ANNUAL REPORT

OF THE

FEDERAL TRADE COMMISSION

FOR THE

FISCAL YEAR ENDED JUNE 30, 1926

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FEDERAL TRADE COMMISSION

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EXHIBITS

REPORT BY DIVISIONS OF WORK

LEGAL DIVISIONS

Under this caption is reported the work relating to the prevention of unfair methods of competition prohibited by section 5 of the Federal Trade Commission act; and cases of price discrimination, tying contracts, corporate-stock acquisitions, and interlocking directorates, arising under sections 2, 3, 7, and 8, respectively, of the Clayton Act.

The various phases of the legal work are apportioned among five separate, independent divisions, each of which is responsible only to the commission. These are: Chief counsel's division, legal investigating division, board of review, trial examiners' division, and division of trade practice conferences.

STATISTICS AND PROCEDURE ON LEGAL WORK

The character and volume of the legal work performed can best be reflected in this report by the use of statistical tables supplemented by comment on representative cases. Therefore, tables have been prepared summarizing the work of the legal divisions and court proceedings for the current fiscal year, and also for the period covered by the life of the commission from its organization March 16, 1915, down to and including June 30, 1926. These tables are on pages 78 to 81.

Details of the procedure upon legal matters are set out in the following pages, being arranged in natural sequence from the initiation of a case to its own

The former are handled under the personal supervision of the chief examiner, the results being compiled and forwarded to the commission for its information or transmittal to Congress or the President.

Investigations preliminary to the possible issuance of complaints originate in several ways, i.e., by the direction of the commission, by information developed in other investigations, and in the great majority of eases by direct application to the commission at its headquarters or branch offices.

In filing a complaint with the commission no formalities are required. A letter suffices if it is signed by the complaining party and contains the name and address of the party complained against, together with a statement of the nature of relief sought. It should also transmit all the evidence in the possession of the complaining party.

Upon receipt by the chief examiner all matters are examined for necessary jurisdictional elements, such as public interest, unfair competition, interstate commerce, etc. Whenever necessary this examination is supplemented by correspondence or interviews. If the material is first presented at a branch office, the attorney in charge conducts the preliminary investigation, together with any necessary correspondence or interviews, and forwards the result of his work to the chief examiner, who passes upon it in the same manner as material originating at headquarters.

If the material examined is not within the jurisdiction of the com mission or is without merit, or if the matter is satisfactorily disposed of by conference or correspondence, the file is closed as an “Undocketed application.” If the matter is

BOARD OF REVIEW

OUTLINE OF PROCEDURE

The board of review is an organization consisting of five lawyers, established within the commission for the purpose of review, both as to the law and facts, before submission to the commission, the entire record of applications for the issuance of complaints investigated by the chief examiner's office wherein recommendation for the issuance of complaint. has been made by either the examining attorney or the chief examiner.

The statements of all witnesses interviewed by the commission'sby

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handle 255 applications for complaints, of which 200 were forwarded during the year and 55 pending at its end. In connection with these applications, 81 informal hearings were held.

TRIAL EXAMINERS' DIVISION

OUTLINE OF PROCEDURE

The trial examiners division functions under the direct supervision of the commission. Its work is divided into two classes, i.e., (1) settlement of applications for complaint by stipulation, and (2) presiding at the trial of complaints issued. This division was established December 1, 1925, primarily to afford an agency to administer the commission's new procedure and policies providing for the settlement of cases by stipulation, except where the public interest demanded otherwise, and providing also that prospective respondents should have a hearing prior to the issue of complaint.

During the short period since the stipulation rule has been in effect and by which rule respondents are permitted to stipulate facts and voluntarily agree to abandon unfair methods of competition, except in cases where the practices are fraudulent or so vicious that the protection of the public demands the legal procedure upon complaint and order, a total of 106 applications for complaints was disposed of by stipulation. These cases involved 109 separate respondents, each of which entered into a stipulation of the facts with an agreement to abandon the unfair methods of competition and cease and desist forever from the said practices in interstate commerce.

