiring its vendees not to sell to other wholesalers except at resale prices fixed by respondent, in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue and being prepared for trial.

Complaint No. 882.--Federal Trade Commission v. Keaton Tire & Rubber Company. Charge : The respondent is the general distributing agent for the products of a number of manufacturers of demountable rims and demountable rim parts for automobile wheels, which it designates as "standard" parts, and is engaged in the sale thereof in competition with the like products of the Thompson-Neaylon Manufacturing Company. Unfair methods of competition are charged in that the respondent has inaugurated and carried on a campaign of disparagement against said Thompson-Neaylon Manufacturing Company and its parts, characterizing it and similar competitors as pirates and their parts as counterfeit parts, and physically removing the said company's parts. and display boards from the trade, substituting therefor the respondent's display boards on which are published "warnings" which suggest that parts such as those made by the Thompson-Neaylon Company are illegal duplications of standard parts and that the use of such rim parts is dangerous and destroys the rim factory's guarantee on the entire rim equipment, and, with the cooperation of its branch houses and dealers, otherwise aims to discredit the Thompson-Neaylon parts with the trade and public, all in alleged violation of section 5 of the Federal Trade Commission act. Status: Answer to Commission's complaint not yet received.

Complaint No. 883.--Federal Trade Commission v. Alfred Peats. Company. Charge : The respondent, engaged in the sale of paints and painters' supplies, advertises and asserts that its "Clover Leaf Paint" consists of the purest grades of white lead, zinc, linseed oil, Japan drier, and is of an exceptional high grade which has never failed to give the best satisfaction, when in fact the said paint consists largely of adulterants and fillers, mineral spirits, and substitutes for pure linseed oil, in alleged violation of section 5 of the Federal Trade Commission act. Status : At issue upon complaint and answer.

Complaint No. 884.--Federal Trade Commission v. Henry Bosch Company. Charge: Unfair methods of competition in that the respondent, engaged in the sale of paints and painters' supplies, falsely advertises and asserts that as to its "Henry Bosch Co.'s Prepared Paint" every ounce of lead, zinc, oil, and Japan drier is of the highest grade and that it is impossible to produce any better paint, when in fact adulterants and fillers are substituted for white lead and zinc oxide and the volatile ingredient consists of mineral spirit in alleged violation of section 5 of the Federal Trade Commission act. Status : At issue upon complaint and answer.

Complaint No. 885.--Federal Trade Commission v. L. C. Orrell & Company. Charge : Unfair methods of competition in that the respondent, engaged in the sale of paints and painters' supplies, falsely advertises and asserts that its "Painter's Pure Paint" contains pure lead, pure zinc oxide, pure raw linseed oil, pure turpentine, and Japan drier; that its paint is the best and cheapest for the painter to use; is equaled by few other paints but surpassed by none; and that the user is guaranteed 100 per cent quality, service, and value, when in fact the said paint contains no turpentine whatsoever in alleged violation of section 5 of the Federal Trade Commission act. Status: Awaiting answer to the Commission's complaint.

Complaint No. 886.--Federal Trade Commission v. Wholesale Tobacco & Cigar Dealers Association of Pennsylvania, its officers, directors, and members, and American Tobacco Company, and P. Lorillard Company. Charge: The respondent association is composed of various individuals, partnerships, and corporations engaged in the business of selling at

wholesale, to wholesale and retail dealers, cigars, cigarettes, and other tobacco products. The charge is unfair competition in that the association and its members agreed upon a schedule of fixed prices at which the members should thereafter resell to their dealer customers, and adopted a system for the maintenance and enforcement

of said retail prices by the members and by all other wholesale dealers in the association's territory, the respondent manufacturers cooperating and conspiring with the association and its members and participating in said price maintenance system by refusing to furnish offending dealers with further supplies of their products, all in alleged violation of section 5 of the Federal Trade Commission act. Status : The answers of all the respondents have not yet been received.

Complaint No. 887.--Federal Trade Commission v. Oppenheim, Oberndorf & Company, Incorporated, doing business under the trade name and style Sealpax Company. Charge: The respondent, in the sale of its "Sealpax" underwear, maintains a schedule of uniform resale prices, and refuses to sell said underwear to wholesale dealers who fail to observe and maintain said resale prices and otherwise endeavors to enforce its fixed prices for the resale of its product, in alleged violation of section 5 of the Federal Trade Commission act. Status: This case at issue upon complaint and answer.

Complaint No. 888.--Federal Trade Commission v. Amalgamated Tire Stores Corporation. Charge: Unfair methods of competition in that the respondent, dealing in tires secured by it largely from distressed stocks, the stocks of bankrupt or of financially embarrassed concerns, and from the surplus tire stocks of the United States Army, falsely advertised its tires as "firsts" and "fresh" when in fact many of the tires so advertised and offered for sale were "seconds" and were not "fresh," but were more than one year old and deteriorated through age or other causes, thereby tending to mislead and deceive the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status: This case at issue upon complaint and answer.

Complaint No. 889.--Federal Trade Commission v. Hub Hosiery Mills. Charge: The respondent, by labeling or branding its infants' hose as "Infants' Australian Ribbed Merino Hose" misleads the purchasing public into the belief that its hosiery is made of wool of the merino sheep or of other fine Australian quality, when in fact said hosiery is composed partly of wool and partly of cotton, in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue.

Complaint No. 890.--Federal Trade Commission v. Cream of Wheat Company. Charge : Unfair methods of competition in that the respondent, engaged in the manufacture and sale of a cereal food product known as "Cream of Wheat," has maintained and enforced a schedule of uniform prices for the resale of said product, refusing to sell to price cutters and otherwise enforcing said system of price maintenance, in alleged violation of section 5 of the Federal Trade Commission act. Status: Answer to the Commission's complaint not yet filed.

Complaint No. 891.--Federal Trade Commission v. Bethlehem Steel Corporation and Lackawanna Steel Company. Charge : Unfair methods of competition in that the respondents, by entering into an agreement to combine or consolidate their respective properties, businesses, and interests into a common enterprise whereby the properties, assets, and business of respondent Lackawanna Steel Company (as well as those of its subsidiary Lackawanna Bridge Works Corporation and the Lackawanna Steel Company stock holdings in other subsidiaries) are to be acquired by said Bethlehem Steel Corporation, itself in control of a number of subsidiary corporations, will thereby effect a combination which will control substantial percentages of the production of certain iron and steel products in the United States and especially in the State of Ohio and all territory north of the Potomac River and east of the said State, which said merger or consolidation will have a dangerous tendency to hinder and lessen competition and restrain trade and commerce, the agreement constituting an attempt to monopolize certain interstate trade and commerce, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue and being prepared for trial.

Complaint No. 892.--Federal Trade Commission v. V. Vivaudou, Incorporated. Charge : The respondent, engaged in the manufacture and sale of toilet articles, adopted and maintains a schedule of uniform prices for the resale of Its products, threatening to refuse to sell and refusing to sell said products to those dealers who persist in selling below the resale prices fixed by the

respondent and otherwise enforcing said system of price maintenance, in alleged violation of section 5 of the Federal Trade Commission act. Status : Awaiting answer.

Complaint No. 893.--Federal Trade Commission v. St. Louis Wholesale Grocers' Association, Its officers and members. Charge: The respondent asso-

elation is an unincorporated trade association composed of wholesale grocers and jobbers of groceries and food products. Unfair methods of competition are charged In that said association, acting on behalf of its members and in cooperation with them, has adopted and carried out a plan of coercing and attempting to coerce manufacturers to guarantee against decline in price, publishing classified lists of manufacturers that the said members may give preference when making purchases to those manufacturers who have agreed to guarantee against decline in price, and thereby tend to restrict, diminish, and obstruct the business of manufacturers of food products who do not so guarantee, in alleged violation of section 5 of the Federal Trade Commission act. Status : Awaiting answer.

Complaint No. 894.--Federal Trade Commission v. Wisconsin Wholesale Grocers' Association, its officers, directors, and members. Charge : The respondent association is an unincorporated trade association composed of wholesale grocers and jobbers of groceries and food products. Unfair methods of competition are charged in that the said association, acting on behalf of its members and in cooperation with them, has adopted and carried out a plan of coercing and attempting to coerce manufacturers to guarantee against decline in price, publishing classified lists of manufacturers that the said members may give preference when making purchases to those manufacturers who have agreed to guarantee against decline in price, and thereby tend to restrict, diminish, and obstruct the business of manufacturers of food products who do not so guarantee, in alleged violation of section 5 of the Federal Trade Commission act. Status : Awaiting answers from some of the respondents.

Complaint No. 895.--Federal Trade Commission v. Otto Eisenlohr & Brothers, Incorporated. Charge : The respondent, engaged in the manufacture and sale of cigars and other tobacco products, has adopted and maintains a schedule of uniform prices for the resale of its products, threatening to refuse to sell to price cutters and otherwise enforcing said system of price maintenance, in alleged violation of section 5 of the Federal Trade Commission act. Status : Awaiting answer.

Complaint No. 896.--Federal Trade Commission v. Williams Soap Company (Indianapolis). Charge: The respondent makes numerous false and misleading statements in its catalogues, advertising matter, and labels concerning the origin, nature, quality, and value of its soaps, falsely asserting or implying that certain of its soaps are medicated or contain antiseptics or are especially prepared for the treatment of skin diseases, using fictitious names to indicate manufacture and indorsement by a national association of physicians, and in that it labels certain of its soaps with fictitious resale prices greater than the actual selling price to mislead the public to believe that purchases of its soaps are at prices substantially less than the fair retail value, all in alleged violation of section 5 of the Federal Trade Commission act. Status: Awaiting answer.

