

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

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,

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 docketed 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 thereon.

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 newspaper 8 47/F1 and j 5.28911.0 pulp 47/F1 C.Ds grad

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 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 for

the commission

libraries

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

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.

Office F18s Tc TD / F1 9 Tfy r the c21.X

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	16,933.99
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	35,23.3 Tc -0.024 Tw (30I5m

PERSONNEL.

Charges in personnel.--The term of office for which

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

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

upon his giving satisfactory assurance that he

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

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 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.

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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

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.

*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

a consequence it is at

law charged in the respective complaints. Ninety-three complaints issued by the commission have charged violations of

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

The purpose of the commission

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

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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:

	1904		1905	
	Number	Per cent.	Number	Per cent.
Preliminary inquiries docketed	426	54	382	39
Filed without docketing	359	46	577	61

The reason for this change is because of the commission's precedents, increase in number and the field which they cover and the

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.

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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

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 offices of Presidents of the Standard (Standard) Tj -266.64 -11.7n6 Tc od 0

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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.

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AID TO OTHER BRANCHES OF THE GOVERNMENT.

Details regarding the assistance to the Department of

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 action 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. 0 Tprodic)96 0 TD 0 Tc () Tj 2.64h8mrh TDD 0 Tc ((2964;TD 0.0esa 0.0

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 act to

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.

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 distribution channels; and, in some cases, the ability to obtain better prices for goods sold abroad.

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 same has been cleared up.

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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 many

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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 of it.

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generally possessed trade-mark rights for the only names by which these and other

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 the royalties should be paid to 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 9 -4, mchemical Foundion of r oer wiAmiodcapayurchass, theakg

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 outcome and a single u

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

citizens and corporations to file or prosecute such

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 27

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 1.

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

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

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 whole or

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ANNUAL REPORT OF THE FEDERAL TRADE COMMISSION

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 attorney such Tw () Tj 1 () Tj rel0.0ng to Ty

made, any false entry in any account, record, or memorandum

EXHIBIT 2.

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

“Commerce,” as used herein, means trade or commerce among the Several Stat

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 line

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

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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

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

RULES OF PRACTICE. 85

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 waived 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
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transcript filed shall include argument or debate.

X. MOTIONS.

A motion in a proceeding by the Commission shall briefly state

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 1/2 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.

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

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 fu

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

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

TRADING WITH THE ENEMY ACT. 91

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

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 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 front the sale of the copyright work so herein licensed (or ___ per cent of the value of the use thereof to the licensee as established by the Federal Trade Commission).

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

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

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

(1) For the term of the patent or copyright, (2) the duration of the war, or (3) any other period, stating reasons in each case.

(h) The applicant also is (1) a citizen of the United States, (2) a resident of the United States, or (3) a corporation organized under the laws of the United States.

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 th

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.

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 of 100 Duffell v. United States, 1914, 100 F.2d 1000, 1001.

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

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.

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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

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 their products at such prices as they may deem to be, and as are, adequate and warranted by their respective selling costs and

“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

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

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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

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

“Apparently the former case was misapprehended. The latter opinion distinctly states that the

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 that act declared to be a public policy.

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

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 the suggested prices.

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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

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.

Charge;

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

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

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

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

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 public the publicpublicpublic

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. director Meat

section

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.96 33() Tj 4.56 0 TD 0.0156 Tc 0 Tw (No.) Tj 1458 0 TD 0 rg Trade.96

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

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 thereof thereofin

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

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 ~~CrudenisGommisssuchTD 0 TcnTradeCommissTc ducof~~

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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. unfai435 Tj 30 0 TD ramik,Tc 0.01.0Tw () T

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. ~~Billing~~ Oil TI /F0 9.96 Tf Trade

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

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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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 England, Walton & Co. (Inc.) and its subsidiaries and the subsequent organization by Swift
& Co. of respondent subsidiaries

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 paints,"U. Tw (aurchasing) Tj8 0o90

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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 sustained tTr77omm0 Tc 0.03 Tw () Tj 2.64 0 TD c c eme Court in sf2hhNsd

of the tTr77omm0 Tc 0.03 Tw () Tj 2.64 0 TD c c eme Court in sf2hhNsd

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 emp v.

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

stores

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 and - Fed of a bnT r a 1 . 0 0 3 T (

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 dñat

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

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,

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

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

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.

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.

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, .OF4cf3s.

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.

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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 llegal v -0.057 Tc 0 Tw (the)2 Tj 14.16 02TD 0 Tc 0.03prize () Tj 1.8 0 TD -0.0306 Tc 0 Tw

this proceeding without prejudice.
Complaint No. 351.-Federal Trade Co

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 as the name d Mastyle of J.ms, R. E. & j 13 (Antte, compla43.2 -11T

wholesale grocers, through whom respondent markets its products, certain prices or bonuses, with the effect of inducing the

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

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
to Rueckheim Bros. & Eckstein.

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

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

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
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

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 to purchase tickets, typewriters, and other goods.

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 in

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

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 the

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

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 ~~asas(1468)~~

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

other than that the customers receiving same enter into agreements 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 violation of section 5 of the Federal Trade Commission act. Disposition: (Ante, complaint No. 721).

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 coffee-

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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 "Veronál," when :

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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. 7,fz 49.92 0t2l 1.8 0 TD -0 750.-

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

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 ff act 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 lad for sale any gowns of the Harry Collins model, with the eff Harry of misleading (favorab Tw 0 Tw (the) Tj 12.12 0 TD 0 Tc 0

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competition by falsely adverti Tj 12.12 0 TD 0 Tc 0.03 T
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gratuities to captains, officers, and other employees of vessels without the consent of the owners thereof

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 Tw (1.6 0 TD 0 Tc 0.03 Tw () Tj 2.28 0

Complaint No. 791.-Federal Trade Commission v.

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 carols 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. Disposition : Dismissed because of the absence of interstate commerce. MD 0.0159 Tc 0 Tw (carols) Tj 23.88 00D 0 Tc 0.03 alleg

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.

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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

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

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 dealers are

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 0 TD4 j 57.24 0 TD 0 Tc 0.03

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

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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 and p u r c h a s e r s

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 of today's Cotes, and (resn

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.