The stipulation rule, as contrasted to the complaint procedure, has resulted in a substantial saving in time and money to the Government and also to the prospective respondents, and at the same time has eliminated as

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The second important duty of the trial examiners' division is indicated by its name, i.e., the duty of presiding at the trial of all formal cases, hear motions of counsel, and rule upon the admissibility of testimony and evidence; adjourn hearing from time to time and when completed close the case; make up the record and prepare reports upon facts for the information of the commission and service upon respective counsel. The report upon the facts with exceptions thereto taken by counsel for the commission and counsel for the respondent is the basis of argument before the commission after final hearing of complaint cases on the merits.

SUMMARY OF WORK, 1926

The work of the trial examiners' division, like that of the other branches of the legal division, is reflected in the statistical tables on page 78. Copies of stipulations published to date are reproduced on page 154.

CHIEF COUNSEL

OUTLINE OF PROCEDURE

The chief counsel is the legal advisor to the commission and is charged with the prosecution of cases before the commission and in the courts. He also supervises the preparation of all complaints and other processes directed by the commission.

It is only after the most careful scrutiny of the record that the commission issues a complaint. The commission must have, in the language of the statute, a reason to believe that the law has been violated and that the public interest is involved before complaint issues. The complaint is the specified statutory means provided to bring before the commission a party charged with violation of laws within its jurisdiction. Unlike the preliminary inquiries and applications for complaint, which are held strictly confidential, the complaint and answer is a public record, and with the issuance of a complaint there is set up the formal docket, which is open for public inspection after answer of the respondent is filed or time for filing has expired.

A complaint is issued in the name of the commission in the public interest. It names a respondent and charges a violation of law, with a statement of the charges. It contains notice of a hearing. Thirty days are allowed the respondent within which to make answer. The party first complaining to the commission is not a party to the complaint when issued by the commission; nor does the complaint seek to adjust matters between parties. It is to prevent unfair methods of competition for the protection of the public.

Upon the issuance of a complaint the chief counsel is charged with the trial and the submission of the matter to the commission there-

after. After answer is filed, and upon due notice to all parties respondent, the case is set down for the taking of testimony before a trial examiner. After the taking of testimony and the submission of evidence on behalf of the commission in support of its complaint, and on behalf of the respondent, the trial examiner prepares a report of the facts for the information of the commission, counsel for the commission, and counsel for the respondent. Exceptions to the trial examiner's report may be made by either counsel forbeco81 2.4 0312 TD 0 Tc ( ) Tj 3.96 0 TD 0.0161 Tc (counsel) Tec12 TD 0 T

Complete synopses of complaints disposed of by dismissal or orders to cease and desist entered during the year and all complaints pending at its close will be found in Exhibits 6 and 7, pages 102 to 153.

CHARACTER OF COMPLAINTS

In the course of the performance of its duties the commission is called upon to protect the public against the business excesses of producers, manufacturers, and middlemen, and to shield honest business concerns from the destructive force of unfair competition and monopolistic tendencies.

All but 1 of the 62 complaints issued during the year charged unfair methods of competition. Violation of section 7 of the Clayton Act by acquisition of stock of competing concerns was charged in only one complaint, namely, the Continental Baking Corporation complaint. There was also only one complaint charging violation of section 2 of the Clayton Act,dses

sylvania, and New Jersey, and that the respondent is the sole producer of virgin aluminum ingots in the United States, and that it produces 95 per cent of the virgin sheet aluminum in this country; also that respondent and the

state trade or commerce in the bread industry. The Continental Baking Corporation and the United Bakeries Corporation are perpetually enjoined, restrained, and prohibited from acquiring directly or indirectly, receiving or holding, voting or in any manner acting as the owner of, or exercising direct or indirect control of, the whole or any part of the shares of capital stock of the defendants, the Ward Baking Corporation, the Ward Baking Co., the General Baking Corporation, the General Baking Co., or any of their controlled companies, and from acquiring any of their physical assets. All of the corporate defendants are perpetually enjoined, restrained, and prohibited from acquiring directly or indirectly the whole or any part of the stock or other share capital of any other baking corporation engaged also in interstate commerce, where the effect of such acquisition may be to substantially lessen competition in such commerce between the corporation whose stock is so acquired and the defendant corporations, or tend to create a monopoly. On April 7, 1926, the commission dismissed its complaint against the Continental Baking Corporation.