Complaint No. 897.--Federal Trade Commission v. M. T. K. Products Company and Trust (J. A. Menard, John E. Burkheimer, B. G. Raymond, H. P. Vogt, R. G. Townsend, and their successors, trustees under said trust) ; M. T. K. Sales Corporation; Beckley-Ralston Company. Charge : The company and trust is engaged in the manufacture and sale of an abrasive bearing-fitting compound named "Timesaver"; the Sales Corporation and the Beckley-Ralston Company are distributors of "Timesaver." Unfair methods of competition are charged in that respondents have caused notices and advertising matter to be sent to the trade generally to the effect that "Timesaver" was a patented article, that similar articles (not specified, however) infringing the patent were on the market, that the policy would be to protect their patent against all infringement, and that legal proceedings would be vigorously pressed against dealers in and users of such infringing compounds, all of which has the capacity and tendency to bring all similar products into suspicion, to the harm of the manufacturers thereof and dealers therein, none of whom has been specifically charged and placed on notice, in alleged violation of section 5 of the Federal Trade Commission act. Status: Awaiting answer.

Complaint No. 898.--Federal Trade Commission v. United States Products Company.

Charge: Unfair methods of competition in that respondent, engaged in the manufacture and sale of an abrasive bearing-fitting compound named by it "Kwik-Ak-Shun," having done no more than to file with the commission a petition praying that the commission institute such proceedings in the premises as might seem proper against the M. K. T. Products Company, a competitor,

nevertheless notified the trade, through advertisements, that it had commenced proceedings for unfair competition against the M. K. T. Products Company before the commission to enjoin the same, which notification had the capacity and tendency of misleading and deceiving the trade into the belief that respondent had instituted competent legal proceedings before the Federal Trade Commission wherein the rights and liabilities of respondent and the M. K. T. Products Company in the premises would be legally adjudicated and determined and the legality or illegality of the things done by the M. T. K. Products Company complained against be fixed and determined, in alleged violation of section 5 of the Federal Trade Commission act. Status : Awaiting answer.

Complaint No. 899.--Federal Trade Commission v. Joyce-Pruit Company. The respondent, engaged in the sale of dry goods, clothing, hardware, and groceries, at wholesale and retail, offered a prize of \$10 worth of merchandise to the person producing the largest number of current mail-order catalogues, thereby procuring many catalogues of the National Cloak and Suit Company and other mail-order house competitors, which catalogues it retained for the purpose of unduly hindering the business of its mail-order house competitors which sell merchandise principally by means of catalogues in the hands of customers and prospective customers, in alleged violation of section 5 of the Federal Trade Commission act. Status: Awaiting answer.

PROCEEDINGS DISPOSED OF.

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 competitors' 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. Disposition : After hearing, an order was entered dismissing this proceeding without prejudice.

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. Disposition : After hearing, an order was entered dismissing this proceeding.

Complaint No. 259.--Federal Trade Commission v. Oldbury Electro-Chemical Co., J. L. & D. S. Riker (Inc.), and Central Railway Signal Co. Charge : Using unfair methods of competition in the manufacture and sale of railway signal fuses 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., mind thus giving the latter monopoly in the manufacture and sale of the railway signal fuses, in alleged violation of section 5 of the Federal Trade Commission act. Disposition : After hearing, an order was entered dismissing the complaint in

this proceeding without prejudice.

Complaint No. 351.-Federal Trade Commission v. Armour & Co. Charge : 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

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monopoly in the purchase of live stock and sale of meat and meat products, in alleged violation of section 7 of the Clayton Act. Disposition : After hearing, respondent was ordered to divest itself of the capital stock and property of the E. H. Stanton Co.

Complaint No. 355.--Federal Trade Commission v. Adder Machine Co. Charge: 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. Disposition : After hearing, the complaint herein was dismissed without prejudice, for the reason that the evidence was not sufficient to support an order.

Complaint No. 361.--Federal Trade Commission v. Accounting Machine Co. (Inc.). Charge : (Ante, complaint No. 355). Disposition : (Ante, complaint No.355).

Complaint No. 362.--Federal Trade Commission v. Burroughs Adding Machine Co. (Inc.). Charge : (Ante, complaint No. 355). Disposition : (Ante, complaint No.355).

Complaint No. 364.--Federal Trade Commission v. The Dalton Adding Machine Co. Charge : (Ante, complaint No.355). Disposition : (Ante, complaint No.355).

Complaint No. 365.--Federal Trade Commission v. Ellis Adding-Typewriter Co. Charge : (Ante, complaint No. 355). Disposition : (Ante, complaint No. 355).

Complaint No. 366.--Federal Trade Commission v. International Money Machine Co. Charge : (Ante, complaint No.355). Disposition : (Ante, complaint No. 355).

Complaint No. 367.--Federal Trade Commission v. Marchant Calculating Machine Co. Charge : (Ante, complaint No.355). Disposition : (Ante, complaint No. 355).

Complaint No. 369.--Federal Trade Commission v. Rockford Milling Machine Co. Charge : (Ante, complaint No. 355). Disposition : (Ante, complaint No. 355).

Complaint No. 370.--Federal Trade Commission v. Teetor Adding Machine Co. Charge: (Ante, complaint No.355). Disposition: (Ante, complaint No. 355).

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. Disposition: After hearing, the complaint herein was dismissed without prejudice.

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 and stock subscriptions, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered requiring the respondents to cease and desist from the practices charged in the complaint.

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 pur-

chase 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. Disposition : After hearing, the complaint herein was dismissed without prejudice.

Complaint No. 480.--Federal Trade Commission v. Russell Grader Manufacturing Co. Charge : (Ante, complaint No. 404). Disposition : After hearing, an order was entered requiring the respondent to cease and desist from the practices charged in the complaint.

Complaint No. 431.--Federal Trade Commission v. The Barber Asphalt Paving Co. Charge : (Ante, complaint No. 404). Disposition : (Ante, complaint No.404).

Complaint No. 432.--Federal Trade Commission v. The Dyar Supply Co. Charge : (Ante, complaint No.404). Disposition : (Ante, complaint No. 404).

Complaint No. 433.--Federal Trade Commission v. Chas. Hvass & Co. (Inc.). Charge: (Ante, complaint No.404). Disposition : (Ante, complaint No.404).

Complaint No. 434.--Federal Trade Commission v. The Austin-Western Road Machinery Co. Charge: (Ante, complaint No.404). Disposition : (Ante, complaint No.430).

Complaint No. 435.--Federal Trade Commission v. Stockland Road Machinery Co. Charge : (Ante, complaint No. 404). Disposition : (Ante, complaint No.430).

Complaint No. 436.--Federal Trade Commission v. Gallon Iron Works & Manufacturing Co. Charge: (Ante, complaint No.404). Disposition : (Ante, complaint No.430).

Complaint No. 437.--Federal Trade Commission v. J. D. Adams, R. E. Adams, et al., copartners doing business under the name and style of J. D. Adams & Co. Charge : (Ante, complaint No. 404). Disposition: After hearing, the complaint herein was dismissed for failure of proof.

Complaint No. 438.--Federal Trade Commission v. The Barr Sales Co. Charge: (Ante, complaint No. 404). Disposition : After hearing, the complaint herein was dismissed.

Complaint No. 439.--Federal Trade Commission v. The Good Roads Machinery Co. Charge : (Ante, complaint No. 404). Disposition : Ante, complaint No.430).

Complaint No. 440.--Federal Trade Commission v. The Chamberlain Road Machine Co. Charge: (Ante, complaint No. 404). Disposition : (Ante, complaint No.437).

Complaint No. 441.--Federal Trade Commission v. Acme Road Machinery Co. Charge : (Ante, complaint No. 404.) Disposition : (Ante, complaint No. 430).

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 actual 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 the Federal Trade 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 the effect of such agreement has been to substantially lessen competition, in alleged violation of section 3 of the Clayton Act. Disposition: After hearing, an order was entered dismissing the above proceeding.

Complaint No. 496.--Federal Trade Commission v. Universal Road Machinery Co. Charge : (Ante, complaint No. 404). Disposition : (Ante, complaint No. 404).

Complaint No. 497.--Federal Trade Commission v. New England Road Machinery Co. Charge : (Ante, complaint No. 404). Disposition : (Ante, complaint No. 404).

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. Disposition: After hearing, an order was entered dismissing the complaint herein without prejudice.

Complaint No. 523.--Federal Trade Commission v. Louis Wolper, Jacob Wolper, and Albert Wolper, partners, styling themselves Alben-Harley. Charge: (Ante, complaint No.401). 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. 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. Disposition: After hearing, an order was entered requiring the respondents to cease and desist from the practices charged in the complaint.

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. 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. 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 left 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. Disposition : Upon motion of the Commission the complaint herein was dismissed without prejudice.

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. Disposition : After hearing, an order was entered requiring the respondent to cease and desist from the violations of section 3 of the Clayton Act charged in the complaint.

Complaint No. 563.--Federal Trade Commission v. Rueckheim Bros. & Eckstein. Charge Respondent maintained the practice of giving premiums and presents consisting of jewelry, etc., to the salesmen of merchants and jobbers handling the candy and kindred products of respondent and its competitors, for the purpose of influencing such salesmen to push the sale of respondent's products to the exclusion of products of its competitors, all in alleged violation of section 5 of the Federal Trade Commission act. Disposition : After hearing, the complaint herein was dismissed without prejudice.

Complaint No. 566.--Federal Trade Commission v. The F. J. O'Neill Medicine Co. Charge : Using unfair methods of competition by simulating in the marketing of its products the trademark, 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 same 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. Disposition : After hearing an order was entered dismissing this proceeding.

Complaint No. 568.--Federal Trade Commission v. Darling & Co. Charge: Using unfair methods of competition by causing, through its agents, servants, and employees, its competitors' 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 commodities and so high as to be prohibitive to its competitors, in alleged violation of section 5 of the Federal Trade Commission act. Disposition : After hearing, this proceeding was dismissed for failure of proof.

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. Disposition : After hearing, the complaint herein was dismissed without prejudice.

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., Maret-Streeter Co., Oglesby Grocery Co., H. L. Singer Co., Walker Bros. Co., A. McD. Wilson Co., Conley & Ennis, Johnson-Fluker & Co., McDaniel & Co., Paradies & 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. Disposition : After hearing, an order was entered requiring the respondents to cease and desist from the practices charged in the complaint.

Complaint No. 580.--Federal Trade Commission v. D. Fairfax Bush, William Dette, George A. Crocker, jr., and Leah R. Clocker, 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 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 been 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. Disposition: After hearing, the complaint, herein was dismissed for failure of proof.

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 its 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. Disposition: After hearing, an order was entered requiring the respondent to cease and desist from the violations of law charged in the complaint.

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. Charges : 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 Bacilli-Ki," 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. Disposition : After hearing, an order was entered requiring the respondents to cease and desist from the practices charged in the complaint.

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, known 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. Disposition : After hearing, the complaint herein was dismissed without prejudice.

Complaint No. 586.--Federal Trade Commission v. Southern Macaroni Manufacturing Company. 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 in the sale of respondent's products and thereby tending to induce said jobber's 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. Disposition: After hearing, the complaint herein was dismissed without prejudice.

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 mind 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. Disposition: After hearing, the complaint herein was dismissed without prejudice.

Complaint No. 595.--Federal Trade Commission v. Dove Oil Co. Charge : 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. Disposition : After hearing, an order was entered dismissing the complaint herein.

Complaint No. 599.--Federal Trade Commission v. International Fur Exchange (Inc.), Funsten Bros. & Co., F. C. Taylor Fur Co., and 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 therefor, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: Dismissed for the reason that the International Fur Exchange, Funsten Bros. & Co., and the F. C. Taylor Fur Co. had gone out of business.

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 recommend 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, 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 the practices charged in the complaint.

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 in interstate commerce various types of check-protecting machines; selling secondhand and rebuilt check-protecting machines, representing them to be new machines; mutilating trademarks 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 secondhand machines, in alleged violation of section 5 of the Federal Trade Commission act. Disposition : After hearing, respondents were ordered to cease and desist from the practices complained of.

Complaint No. 603.--Federal Trade Commission v. Southern Hardware Jobbers' Association, Beck & Gregg Hardware Co., Dinkins-Davidson Hardware Co., Crumley-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. Disposition : After hearing, the Commission entered its order requiring the respondent to cease and desist from the practices charged in the complaint.

Complaint No. 604. --Federal Trade Commission v. David Kahn and Benjamin Shatkun, doing business under the firm name and style of Shatkun & Kalin.

Charge : Using unfair methods of competition by manufacturing and selling fountain pens in which are inserted gold-plated brass 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 in which are inserted gold-plated brass 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. Disposition : After hearing, the complaint herein was dismissed without prejudice.

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 in 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. Disposition : After hearing, the commission entered its order requiring the respondent to cease and desist from the practices charged in the complaint.

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 respondent, 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, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, the complaint herein was dismissed without prejudice.

Complaint No. 608.--Federal Trade Commission v. Amico Oil Co. of Kansas. Charge: Using unfair methods of competition in the sale oil 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. Disposition : After hearing, the complaint herein was dismissed for failure of proof.

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. Seigfried, 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 themselves 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. Disposition : After hearing, the Commission dismissed its complaint in this proceeding.

Complaint No. 616.--Federal Trade Commission v. Quaker Oil Products Corporation. Charge : Respondent, which sells oils to the leather, textile, and metal industries, secretly offers and gives to employees of its customers and prospective customers money, valuable presents, and

other gratuities as a means of inducing such employees to influence their employers to purchase respondent's products and to refrain from dealing with its competitors, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, the complaint in this proceeding was dismissed.

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 products 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. Disposition: After hearing, the complaint herein was dismissed without prejudice.

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. Disposition : After hearing, the complaint herein was dismissed for the reason that the respondent had gone out of business.

Complaint No. 619.--Federal Trade Commission v. Fawn Creek Oil & Gas Co. Charge : Using unfair methods of competition by false and misleading advertising in 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. Disposition : After hearing, the Commission entered its order dismissing the complaint herein for failure of proof.

Complaint No. 620.--Federal Trade Commission v. White Sewing Machine Co. Charge : Respondent manufactures and sells sewing machines and conducts a portion of its business under the trade name of A. G. Mason Manufacturing Co., advertising and selling a line of sewing machines known as the "Mason" line. It is charged that the respondent pretends that the A. G. Mason Manufacturing Co. is a competitor and entirely independent of the respondent, thereby misleading the public, in alleged violation of section 5 of the Federal Trade Commission act. Disposition : After hearing, the complaint was dismissed without prejudice to the right of the Commission to revive said proceeding.

Complaint No. 623.--Federal Trade Commission v. Sunlight Creameries. Charge : That the respondent conducted a campaign of defamation against a competitor by circulating false statements as to such competitor's business methods and financial stability, and attempted by persuasion and intimidation to induce employees to sever their relations with such competitor and join the respondent, with such of the business and patronage of the competitor as they could command, in alleged violation of section 5 of the Federal Trade Commission act. Disposition : After hearing, the Commission entered its order requiring the respondent to cease and desist from the practices charged in the complaint.

Complaint No. 625.--Federal Trade Commission v. Seymour Chemical Company and Alexander S. Mann. Charge: That the respondent, in the course of its business of manufacturing and selling textile finishing materials, had been giving gratuities or cash commissions to boss finishers in textile mills, without the knowledge or consent of their employers, as an inducement to such finishers to favor the purchase of the respondent's materials and refrain from dealing with its competitors, in alleged violation of section 5 of the Federal Trade Commission act. Disposition : After hearing, the Commission ordered respondents to cease and desist from the practices as charged in the complaint.

Complaint No. 663.--Federal Trade Commission v. Marx Finstone. Charge: Using unfair methods of competition in the manufacture and sale of fountain pens by marketing fountain pens in boxes or containers labeled with fictitious resale prices many times greater than the fair market value of the pens, thereby enabling dealers to defraud the purchasing public or mislead it into the belief that a high-grade pen is being sold at a reduced price, in alleged violation of section 5 of the Federal Trade Commission act. Disposition : After hearing, the Commission entered its order requiring the respondent to cease and desist from the practices charged in the

complaint.

Complaint No. 664.--Federal Trade Commission v. Benjamin Shatkun & David Kahn, partners, styling themselves Shatkun & Kahn. Charge : Using unfair methods of competition in the manufacture and sale of fountain pens by marketing fountain pens in boxes or containers labeled with fictitious re-

sale prices many times greater than the fair market value of the pens, thereby enabling dealers to defraud the purchasing public and mislead it into the belief that a high-grade pen is being sold at a reduced price, in alleged violation of section 5 of the Federal Trade Commission act. Disposition : (Ante, complaint No.663.)

Complaint No. 665.--Federal Trade Commission v. Abraham Shatkun, doing business under the trade name and style of United States Novelty Co. Charge: Using unfair methods of competition in the manufacture and sale of fountain pens by marketing fountain pens in boxes or containers labeled with fictitious resale prices many times greater than the fair market value of the pens, thereby enabling dealers to defraud the purchasing public and mislead it into the belief that a high-grade pen is being sold at a reduced price, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: (Ante, complaint No. 663).

Complaint No. 666.--Federal Trade Commission v. Charles J. McNally, doing business under the trade name and style of Macfountain Pen & Novelty Co. Charge : Using unfair methods of competition in the sale of fountain pens by marketing fountain pens in boxes or containers labeled with fictitious resale prices many times greater than the fair market value of the pens, thereby enabling dealers to defraud the purchasing public and mislead it into the belief that a high-grade pen is being sold at a reduced price, in alleged violation of section 5 of the Federal Trade Commission act. Disposition : (Ante, complaint No.663).

Complaint No. 667.--Federal Trade Commission v. N. Shure Co. Charge: Using unfair methods of competition in the sale of fountain pens by marketing fountain pens in boxes or containers labeled with fictitious resale prices many times greater than the fair market value of the pens, thereby enabling dealers to defraud the purchasing public and mislead it into the belief that a high-grade pen is being sold at a reduced price, in alleged violation of section 5 of the Federal Trade Commission act. Disposition : (Ante, complaint No.663).

Complaint No. 668.--Federal Trade Commission v. Meyer Levin, Morris L. Levin, Isaac P. Levin, and Max Levin, partners, styling themselves Levin Brothers. Charge: Using unfair methods of competition in the sale of fountain pens by offering and selling fountain pens in boxes or containers labeled with fictitious resale prices many times greater than the fair market value of the pens; and equipping certain of these fountain pens with gold-plated brass pen points which are stamped "14k gold plated," said pen points being so inserted that the words "gold plated" are hidden, thereby misleading the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: (Ante, complaint No. 663).

Complaint No. 670.--Federal Trade Commission v. James Kelley. Charge: Using unfair methods of competition in the sale of fountain pens and boxes therefor by marketing fountain pens in boxes or containers labeled with fictitious prices many times greater than the fair market value of the pens, thereby enabling dealers to defraud the purchasing public and mislead it into the belief that a high-grade pen is being sold at a reduced price, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: (Ante, complaint No.663).

Complaint No. 671.--Federal Trade Commission v. Everett Jones, trading under the name and style of the Standard Pen Co. Charge: Using unfair methods of competition by offering and selling fountain pens fitted with gold-plated brass pen points stamped "14k. gold plated" with said points so inserted as to make invisible the word "plated," and also selling circulars to accompany the pens when resold, which circulars purport to describe the pens and include false and misleading statements as to price and guaranty, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: (Ante, complaint No.663).

Complaint No. 672.--Federal Trade Commission v. Karl Guggenheim (Inc.). Charge: Using unfair methods of competition by offering and selling fountain pens in boxes stamped with fictitious resale prices many times greater than the fair market value of the pens and marking certain of its pen points "14k. gold," when in fact no part of said pen is gold, thereby misleading and defrauding the purchasing public, in alleged violation of section 5 of the Federal Trade

Commission act. Disposition: (Ante, complaint No. 663).