Resale price maintenance (see. 5 of Federal Trade Commission act).--A typical complaint on resale price maintenance is the one issued by the commission on November 13, 1925, against the Gotham Silk Hosiery Co. (Inc.). This company is a $4,000,000 concern engaged in manufacturing men's and women's silk hosiery and selling same to approximately 3,000 retail merchants throughout the United States.

In addition to these allegations, the complaint charges the company with adopting and enforcing a merchandising system of establishing and maintaining certain specified uniform prices at which its hosiery shall be resold to the purchasing public by the retailer, with the effect of substantially lessening and suppressing competition, and preventing dealers from selling at less than the fixed price, thus depriving purchasers of advantages in price resulting from the natural and unobstructed flow of competition.

In carrying out such merchandising system and preventing the dealers from selling below the resale

answer that the respondent for two years up to the reorganization hereinafter referred to had adopted and endeavored to maintain a scheme of resale price maintenance, but respondent denies that in the maintenance of such resale prices it used the methods charged in the complaint as being unlawful. With respect to reorganization, the answer sets forth that on November 10, three days before the complaint was issued, the respondent, Gotham Silk Hosiery Co. (Inc.), a New York corporation, transferred its business, patents, trade-marks, Stockings

than

Standard Fountain Pen Co	Los Angeles, Calif	Fountain pens.
Standard Oil Co. of Kentucky	Louisville, Ky	Stoves.
Stetson Co., John B	Philadelphia, Pa	Hats.
Summy Co., Clayton F	Chicago, Ill	Sheet music.
U. S. Oil Co. (Inc.) et al	Providence. R. I	Oils.
Watson Co., George E	Chicago, Ill	Paints.
Western Woolen Mills Co	Minneapolis, Minn	Knit goods.
Zorn & Co., S	Louisville, Ky	Oats.

A number of representative cases have been selected to indicate the nature of the orders to cease and desist issued during the year. These cases are described below:

Disparagement of competitive product--Calumet Baking Powder Co.--The Calumet Co., engaged in the sale of baking powder, was charged in the complaint of the commission with employing the practice of publishing anonymously adverse, disparaging, and derogatory opinions, statements, and comments as to the wholesomeness of self-rising flour, the use of which does not require the addition of baking powder, such statements being not well founded in fact.

In the order to Cease and desist, entered by the commission on February 8, 1926, the respondent was prohibited from directly or indirectly (1) employing professional or other writers publicly to disparage the wholesomeness of self-rising flour and circulating or causing to be circulated such disparaging articles or statements among the trade and consuming public under the name of the writer or writers so employed, and withholding or concealing from the trade and consuming public

charged with, and in the order of the commission entered July 20,

loyal manufacturers ; (10) recommend

Marking commodities with fictitious and exaggerated retail prices-Clayton F. Summy Co. case.--This company, a publisher of sheet music, was charged in the complaint of the commission with using unfair methods of competition in the stamping of its publications with fictitious and exaggerated retail prices, thereby tending to mislead and deceive the uninformed public as to the actual value of respondent's product. An order was entered by the commission on December 7, 1925, requiring the company to cease and desist from (1) printing, stamping, or marking on its musical publications sold in commerce a price mark which is 33 1/3 per cent higher than the price at which it intends that its musical publications shall be sold, and at which said publications are in fact commonly and actually sold at retail ; (2) printing, stamping, or marking on said musical publications any fictitious price mark in excess of the price at which it intends that its musical publications shall be, and at which said publications are in fact usually and commonly sold at retail.

Commercial bribery.--In this case the United States Oil Co. (Inc.), and seven individuals engaged in the sale of textile oils and allied products to mills and factories were charged in the complaint with paying secret bribes to employees of customers and prospective customers as an inducement to such employees to recommend and secure the purchase of respondent's products by such employees and principals in preference to similar products of respondents' competitors. In the order entered by the commission on April 28, 1926, the respondent company and four individuals connected therewith were required to cease and desist from giving, paying, offering, or agreeing to give, or pay, to an employee or employees of purchasers or prospective purchasers, without their knowledge or consent, money or other valuable consideration as inducement w i t h oœu t or agreeing.28 0 TD 0.0254 Tœ(to) Tj 8.642 0 Tc (p) Tj