Complaint No. 673.--Federal Trade Commission v. Ed. Hahn and E. G. Hahn, a copartnership doing business under the name of Ed. Hahn. Charge : Using unfair methods of competition in the sale of fountain pens and boxes

therefor by marketing fountain pens in boxes or containers labeled with fictitious prices many times greater than the fair market value of the pens, thereby enabling dealers to defraud the purchasing public and mislead it into the belief that a high-grade pen is being sold at a reduced price, In alleged violation of section 5 of the Federal Trade Commission act. Disposition: (Ante, complaint No. 663).

Complaint No. 674.--Federal Trade Commission v. Davidson, Leay, Adams Co. Charge: Using unfair methods of competition in the purchase and sale of eggs, poultry, butter, and other produce by adopting the practice, at Clarkson, Ky., of paying prices higher than prevailing market prices, with the intent of stifling and suppressing competition and establishing a monopoly in the purchase of produce at that point, in alleged violation of section 5 of the Federal Trade Commission act. Disposition : After hearing, the complaint in this proceeding was dismissed.

Complaint No. 692.--Federal Trade Commission v. Paul Forbriger and August Bentkamp, partners styling themselves Paul Forbriger & Co. Charge: Using unfair methods of competition in the sale of Swiss "Inventic" watches by attempting to restrict jobbers to the American source of supply by means of intimidation and threats of suits for damages and by preventing jobbers from advertising the sale of such watches at less than the fixed price by inducing the publishers of said journals to refuse such advertisements, 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 the practices complained of.

Complaint No. 693.--Federal Trade Commission v. Carbo Oil Co. (Ohio). Charge : Using unfair methods of competition in the sale of oil by attempting to imitate the products of the Vacuum Oil Co., known to the trade as "Mobil oil," by designating its product as "Mobile A Oil," and falsely representing it as the product of the Vacuum Oil Co. bought by the respondent from the United States Government and by holding itself out as "Distributors of the U. S. A. oils," when in fact it sells no product which has been the property of the Federal Government, and by stenciling on its containers the letters "U. S. A.," with the effect of misleading and deceiving the purchasing public, 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 the practices charged in the complaint.

Complaint No. 696.--Federal Trade Commission v. Alfred Klesner, doing business under the trade name and style of Shade Shop, Hooper & Klesner. Charge : Using unfair methods of competition by appropriating and simulating the trade name and style of "The shade shop" adopted by one Sammons for the conduct of his business in the city of Washington and by false and misleading statements made for the purpose of deceiving the purchasing public into the erroneous belief that the shop owned and operated by the respondents is identical with the Sammons shop, in alleged violation of section 5 of the Federal Trade Commission act. Disposition : After hearing, the commission entered its order requiring the respondents to cease and desist from the practices complained of.

Complaint No. 701.--Federal Trade Commission v. Samuel E. Bernstein. Charge: Using unfair methods of competition in the sale of cutlery, by labeling an inferior grade of American cutlery as "Sheffield" without other marks to show the true place of origin, with the effect of misleading and deceiving the purchasing public into the belief that the respondent's cutlery is of the good quality manufactured in Sheffield, England, in alleged violation of section 5 of the Federal Trade Commission act. Disposition : After hearing, the commission entered its order requiring the respondent to cease and desist from the practices complained of.

Complaint No. 702.--Federal Trade Commission v. Western Electric Co. (Inc.). Charge: Using unfair methods of competition in the manufacture and sale of telephonic appliances, equipment, and supplies while functioning as the manufacturing department of the American Telephone & Telegraph Co. and competing with other manufacturers and dealers for the business of in-

dependent telephone companies by (a) contracting for the sale of its goods at fixed prices on condition that purchasers will not use the telephonic equipment sold by competitors of the respondent; (b) making false and misleading statements to the effect that independent companies using its equipment will thereby secure better terms from the "Bell system" for toll service or will be unable to secure long-distance or toll connections without the use of re-

spondent's equipment; (c) utilizing the influence of banks to induce independent telephone companies to purchase their appliances, equipment, and supplies from the respondent; (d) procuring the cancellation of contracts entered into between independent telephone companies and respondent's competitors by special reductions in its prices to such prospective customers; and (e) falsely representing that certain of its competitors are going out of business or closing branch offices and that the customers of said competitor will thereupon be unable to secure repair parts and additional equipment, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, the commission dismissed its complaint in this proceeding.

Complaint No. 703.--Federal Trade Commission v. Morgan Razor Works. Charge: Using unfair methods of competition in the sale of razor strops by adopting the trade names established by the Torrence Co. with the effect of misleading and deceiving the purchasing public into the belief that the razor strops sold by the respondent are the products of J. S. Torrence Sales Co., 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 the practices charged in the complaint.

Complaint No. 704.--Federal Trade Commission v. Wagner Razor Strop Co. Charge: Using unfair methods of competition in the sale of razor strops by adopting the trade names established by the Torrence Co. with the effect of misleading and deceiving the purchasing public into the belief that the razor strops sold by the respondent are the products of T. S. Torrence Sales Co., in alleged violation of section 5 of the Federal Trade Commission act. Disposition: (Ante, complaint No. 703).

Complaint No. 706.--Federal Trade Commission v. Consolidated Oil Co. (Manchurian Linseed Oil Co., Standard v. Linseed Co., Southern States Turpentine Co., and Standard Paint & Lead Co.). Charge : Using unfair methods of competition in the sale of oil by designating a low-quality oil product as "Glidden core oil," in simulation of the trade name of a favorably known core oil of superior quality formerly manufactured by the Glidden Co. and by selling a roof paint composed of 98 per cent coal tar as "Graphite carbon roof paint" and "Carbon roof paint" to mislead the purchasing public into the belief that the respondent's roof paint is of good quality with the graphite of free carbon as the chief constituent material in alleged violation of section 5 of the Federal Trade Commission act. Disposition : After hearing, the commission entered its order to cease and desist.

Complaint No. 707.--Federal Trade Commission v. Buffalo-Springfield Roller Co. Charge: Using unfair methods of competition in the sale of rollers and old machinery by offering and giving to public officials and prospective customers and competitors' customers gratuities, including money, liquor, cigars, meals, theater tickets, and entertainment, as an inducement to influence said public officials and employees to purchase from respondent its rollers and other old machinery, in alleged violation of section 5 of the Federal Trade Commission act. Disposition : After hearing, this proceeding was dismissed without prejudice.

Complaint No. 709.--Federal Trade Commission v. Cigar Manufacturers' Association, of Tampa, Fla., an incorporated association, its officers. and member cigar manufacturers; the Tampa Box Co., a corporation; D. N. Holway, J. W. Young, and J. Van Roe, copartners under the firm name and style of D. N. Holway & Co.; George F. Weidman, T. D. Fishier, and J. A. B. Anderson, copartners under the firm name and style of Weidman-Fisher & Co. Charge: That the respondent cigar manufacturers attempted to restrain competition in the sale of cigars and to create a monopoly of the supply of an essential element in the sale of cigars by entering into an agreement with the respondent, cigar box manufacturers, the intent and effect of which was to vest in the respondent association control of the supply of cigar boxes upon which the manufacture of cigars in Tampa and vicinity are dependent, the respondent association employing its control of the supply of cigar boxes to deny and to withhold from nonmembers

and competing cigar makers their necessary supply of boxes, in alleged violation of section 5 of the Federal Trade Commission act. Disposition : After hearing, respondents herein were ordered to cease and desist from the practices complained of.

Complaint No. 711.--Federal Trade Commission v. A. L. Bramble, trading under the name and style of A. L. Bramble Co. Charge: Using unfair methods of competition in the sale of ship chandlery by giving expensive gifts and large sums of money in the form of cash commissions to officers and employees of

ships to induce them to purchase ship chandlery supplies from the respondent, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After consideration, the Commission dismissed its complaint In this case.

Complaint No. 712.--Federal Trade Commission v. Lee Canfield, P. E. Canfield, and George B. Shaler, partners styling themselves the Best Oil Co., and M. E. Cornell. Charge: Using unfair methods of competition by attempting to imitate the products of the Vacuum Oil Co. by simulating its trade names and by the employment of the respondent, M. E. Cornell, who in the course of former employment with the Vacuum Oil Co. came into the possession of valuable trade secrets, who states to purchasers of the respondent's products that such products are the same as those of the Vacuum Oil Co., and suggests that they be sold from the Vacuum Oil Co.'s containers as "Genuine mobile oils," thereby causing customers and prospective customers to believe that the products of the respondents are those of the Vacuum Oil Co., in alleged violation of section 5 of the Federal Trade Commission act. Disposition : After hearing, an order was entered requiring the respondents to cease and desist from the practices charged in the complaint.

Complaint No. 713.--Federal Trade Commission v. Hall-Marvin Co. and the Reynolds-Thompson Co. Charge: Using unfair methods of competition in that the respondents, controlled by the same stockholders, carry on their business in such a manner as to mislead the purchasing public into the belief that their business and goods are the same as those of the long-established and favorably known Herring-Hall-Marvin Safe Co., and, to further the deception, have established their office at 393 Broadway, New York, directly opposite the principal office of said Herring-Hall-Marvin Safe Co., and display their advertising matter in such a manner as to create the false impression that the respondents and the Herring-Hall-Marvin Safe Co. are one and the same, all in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, the Commission entered its order to cease and desist.

Complaint No. 715.--Federal Trade Commission v. United Allegetti Co. Charge : Using unfair methods of competition in that the name under which the respondent was incorporated, the names, brands, and marks of its goods, and its advertising matter simulate those of the long-established and favorably known Allegetti Chocolate Cream Co., with the purpose of deceiving the public and leading the public to believe that its candies are the same as those manufactured and sold by the said original Allegetti Co., in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, the Commission ordered respondent to cease and desist from the methods complained of.

Complaint No.717.--Federal Trade Commission v. United Chemical Products Corporation. Charge : Using unfair methods of competition in the manufacture and sale of dyestuffs and chemicals by giving cash commissions to dyers and other employees of its customers and prospective customers as an inducement to influence such employees to recommend to their employers the purchase of the respondent's product in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order to cease and desist was entered.

Complaint No. 718.--Federal Trade Commission v. Wood & Co. (Inc.). Charge: Using unfair methods of competition by loaning to proprietors of hotels and restaurants sets of coffee urns without consideration other than that the customers receiving same enter into agreements or understandings with the respondent that they will purchase their coffee, teas, and spices from the respondent, the effect of which is to substantially lessen competition and create a monopoly, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, the complaint in this proceeding was dismissed.

Complaint No. 719.--Federal Trade Commission v. Commercial Importing Co. (Inc.). Charge : Using unfair methods of competition by loaning to proprietors of hotels and restaurants sets of coffee urns without consideration other than that the customers receiving same enter into

agreements or understandings with the respondent that they will purchase their coffee, teas, and spices from the respondent, the effect of which is to substantially lessen competition and create a monopoly in alleged violation of section 5 of the Federal Trade Commission act. Disposition : (Ante, complaint No. 718).

Complaint No. 720.--Federal Trade Commission v. Richardson & Holland (Inc.). Charge : Using unfair methods of competition by loaning to proprietors of motels and restaurants sets of coffee urns without consideration

other than that the customers receiving same enter into agreements or understandings with the respondent that they will purchase their coffee, teas, and spices from the respondent, the effect of which is to substantially lessen competition and create a monopoly, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: (Ante, complaint No. 718).

Complaint No. 721. --Federal Trade Commission v. D. Davies & Co. Charge: Using unfair methods of competition by loaning to proprietors of hotels and restaurants sets of coffee urns without consideration other than that the customers receiving same enter into agreements or understandings with the respondent that they will purchase their coffee, teas, and spices from the respondent, the effect of which is to substantially lessen competition and create a monopoly, in alleged violation of the Federal Trade Commission act. Disposition: (Ante, complaint No.718).

Complaint No. 722. --Federal Trade Commission v. Matthews & Kerr (Inc.). Charge : Using unfair methods of competition by loaning to proprietors of hotels and restaurants sets of coffee urns without consideration other than that the customers receiving same enter into agreements or understandings with the respondent that they will purchase their coffee, teas, and spices from the respondent, the effect of which is to substantially lessen competition and create a monopoly, in alleged violation of section 5 of the Federal Trade Commission act. Disposition : (Ante, complaint No.718).

Complaint No. 723. --Federal Trade Commission v. Defiance Tea & Coffee Co. (Inc.). Charge : Using unfair methods of competition by loaning to proprietors of hotels and restaurants sets of coffee urns without consideration other than that the customers receiving same enter into agreements or understandings with the respondent that they will purchase their coffee, teas, and spices from the respondent, the effect of which is to substantially lessen competition and create a monopoly, in alleged violation of section 5 of the Federal Trade Commission act. Disposition : (Ante, complaint No.718).

Complaint No. 724. --Federal Trade Commission v. Martin Marks Coffee Co. Charge : Using unfair methods of competition by loaning to proprietors of hotels and restaurants sets of coffee urns without consideration other than that the customers receiving same enter into agreements or understandings with the respondent that they will purchase their coffee, teas, and spices from the respondent, the effect of which is to substantially lessen competition and create a monopoly, in alleged violation of section 5 of the Federal Trade Commission act. Disposition : (Ante, complaint No.718).

Complaint No. 725. --Federal Trade Commission v. C. H. Korb and W. M. Dwyer, doing business under the firm name and style of Korb & Dwyer. Charge: Using unfair methods of competition by advertising for sale "several hundred thoroughly rebuilt Dalton adding and listing machines," thus falsely representing the second-hand machines that they had for sale as rebuilt, when, in fact, they had only been repaired, with the effect of misleading and deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, the Commission entered its order requiring respondents to cease and desist from the practices charged.

Complaint No. 729. --Federal Trade Commission v. South Bend Bait Co. Charge : Tending to create a monopoly in the manufacture and sale of fishing tackle and artificial bait by making price discriminations between customers by varying its rates of trade discount in accordance with its classification of customers and without regard of the quantity purchased, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After learning, an order was entered requiring respondent to cease and desist from the practices complained of.

Complaint No. 730. --Federal Trade Commission v. Frank Dalby and Walter Hardwick, doing business as a partnership under the firm name and style of Dalby & Hardwick. Charge : Using unfair methods of competition by engaging in the practice of obtaining from their competitor, the Gordon-Van Tine Co., estimates and bids on numerous items of building material without

disclosing the fact that they were its competitors, and using said estimates and bids in seeking customers in competition with said company and for the purpose of underbidding it and of injuring it by putting it to the expense of making estimates and bids from which no orders could follow, all in alleged violation of section 5 of the Federal Trade Commission act Disposition : Dismissed without prejudice.

Complaint No. 731.--Federal Trade Commission v. The Excelsior Shoe Co. Charge : Using unfair methods of competition by the unauthorized use of the

words "Boy Scouts" as 31 trade-mark for its shoes and in the advertisement, thereby creating the erroneous belief that its shoes have been approved by the Boy Scouts of America and are labeled as aforesaid by the authority of the said organization, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: Dismissed without prejudice, and new complaint, with similar charges, issued. (See complaint No. 831 in list of proceedings pending.)

Complaint No. 732.--Federal Trade Commission v. Winthrop Chemical Co. (Inc.). Charge : Using unfair methods of competition by advertising and claiming the exclusive right to manufacture and sell "Veronal," when in truth and in fact three licensees of the Federal Trade Commission, under the authority contained in the trading with the enemy act, have acquired full right and authority to make and sell said preparation, with the effect of misleading and deceiving the purchasing public, in violation of section 5 of the Federal Trade Commission act. Disposition: Complaint dismissed for the reason that the patent in question expired February 14, 1922, and the Commission's license under such patent automatically expired with the patent and therefore the Commission had no jurisdiction in the premises.

Complaint No. 788.--Federal Trade Commission v. E. F. Houghton & Co. Charge : Using unfair methods of competition in the manufacture and sale of textile-mill supplies, including soaps and greases, by offering and giving cash commissions or gratuities to finishers and other employees in textile mills as an inducement to recommend the purchase of respondent's products in preference to the products of competitors of the respondent, in alleged violation of section 5 of the Federal Trade Commission act. Disposition : Dismissed.

Complaint No. 785.--Federal Trade Commission vi Bartlett Manufacturing Co. Charge : Using unfair methods of competition by marking the dial or face of certain of its clocks "Made in U. S. A.," thereby conveying the impression, which is furthered by false representations to customers, that the clocks are made in the United States, when in truth and in fact the works or the principal parts of said clocks which are not exposed or open to view are made in Wurtemberg, Germany, and are so marked and are of a cheaper grade and of less monetary value than similar American products, with the effect of misleading and deceiving the purchasing public, in violation of section 5 of the Federal Trade Commission act. Disposition : Dismissed, for the reason that the respondent had gone out of business and its assets were in the hands of a duly appointed receiver in bankruptcy.

Complaint No. 737.--Federal Trade Commission v. Margaret Newson and George B. Ketchum, doing business under the name and style of the Model Market. Charge : Using unfair methods of competition by offering and giving to captains and other officers of vessels cash commissions and gratuities to induce them to purchase their meats, poultry, fish, vegetables, and other food products from the respondents, in alleged violation of section 5 of the Federal Trade Commission act. Disposition : After hearing, the Commission entered its order requiring the respondents to cease and desist from the practices charged in the complaint.

Complaint No. 739.--Federal Trade Commission v. F. G. McFarlane. Charge: Using unfair methods of competition by offering and giving to officers of vessels and agents of the owners of such vessels valuable gifts, cash commissions, and gratuities, and lavish entertainment to induce them to purchase ship chandlery, steward's supplies, deck, engine, and cabin supplies from the respondent, in alleged violation of section 5 of the Federal Trade Commission act. Disposition : After bearing, the Commission entered its order requiring the respondent to cease and desist from the practice complained of.

Complaint No. 743.--Federal Trade Commission v. Ernst Bischoff Company (Inc.). Charge : Using unfair methods of competition in the manufacture and sale of textile-mill supplies, including dyestuffs, soaps. and oils, by offering and giving cash commissions or gratuities to dyers, finishers, and other employees in textile mills as an inducement to recommend the purchase of respondent's product in preference to the products of competitors of the respondent, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After

hearing, the Commission entered its order requiring respondent to cease and desist from the practice charged in the complaint.

Complaint No. 744.--Federal Trade Commission v. Wm. Robinson, doing business under the name and style of Southern Machine Works. Charge : Using unfair methods of competition in the business of repairing ships and furnishing repair parts by giving to engineers and other officers and employees of vessels

valuable gifts and gratuities as an inducement to have the ships operated by them for the owners thereof repaired by the respondent, in alleged violation of section 5 of the Federal Trade Commission act. Disposition : After hearing, the commission entered its order requiring respondent to cease and desist from the practice charged in the complaint.

Complaint No. 750.--Federal Trade Commission v. Benjamin H. Cappe, trading under the name and style of Asbestos Roofing Co. Charge: Using unfair methods of competition by publishing false and deceptive statements as to the quality of respondent's "asbestos liquid roofing," which falsely represents his product as made of the same material as those which enter into a favorably known roof-coating preparation, the product of a prominent manufacturer of asbestos products, and by simulation of its trade name, with the effect of misleading and deceiving the purchasing public, in violation of section 5 of the Federal Trade Commission act. Disposition : After hearing, the complaint was dismissed for failure of proof.

Complaint No. 751.--Federal Trade Commission v. Crystal Ice & Storage Co. Charge : That the respondent by acquiring control of the Mt. Hood Ice Cream Co. and Hazelwood Ice Cream Co. and the Norman Ice Cream Co. tends to suppress competition, restrain commerce, and create a monopoly in the manufacture and sale of ice cream in the Oregon and Washington territory served by said companies and the respondent, in alleged violation of section 5 of the Federal Trade Commission act. Disposition : After hearing, the complaint was dismissed for failure of proof.