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case on March 15, 1926, by which respondent: was required to cease and desist (1) from using the words “Knitting Mills,” or either of them, or words of like import, in or as a trade name or corporate name for carrying on the. business of selling and distributing machine-made knit garments in interstate commerce unless and until the respondent actually owns or directly controls or operates a mill or mills in which said garments are manufactured or produced; (2) from making, in connection with the sale and distribution of knit garments in interstate commerce, representations through advertisements, circulars, business stationery, trade names, or in any manner whatsoever, to the effect that respondent is the manufacturer or maker of the garments dealt in by it (a) when such garments as may be machine made were in fact not manufactured in a mill or factory directly controlled or operated by respondent, and/or (b) when any of such garments as may be handmade were produced by persons who are commonly known in the knit-goods trade as “home knitters” and “home crocheters.”

DISMISSAL OF COMPLAINTS

Up to June 30, 1926, the

investigations to be instituted to ascertain whether the respondents conducted their business in line with the Beech-Nut decision.

Those complaints dismissed without prejudice were cases in which it was generally found that

mision's life, will be found in the statistical tables oil pages 79 to 81 of this report. From these it will be noted that the commission has issued 752 orders to cease and desist, and appeals for review of these orders have been taken in only 67 cases. Only 32 of these appeals have been decided against the commission by the United States

Circuit Court of Appeals, and in two (2) of these the commission has been sustained by the Supreme Court of the United States.

The pages immediately following contain brief descriptions of cases in courts during the year.

CASES IN UNITED STATES SUPREME COURT

The Claire Furnace Co. case--Investigation instituted by the commission upon its own motion, but after suggestions and conference with the Committee on Appropriations Of the House of Representatives.--In this case the commission sent questionnaires to practically all corporations engaged in the manufacture and sale in interstate commerce of steel products, requesting monthly reports showing quantities of products manufactured, plant capacity, orders booked during the month, cost of manufacturing, prices at which sold in domestic and foreign commerce, and general income statement and balance sheet. The declared purpose of the inquiry was to publish the information acquired in totals; to show existing conditions in the production and sale of steel products. Certain corporations declined to make reports and joined in a suit in equity to restrain the commission from proceeding in any manner to compel the production of the information or to impose any penalties for failure to produce it.

The Supreme Court of the District of Columbia, in which the t suite was instituted, issued a permanent injunction enjoining the commission on the ground that the information sought was not information respecting interstate commerce nor information with respect to matters so directly affecting such commerce that it could be required under the commerce clause of the Constitution.

The commission appealed to the Court of Appeals of the District of Columbia, which affirmed the decree: of the lower court.

name of its employees and acquiring a controlling interest in England, Walton & Co. (Inc.) had materially lessened competition tended to create. a monopoly in interstate sale of meats and the products and by-products arising out of the slaughtering of livestock and in the business of conducting tanneries and the production of various kinds of leather.

After trial the commission directed Swift & Co. to divest itself of the capital stock of the Moultrie and Andalusia companies, "including ail the fruits of such acquisition." The portion of the complaint relating to England, Walton & Co. was severed and formed the basis of another proceeding.

Swift & Co. appealed to the United States Circuit Court of Appeals for the Seventh Circuit, and as a basis for its appeal contended that the statute (sec. 7 of the Clayton Act) was unconstitutional unless the court should read into it certain additional requirements, to wit, 0 Tc (and

director, employee, or agent of, or anyone connected directly or indirectly with or under the influence of, respondent or any of its officers," etc.

The court held that the authority of the commission was limited to commanding the offending corporation to desist from holding stock in the other corporation and that the commission's authority did not extend so far as to enable it to prevent the acquisition by the western Meat Co. of the "plant and property of the Nevada Packing Co."

The limitation placed upon the authority of the commission by the decision of the court after reargument being in direct conflict with the decisions rendered by other circuit courts in similar cases, and the commission being of the opinion that to permit the western Meat Co. to acquire the plant and properties of the Nevada Packing Co. would leave the western Meat Co. in the same controlling position (with respect to the elimination of competition) as if it held the capital stock of such company, and would make the act of stock divestiture an empty gesture, and being of the belief that a principle of great importance to the public was involved, petitioned the United States Supreme Court for writ of certiorari. That court, on June 1, 1925, granted the petition, and the case at the close of the fiscal year awaits brief and argument in the Supreme Court in granting a motion to advance, filed on behalf of the commission, the case was assigned by the court for argument on October 25, 1926.