Complaint No. 752.--Federal Trade Commission v. Juvenile Shoe Co. (Inc.). Charge: Using unfair methods of competition by simulating the name, trademark, labels, tags, and stamping of the Juvenile Shoe Corporation, a previously incorporated manufacturer of children's shoes of superior quality selling for higher prices than the shoes sold by the respondent, with the effect of misleading and deceiving the purchasing public, in violation of section 5 of the Federal Trade Commission act. Disposition : After hearing, the respondent was ordered to cease and desist from the practices complained of.

Complaint No. 753.--Federal Trade Commission v. De Soto Paint Manufacturing Co. Charge : Using unfair methods of competition in the manufacture and sale of paints, stains, varnishes, etc., by paying rebates or bonuses to certain purchasers of its "De Soto heavy body paints," and by giving certificates redeemable for cash to professional or contracting painters as a means of inducing them to further the sale of respondent's products to the exclusion of products of competitors of the respondent, in alleged violation of section 5 of the Federal Trade Commission act. Disposition : After hearing, the commission entered its order requiring respondent to cease and desist from the practices charged.

Complaint No. 754.--Federal Trade Commission v. H. Skourap and D. E. Toplon, partners, styling themselves National Products Co. Charge : Using unfair methods of competition by means of combination sales and false statements concerning their groceries which mislead the public to believe that staple products are sold at prices below current retail prices, whereas the listing of other items included in the combination offer at prices greater than current retail prices results in a price for the whole substantially the same or greater than prices charged by retailers for like assortments as a whole, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, the complaint herein was dismissed for failure of proof.

Complaint No. 755.--Federal Trade Commission v. Clara L. Doll, doing business under the trade name of Burham Safety Razor Co. Charge : Using unfair methods of competition by assembling, packing, and selling safety razors in individual boxes or containers which are stamped, marked, or branded with fictitious, misleading, and excessive prices calculated to mislead and deceive the purchasing public as to the grade or quality of the said safety razors, in alleged violation of section 5 of the Federal Trade Commission act. Disposition : After hearing, the respondent was ordered to cease and desist from the practices complained of.

Complaint No. 756.--Federal Trade Commission v. Mucklestone Oil Co. and M. Mucklestone.
Charge: Using unfair methods of competition in the sale of capital stock of the respondent company by the use of numerous false and misleading statements with respect to the location, ownership, productivity, and value of respondent's oil interests, with the effect of misleading and deceiving

the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After bearing, the commission dismissed its complaint in this proceeding.

Complaint No. 757.--Federal Trade Commission v. Burk-Rex Oil Co. and James A. Buie. Charge: Using unfair methods of competition in the sale of capital stock of the respondent company by the use of numerous false and misleading statements with respect to the purpose of the sale of such stock, salaries paid officers and directors, nonassessability of the stock, value and location of oil leases, and earning power, with the effect of misleading and deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After bearing, the commission dismissed its complaint for failure of proof.

Complaint No. 758.--Federal Trade Commission v. Gerald D. Grosner, trading under the name and style of Grosner's. Charge: Using unfair methods of competition by advertising and selling at retail underwear composed in part only of wool, as "Natural wool," "Natural Australian wool," and "Fine natural Australian worsted," with the effect of misleading and deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, the Commission entered its order requiring respondent to cease and desist from the practices complained of.

Complaint No. 759.--Federal Trade Commission v. Union Pencil Co. (Inc.). Charge: Using unfair methods of competition in the sale of pencils with the purchaser's name imprinted thereon by falsely advertising that the pencils are "engraved in gold," when in fact gold leaf is not used, but a substance known as "autofoil," with the effect of misleading and deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, respondent was ordered to cease and desist from the practices charged in the complaint.

Complaint No. 762.--Federal Trade Commission v. Dixie Manufacturing Co. (Inc.) (New York). Charge: Using unfair methods of competition in the purchase and resale of razors by printing on the containers in which its razors were sold fictitious and excessive prices calculated to deceive the purchasing public as to the grade or quality of said razors, and by falsely representing itself as having a large factory from which it sells direct to the consumer and by making other numerous false and misleading statements in advertising its razors, with the effect of misleading and deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: Complaint dismissed for the reason that the respondent corporation, by operation of law, had ceased to exist.

Complaint No. 763.--Federal Trade Commission v. Hygrade Knitting Co. (Inc.). Charge: Using unfair methods of competition by simulating the incorporating name and the names, brands, and marks of the goods of the Hygrade Knitting Mills, a long-established New Jersey corporation, with the purpose and effect of deceiving and misleading the purchasing public into the belief that the goods of the respondent are those of Hygrade Knitting Mills, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order to cease and desist was entered.

Complaint No. 764.--Federal Trade Commission v. Paul Balme, trading under the name and style of B. Paul. Charge: Using unfair methods of competition in the manufacture and sale of a hair dye, designated a "Henna D'Oreal," which simulates the trade name and wrapping of a hair dye sold by F. L. Lebeu (Inc.), long and favorably known as "L'Oreal Henne," and by falsely advertising his product as a new French coloring providing the only harmless coloring in the world, with the effect of misleading and deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, respondent was ordered to cease and desist from the practices complained of.

Complaint No. 765.--Federal Trade Commission v. National Furniture Co. Charge: Using unfair methods of competition in the sale of furniture and house furnishing goods at retail by falsely advertising "No extra charge for credit," whereas substantial discounts from quoted or marked prices are in fact given when goods are sold for cash, in alleged violation of section 5

of the Federal Trade Commission act. Disposition: After hearing, the commission entered its order to cease and desist.

Complaint No. 766.--Federal Trade Commission v. Julius Lansburgh Furniture Co. Charge: Using unfair methods of competition in the sale of furniture and house-furnishing goods at retail by falsely advertising "No extra charge

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for credit," whereas substantial discounts from quoted or marked prices are in fact given when goods are sold for cash, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: (Ante, complaint No.765).

Complaint No. 768.--Federal Trade Commission v. Keen & Collins (Inc.). Charge : Using unfair methods of competition by falsely advertising that it features gowns of the well and favorably known "Harry Collins" model, whereas the respondent has never had for sale any gowns of the Harry Collins model, with the effect of misleading and deceiving the purchasing public and injuring the business of the owner of the Harry Collins models, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: Dismissed without prejudice.

Complaint No. 769.--Federal Trade Commission v. Beckwith-Chandler Co., C. W. Slocum, A. F. Adams, C. H. Bull, M. D Campbell, A. N. Merrill, John F. Young, W. D. Ramsey, and Halsey Tolman. Charge : Using unfair methods of competition in the sale of varnish by giving cash commissions and gratuities to foremen, finishers, and other employees of automobile and carriage manufacturers and purchasers of varnish in large quantities without the knowledge or consent of their employers, to induce them to recommend the purchase of and giving preference to the respondent's varnish to the exclusion of the varnish of respondent's competitors, in alleged violation of section 5 of the Federal Trade Commission act. Disposition : After hearing, the Commission directed the respondents to cease and desist from the practices charged in the complaint.

Complaint No. 772.--Federal Trade Commission v. Geneva Cutlery Corporation. Charge : Using unfair methods of competition in the manufacture and sale of razors by printing fictitious and excessive prices on the containers in which its razors are sold, with the effect of misleading and deceiving the purchasing public as to the quality of its product and assisting retailers in the use of unfair methods of competition against respondent's competitors who do not falsely price mark their product, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, the Commission entered its order requiring the respondent to cease and desist from the practice complained of.

Complaint No. 773.--Federal Trade Commission vi The J. R. Torrey Razor Co. Charge: Using unfair methods of competition in the manufacture and sale of razors by printing fictitious and excessive prices on the containers in which its razors are sold, with the effect of misleading and deceiving the purchasing public as to the quality of its product and assisting retailers in the use of unfair methods of competition against respondent's competitors who do not falsely price mark their product, in alleged violation of section 5 of the Federal Trade Commission act. Disposition : (Ante, complaint No.772).

Complaint No. 777.--Federal Trade Commission v. Phillips Brothers & Co. Charge : Using unfair methods of competition in the manufacture and sale of pork sausage by labeling its product so as to simulate in size, style of type, typographic arrangement, and general appearance the labeling of a similar and favorably known product marketed since 1859 by the Jos. Phillips Co., with the effect of misleading and deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Disposition : After hearing, the Commission entered its order requiring the respondents to cease and desist from the practices complained of.

Complaint No. 779.--Federal Trade Commission v. J. H. Dodson and F. M. Davis, partners, styling themselves the National Manufacturing Co. Charge : Using unfair methods of competition in the purchase and resale of razors and cutlery specialties by making numerous false and misleading statements in their advertising matter as to the manufacture, quality, value, and price of the razors and the hone given as a premium therewith, with the effect of misleading and deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Disposition : Dismissed.

Complaint No. 780.--Federal Trade Commission v. Amory & Moore (Inc.). Charge : Using unfair methods of competition by offering and giving valuable gifts, cash commissions, and

gratuities to captains, officers, and other employees of vessels without the consent of the owners thereof to induce them to purchase ship chandlery supplies from the respondent, in alleged violation of section 5 of the Federal Trade Commission act. Disposition : After hearing, the Commission entered its order to cease and desist.

Complaint No. 781.--Federal Trade Commission v. The Salt Producers' Association, Michigan Salt Association, Michigan Salt Works, International

Salt Co. of New York, Worcester Salt Co., The Colonial Salt, Co., Morton Salt Co., Ohio Salt Co., Mulkey Salt Co., Inland-Delray Salt Co., Diamond Crystal Salt Co., Stearns Salt & Lumber Co., The Buckley & Douglas Lumber Co., Cutler Magner Co., Union Salt Co., Carey Salt Co., Barton Salt Co., Anthony Salt Co., and D. B. Doremus. Charge: Using unfair methods of competition which have a tendency to substantially lessen competition by the respondent association fixing and maintaining their prices in substantial conformity with the prices quoted by thie respondent, Morton Salt Co., the largest salt producer in the United States, and issued by said respondent to the members of respondent association; and by agreement allowing discounts to those customers only who are listed in the trade directory of wholesale dealers approved for said purpose by the respondent association, in alleged violation of section 5 of the Federal Trade Commission act and section 2 of the Clayton Act. Disposition: After hearing, the commission entered its order requiring the respondents to cease and desist from the practices charged In the complaint.

Complaint No. 782.--Federal Trade Commission v. D. J. Carpenter, trading under the name and style of U. S. Salvage Co. Charge : Using unfair methods of competition by publishing false and misleading statements as to the value and quality of his goods and his source of supply and by the use of a trade name indicating salvage operations and business relations with the Government, when in fact the respondent does not conduct a salvage business and has no contract with the United States, but is engaged in the main in selling goods which were never owned by the United States or manufactured for it, with the effect of misleading and deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Disposition : Dismissed, it appearing to the commission that the respondent herein had gone out of business and that his business and assets were in the hands of a trustee in bankruptcy.

Complaint No. 783.--Federal Trade Commission v. A. Lisner, trading under the name and style of Palais Royal. Charge : Using unfair methods of competition by advertising and offering for sale certain toilet articles made of nitrate cellulose or some other compound as "white ivory," with the effect of misleading and deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order to cease and desist was entered.

Complaint No. 784.--Federal Trade Commission v. M. G. Gibbs, trading under the name and style of People's Drug Stores. Charge: Using unfair methods of competition by advertising and offering for sale toilet articles made of nitrate cellulose or some other compound as "pyralin ivory," with the effect of misleading and deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Disposition : (Ante, complaint No.783).

Complaint No. 787.--Federal Trade Commission v. Baeder, Adamson & Co. Charge : Using unfair methods of competition in the manufacture and sale of glue, sandpaper, etc., by offering and giving cash commissions and gratuities to superintendents and other employees of cabinet manufacturing establishments, etc., without the knowledge or consent of their employers, as an inducement to favor and recommend the purchase 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 to cease and desist was entered by the commission.

Complaint No. 788.--Federal Trade Commission v. Diamond Holfast Rubber Co. Charge : Using unfair methods of competition in that respondent by changing its corporate name from Diamond Holfast Patch Co. to Diamond Holfast Rubber Co., and thereby simulating the corporate name of the Diamond Rubber Co., a well-known subsidiary of the B. F. Goodrich Co., and by marking its products with labels which feature the word "Diamond" and closely resemble the labels used by the Diamond Rubber Co., aims to mislead the purchasing public to believe the products of the respondent are the products of the Diamond Rubber Co., in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, respondent was ordered to cease and desist from the practice charged in the complaint.

Complaint No. 791.-Federal Trade Commission v. Chemical Fuel Company of America, Inc.
Charge : Respondent manufactures and sells a motor fuel which it designates as Tri-oxyalene. Unfair methods of competition are charged in that it is falsely claimed that the product has been thoroughly tested by the U. S. Bureau of Mines, fulfilling every claim made for it as a fuel par excellence, the facts being that no official test has been made by the bureau and that chemical engineers of the bureau who made unofficial tests did not regard

Tri-oxalene as having any commercial merit, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, the commission ordered the respondent to cease and desist from the practice charged in the complaint.

Complaint No. 797.--Federal Trade Commission v. Tousey Varnish Company. Charge: Unfair methods of competition in that respondent's varnish, which is not procured from the Government or manufactured for its use or made in accordance with any Government formula or specifications, is labeled "Government spar" with the effect of misleading and deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, the commission ordered the respondent to cease and desist from the practice charged in the complaint.

Complaint No. 798.--Federal Trade Commission v. Osa J. Smythe and S. W. Levy, partners, styling themselves Smythe & Levy. Charge: Unfair methods of competition in that the respondent, engaged in the sale of ship chandlery, has given cash commissions and gratuities of various kinds to captains, officers, and employees of ships to induce them to purchase ship chandlery supplies from the respondents, all in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, the commission ordered the respondent to cease and desist from the practice charged in the complaint.

Complaint No. 802.--Federal Trade Commission v. The Henkel-Clauss Company. Charge: Respondent sells razors, which are defective or otherwise unsuitable for ordinary market, labeled with fictitious resale prices many times greater than the fair market value of the razors, and marked "Special quality, fully warranted," of "Sheffield," with the purpose and effect of misleading the purchasing public as to the value and quality of its razors, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, the commission ordered the respondent to cease and desist from the practice charged in the complaint.

Complaint No. 803.--Federal Trade Commission v. Harry Rose, trading under the name and style of Sheffield Razor Company. Charge: The respondent advertises as "Importers and jobbers." when in fact he imports no razors but sells direct to the consuming public an inferior grade of American-made razors; furthermore, he labels his razors with fictitious resale prices many times greater than the actual value thereof, and thereby, with the aid of the name "Sheffield," misleads and deceives the purchasing public as to the value and quality of said razors, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: (Ante, complaint No.802.)

Complaint No. 805.--Federal Trade Commission v. Samuel Newcorn and Charles Green, partners styling themselves Newcorn & Green. Charge: Making numerous false and misleading statements concerning the value and quality of the men's clothing offered for sale and disparaging that offered for sale by their competitors, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: Dismissed for failure of proof.

Complaint No. 806.--Federal Trade Commission vi C. D. Higgins, trading under the name and style of C. D. Higgins Manufacturing Company. Charge: The respondent is engaged in the manufacture and sale of hones for sharpening razors and other cutlery, and in this connection labels his product with false and fictitious resale prices many times greater than the actual value thereof, thereby deceiving the purchasing public as to the value and quality of said hones, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, the commission entered its order directing the respondent to cease and desist from the practice complained of.

Complaint No. 808.--Federal Trade Commission vi Adolphe W. Harper, trading under the name and style of A. W. Harper Ship Chandlery. Charge: Unfair methods of competition in that cash commissions and gratuities are given to officers and employees of vessels without the knowledge of their employers for the purpose of inducing the purchase of ship chandlery supplies from the respondent, in alleged violation of section 5 of the Federal Trade Commission

act. Disposition : Dismissed.

Complaint No. 809.-Federal Trade Commission v. N. Shure Company. Charge: The respondent, in selling razors at wholesale, disposes of them in containers on which is printed "Extra hollow ground, fully warranted. Price \$3.00," the said price being a fictitious resale price, greater than the fair market value of the razor, thereby misleading the purchasing public as to the value and quality thereof in alleged violation of section 5 of the

Federal Trade Commission act. Disposition : After hearing, the Commission entered its order directing the respondent to cease and desist from the practice charged in the complaint.

Complaint No. 810.--Federal Trade Commission v. Abraham Belofsky and Benjamin Cutler, partners, styling themselves the Keystone Specialty Company. Charge : Respondents sell razors labeled with fictitious resale prices many times greater than the fair market value of the razors, thereby deceiving the purchasing public as to the value and quality thereof, in alleged violation of section 5 of the Federal Trade Commission act. Disposition : Dismissed because of the absence of interstate commerce.

Complaint No. 811.--Federal Trade Commission v. Irving Stern, Irving Kestin, S. W. Singer, and D. M. Rosenberg, partners, styling themselves Singer, Stern & Co. Charge : The respondents sell knives mounted on display cards on which are printed fictitious resale prices greater than the actual market value of the knives and not representative of their true worth, thereby deceiving the purchasing public as to the value thereof, in alleged violation of section 5 of the Federal Trade Commission act. Disposition : (Ante, complaint No.802).

Complaint No. 812.--Federal Trade Commission v. American Hone Company. Charge: The respondent sells razor hones in wholesale quantities marked with fictitious resale prices, greater than the fair market value of the hones and not representative of their true worth, thereby deceiving the purchasing public as to the value and quality of the hones, in alleged violation of section 5 of the Federal Trade Commission act. Disposition : (Ante, complaint No. 802).

Complaint No. 813.--Federal Trade Commission v. The M. S. Rodenberg Company. Charge: (Ante, complaint No.811). Disposition : (Ante, complaint No. 802).

Complaint No. 814.--Federal Trade Commission v. D. A. Fazzano, Michael Mirando, and Felix Mirando, partners, styling themselves the Imperial Knife Company. Charge: (Ante, complaint No.811). Disposition : (Ante, complaint No. 802).

Complaint No. 815.--Federal Trade Commission v. Stella Wagner, trading under the name and style of Wagner Art Company, and W. L. M. Clark. Charge : The respondent, the designer of an embroidery needle designated as the "Magic" needle, offers her products labeled with a fictitious resale price, greater than the fair market value of the needle and not representative of its true worth, thereby deceiving the purchasing public as to the value and quality thereof, in alleged violation of section 5 of the Federal Trade Commission act. Disposition : Dismissed because of failure of proof.

Complaint No. 816.--Federal Trade Commission v. The Bracher Company (Inc.). Charge : (Ante, complaint No.812). Disposition : (Ante, complaint No. 812).

Complaint No. 817.--Federal Trade Commission v. George Borgfeldt & Company. Charge : (Ante, complaint No.812). Disposition : (Ante, complaint No. 812).

Complaint No. 818.--Federal Trade Commission v. William E. Hinch. Charge: The respondent; engaged in the business of selling a general line of paints, stains, enamels, varnishes, etc., makes numerous false and misleading statements as to the value, quality, and manufacture of its goods and indicates U. S. Government connection therewith to deceive and mislead the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Disposition : After hearing, the Commission directed the respondent to cease and desist from the practice charged in the complaint.

Complaint No. 819.--Federal Trade Commission v. Planters Manufacturing Company. Charge : The respondent, a North Carolina corporation, engaged in the business of manufacturing and selling barrels, crates, baskets, etc., for the packing of fruit and vegetables, changed its name from Mount Olive Oil & Fertilizer Co. to Planters Manufacturing Company, and thereby adopted the name of the Planters Manufacturing Company, a long established and favorably known Virginia corporation, for the purpose of deceiving the purchasing public and misleading it to believe that the products of the respondent are those of said Virginia corporation, in alleged violation of section 5 of the Federal Trade Commission act. Disposition : After hearing, the

Commission directed the respondent to cease and desist from the practice charged in the complaint.