The Thatcher Manufacturing Co. case--Violation of section 7 of the Clayton Act--Milk bottles.--It was charged in the complaint, and, after hearing, found, that the Thatcher Manufacturing Co., a large manufacturer of milk bottles, acquired the capital stock of its competitors, the Essex Glass Co., Travis Glass Co., Lockport Glass Co., and Woodbury Glass Co., in violation of section 7 of the Clayton Act. It was also charged, and proved, that after acquiring the stock of the four-named companies, the Thatcher Manufacturing Co. caused the Essex, Travis, and Lockport companies to transfer and convey to the Thatcher Co. all their assets and properties and then to be dissolved, which transfer and dissolution was an artifice and subterfuge to evade the law, and that the respondent secured and retained the fruits and benefits of such violation ; that the effect of the acquisition of the capital stock of the four companies by the Thatcher Co. was to eliminate all competition in the milk-bottle business between the respondent and the four-named companies acquired by it and between those companies, to restrain commerce in the milk-bottle business, and to tend to create a monopoly in that business in the Thatcher Co.

Before these acquisitions, the Thatcher Co. produced and sold about 40 per cent of all the milk bottles manufactured in the United

States. After the acquisitions it produced and sold in commerce about 70 per cent, and the president of the Thatcher Co. made the following statement in writing:

> The Thatcher Manufacturing Co. will have the exclusive right to make milk bottles by the only successful bottle-making machines devised and to manufacture and sell about 90 per cent of all the milk bottles manufactured In the United States.

The commission also found that the transfer of the assets of the Essex, Travis, and Lockport companies to the Thatcher Co. and 'the dissolution of the first three named companies was an artifice or subterfuge of the Thatcher Co. to evade the Clayton Act and by which respondent secured and enjoyed the fruits and benefits of its illegal acquisitions of the stock of these competitors.

After full hearings the commission, on December 31, 1923, directed the Thatcher Manufacturing Co. to cease and desist from the ownership, operation, management, and control of the assets, plants, properties, rights, and privileges which it acquired from the Essex, Travis, and Lockport companies in violation of the Clayton Act, and further to divest itself of all capital stock of the Woodbury Glass Co. The Thatcher Co. declined to comply with this order, and on March 31, 1924, the commission applied to the United States Circuit Court of Appeals, Third Circuit, to enforce the order. By decision rendered April 16, 1925, the court sustained the commission 5 order so far as it related to the assets and properties of the Essex, Travis, and Lockport companies and granted enforcement thereof. The court found that the Woodbury Co. was engaged chiefly in the manufacture of condiment and whiskey bottles ; that its manufacture of milk bottles was small, and because its milk-bottle business, unlike that of the other companies, was so inconsiderable that the lessening of competition thereby was not substantial, as required by section 7 of the Clayton Act. That part of the order relating to the Woodbury Co. was therefore not approved by the court.

Respondent contended in this court that by absorbing the assets of and dissolving the Essex, Travis, and Lockport companies the commission was without power to enter an order effecting this transaction, as the stock had been destroyed, and that the act gave the commission jurisdiction over stock only, and not over physical assets The court overruled this contention.

Thereafter the case was taken to the Supreme Court of the United States by writ of certiorari granted May 3, 1926, on petition of the Thatcher Manufacturing Co. On motion to advance, filed on behalf of the commission, the Supreme Court assigned the case for argument on October 25, 1926. At the close of the fiscal year the case awaited briefs and argument.

Eastman Kodak Co. case.--It was charged and found by the commission that, with the purpose, intention, and effect of stopping the importation of foreign-made film into the United States and eliminating the competition offered by such foreign-made film, the Eastman Co. acquired the Paragon, G. M., and Sen Jacq laboratories, three fully equipped film-printing and developing laboratories, the combined capacity of which was equal to that of all existing laboratories east of Chicago ; that it did not operate said laboratories but held them, fully equipped, as a threat and means of coercing its customers, the film-printing laboratories, into buying their film exclusively from the Eastman Co. to the exclusion of foreign-made film produced by competitors ; that as a result of such threat and coercion the East man Co. compelled the consumers of film to enter into an unlawful agreement, combination, and conspiracy with it to use exclusively American-made film to the elimination or exclusion of imported foreign-made film; and in consideration of the adherence to such agreement by the film consumers, the Eastman Co; refrained from using said three laboratories acquired by it, but holds them in constant readiness to enter the business of printing film in competition with its customers, the laboratory consumers of film; that the effect of said unlawful combination is to exclude foreign-made film from the United States, thus leaving the Eastman Co. with a virtual monopoly and in complete control of the positive cinematograph film industry in the United States.