Complaint No. 822.--Federal Trade Commission v. J. V. Faick, trading under the name and style of J. V. Falck Supply Co. Charge : Unfair methods of

competition in that cash commissions and gratuities are offered and given to captains and other officers and employees of vessels without the knowledge of their employers to induce such officers and employees to purchase ship chandlery supplies from the respondent, in alleged violation of section 5 of the Federal Trade Commission act. Disposition : After hearing, the Commission directed the respondent to cease and desist from the practice charged in the complaint.

Complaint No. 823.--Federal Trade Commission v. Haas Brothers Packing Company, Inc. Charge : (Ante, complaint No.822). Disposition : After hearing, the Commission directed the respondent to cease and desist from the practice charged in the complaint.

Complaint No. 824.--Federal Trade Commission v. M. Nagelberg and E. Feigenbaum, partners styling themselves the Rochester Tailoring Co. Charge : The respondents, engaged in the manufacture and sale of clothing for men and boys in Scranton, Pa., label their clothes to indicate Rochester, N. Y., manufacture and thereby mislead the purchasing public to believe that the respondent's clothing is of the quality produced in Rochester and under Rochester manufacturing conditions as extensively advertised by the chamber of commerce and other business associations of that city, in alleged violation of section 5 of the Federal Trade Commission act. Disposition : After hearing, the Commission directed the respondents to cease and desist from the practice charged in the complaint.

Complaint No. 829.--Federal Trade Commission v. Cowley Packing Company, Inc. Charge: That cash commissions, gratuities, and lavish entertainments, including dinner and theater parties, are offered and given to officers and employees of vessels without the knowledge of their employers as an inducement to have their vessels provisioned by the respondent, in alleged violation of section 5 of the Federal Trade Commission act. Disposition : After hearing, the Commission directed the respondent to cease and desist from the practice charged in the complaint.

Complaint No. 830.--Federal Trade Commission v. David Halpern. Charge: (Ante, complaint No.827). Disposition: Dismissed, the respondent not being engaged in interstate commerce.

Complaint No. 832.--Federal Trade Commission v. E. E. White, trading under the name and style of White Star Market. Charge: That cash commissions and gratuities are offered and given to captains and other officers and employees of vessels without the knowledge of their employers to induce such officers and employees to purchase meats and vegetables from the respondent, or as a reward for such purchase, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, the Commission entered its order directing the respondent to cease and desist from the practice complained of.

Complaint No. 833.--Federal Trade Commission v. John J. Morrill and Louis Halvarson, partners styling themselves A. H. McLeod and Co. Charge: The respondents have offered and given cash commissions and gratuities to captains, engineers, and other officers or employees of vessels without the knowledge of their employers to induce the purchase of sails, rigging, and canvas equipment from respondent, In alleged violation of section 5 of the Federal Trade Commission act. Disposition : After hearing, the Commission entered its order directing the respondents to cease and desist from the practice complained of.

Complaint No. 839.--Federal Trade Commission v. Henry J. Briede and W. P. Rogovsky, partners doing business under the name and style of Briede and Rogovsky and the National Tailoring Company. Charge: The respondents simulated the name, address, slogans, advertisements, etc., of the National Tailoring Company (Chicago), long established and favorably known in the clothing trade, thereby leading the purchasing public. to believe that the respondent's goods were those of said National Tailoring Company. They also sold clothing directly to the consumer under the trade name "The Old Woolen Mills Company," when in fact they had no interest in any woolen mills and purchased all their clothing from other manufacturers, all in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : After hearing, the Commission entered its order directing the respondents to cease and desist from the practice complained of.

Complaint No. 843.--Federal Trade Commission v. Mary L. Hicks, doing business under the name of "Louise." Charge: That the respondent, by adopting the trade name "Louise" for her millinery business in Washington, D. C., simulated the trade name "Marie Louise" used by one Mary E. Baker

in the conduct of a long-established and favorably-known millinery establishment in said city, and thereby misled the purchasing public into the belief that the business and millinery of the respondent were identical with that of said Mary E. Baker, in alleged violation of section 5 of the Federal Trade Commission act. Disposition : After hearing, the commission entered its order directing the respondent to cease and desist from the practice complained of.

Complaint No. 841.--Federal Trade Commission v. Louis K. Liggett Company. Charge : The respondent in selling its combs advertised and labeled them as "Special, good ivory combs," and "Excellent pyralin ivory combs," and thereby misled the purchasing public to believe that its combs were made of ivory, when in fact they were made of a compound commercially known as pyralin, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, the commission entered its order directing the respondent to cease and desist from the practice complained of.

Complaint No. 846.--Federal Trade Commission vi A. S. Fox, trading under the name and style of Franklin Tire & Rubber Company, and L. Goodman. Charge: The respondents simulated the trade name of a long established and favorably known Ohio corporation, the "Franklin Tire & Rubber Company," thereby causing confusion in the tire and rubber trade and misleading the purchasing public to believe that the respondent's products were those of the said Ohio corporation, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, the commission dismissed the complaint without prejudice.

Complaint No. 847.--Federal Trade Commission v. Wriglit-Gowen Company, Inc., Brunswick, Georgia. Charge : (Ante, complaint No. 822). Disposition: After hearing, the commission entered its order directing the respondent to cease and desist from the charges alleged in the complaint.

Complaint No. 848.--Federal Trade Commission v. Union Soap Company. Charge : The respondent markets its laundry and toilet soaps, which are of inferior grade and quality, under various misleading and fanciful brand names and prints on its containers fictitious selling prices which are greatly in excess of the actual prices at which such soaps sell in the usual course of retail trade, in alleged violation of section 5 of the Federal Trade Commission act. Disposition : After hearing, the commission entered its order directing the respondent to cease and desist from the charges alleged in the complaint.

Complaint No. 854.--Federal Trade Commission v. Ruby K. Levy, trading under the name and style of Bernice Coal Company, and Simon Levy. Charge : The respondents made false and misleading statements as to the source, value, and quality of their coal and adopted the name "Bernice" in simulation of a favorably known grade of coal long designated "Bernice anthracite" thereby tending to mislead the trade and purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, the commission entered its order directing the respondents to cease and desist from the charges alleged in the complaint.

Complaint No. 855.--Federal Trade Commission vi Sol Goodman, Adolph Greenspan, and Irvine Greenspan, partners, trading under the name and style of Solus Manufacturers' Company. Charge : The respondents, engaged in the purchase of razors at wholesale at a cost approximating 45 each, and in the resale thereof at \$1.95 each in conjunction with a "free" razor hone, misrepresented themselves as a manufacturing company and advertised and labeled their products with fictitious and exaggerated resale prices in excess of those at which the razors are sold and at which the razor hones are valued, thereby misleading and deceiving the purchasing public, all in alleged violation of section 5 of the Federal Trade Commission act. Disposition : After hearing, the commission entered its order directing the respondents to cease and desist from the charges alleged in the complaint.

Complaint No. 860.--Federal Trade Commission v. H. W. Hebb Supply Company. Charge : (Ante, complaint No.739). Disposition: Dismissed.

Complaint No. 870.--Federal Trade Commission v. Nathan Horn and Eli U. Horn, partners,

doing business under the firm name of N. Horn & Son, otherwise known as Horn, The Tailor.
Charge : The respondents while conducting a series of tailoring establishments, published numerous false and misleading statements and advertisements to mislead the purchasing public into the belief that the clothing offered by them would be made from fabrics composed wholly of wool and containing no cotton, when in fact many of their fabrics were not composed wholly of wool, or of the finest grade of woolens, or of the finest

woolens money. can buy, as advertised, in alleged violation of section 5 of the Federal Trade Commission act. Disposition : After hearing, the commission entered its order directing the respondents to cease and desist from the charges alleged in the complaint.

RESALE PRICE MAINTENANCE CASES.

In addition to the above cases, the commission disposed of a number of complaints by dismissal, where the charge was maintenance of resale prices these complaints had been on suspense pending the decision of the Beechnut case in the Supreme Court of the United States, and after that decision these cases, if brought to trial, would have necessitated an entire new investigation because of their age, and so were dismissed without prejudice to the right of the commission to institute new proceedings in event it was found that the practices complained of were continued in conflict with the decision of the Supreme Court. The cases in point are listed below.

Complaint No. 25.--Federal Trade Commission 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.

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.

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 fall 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.

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 fixing 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.

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.

Complaint No. 99.--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.

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.

Complaint No. 141.--Federal Trade Commission v. The Evans Dollar 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.

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.

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.

Complaint No. 171.--Federal Trade Commission v. The Goodyear Tire & Rubber Co. Charge : Stifling and suppressing competition in the sale of automobile tires 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; 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.

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.

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.

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, and 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

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.

Complaint No. 189.-Federal Trade Commission v. H. L. Hildreth Co. Charge: Stifling and suppressing competition in the sale of candy 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.

Complaint No. 196.--Federal Trade Commission v. De Miracle 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.

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.

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 effect of which may be to substantially lessen competition or tend to create a monopoly, in violation of section 2 of the Clayton Act.

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 and 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.

Complaint No. 218.--Federal Trade Commission v. The Procter & Gamble Co. and the Procter & 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 carload 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.

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 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 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.

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.

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.

Complaint No. 269.--Federal Trade Commission v. American Graphophone Co., Columbia Graphophone 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.

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.

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 purchaser 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.

Complaint No. 342.--Federal Trade Commission v. Curtis & Co. Manufacturing Co., and Curtis Pneumatic Machinery Co. Charge: Stifling and suppressing competition in the manufacture and sale of various automobile accessories, particularly compressors, outfits, tanks, and pneumatic machinery, by fixing and maintaining 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 and 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.

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.

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.

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.

Complaint No. 444.--Federal Trade Commission v. The Gates Rubber Co. and J. R. Hunt 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, tire patches, and other automobile accessories by fixing and maintaining certain specified standard prices at which such products shall be resold to the purchasers thereof; 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.

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.

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.

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.

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.

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 urging others not 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.

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.