After hearings, the commission made findings and entered an order on April 18, 1924, directing respondents to cease and desist from conspiring, combining, confederating, agreeing, and cooperating between or among themselves to hinder and restrain competition in the manufacture and sale of film or to maintain and extend the monopoly of the Eastman Co. in the distribution and sale of positive film by, among others, the use of agreements not to use foreign-made film. It was further ordered that the Eastman Co. should with all due diligence dispose of the Paragon, G. M. and Sen Jacq laboratories [illegible]

to dispose of the three laboratories acquired by it, namely, the Paragon, G. M., and Sen Jacq.

In a dissenting opinion, Judge Manton stated he believed the order of the commission should be affirmed in all respects, holding that the commission has power to order a respondent to dispose of property acquired by it which it is found using as a means of unfair competition in trade.

On October 26, 1925, the Supreme Court granted a writ of certiorari on petition of the commission to review the above-mentioned decision of the Circuit Court of Appeals. The case is low before the Supreme Court awaiting briefs and argument.

Pacific States Paper Trade Association--Price fixing in paper products on the Pacific coast.--This complaint involved, besides the Pacific States Paper Trade Association and 35 specifically named respondents, the following five trade associations operating in Pacific coast territory.

Seattle-Tacoma Paper Trade Conference.

Spokane Paper Dealers.

Portland Paper Trade Association.

Paper Trade Conference of San Francisco.

Los Angeles Wholesale Paper Jobbers' Association.

The respondents embraced practically all wholesale dealers in paper and paper products throughout the States of Oregon, Washington, and California. Other States affected in great part by the activities of the respondents are Idaho, Nevada, Arizona, Montana, New Mexico, and the Territory of Alaska.

Respondents were charged with combining and conspiring together to fix and enhance prices of paper and paper products throughout the Pacific States, and to confine the distribution thereof through wholesale channels, all with the effect of substantially lessening and restraining competition and hindering the natural flow of commerce in paper and paper products in channels of interstate trade. Among the means charged as being employed by respondents to effectuate their alleged unlawful schemes are coercion, boycotting, and intimidation of manufacturers into cutting off sources of supplies of those competitors who failed to abide by the fixed prices and conditions laid down by said combination.

The Pacific States Paper Trade Association et al. petitioned the Circuit Court of Appeals for the Ninth Circuit for review of certain parts of the commission's order (five subdivisions). Briefs were filed, argument had and in February, 1925, the opinion of the court was handed down sustaining the commission on two of said subdivisions, slightly modifying one subdivision, and reversing the commission on the two remaining subdivisions.

Petition for rehearing filed by the commission was denied on March 9, 1925. Petition for certiorari was then filed by the commission in the United States Supreme Court, which petition was granted May 25, 1925. Commission's brief has been filed, and at close of the fiscal year the case awaits respondents' brief and oral argument, which is expected to be had during the October term, 1926.

The American Tobacco Co. case--Price agreements on tobacco products.--The commission's order in this case, directed against practically all of the wholesale tobacco dealers in and about Philadelphia, commanded these dealers to cease and desist from fixing, enforcing, and maintaining and from enforcing and maintaining by combination, agreement, or understanding among themselves, or with or among any of them, or with any other wholesaler of cigarettes or other tobacco products, resale prices for cigarettes or other tobacco products dealt in by such respondents, or any of them, or by any other wholesaler of cigarettes or other tobacco products.

The American Tobacco Co., which also appeared as one of the respondents in this proceeding, was directed to cease and desist from assisting and from agreeing to assist any of its dealer-customers in maintaining and enforcing in the resale of cigarettes and other tobacco products manufactured by the said the American Tobacco Co. resale prices for such cigarettes and other tobacco products, fixed by an such dealer-customer by agreement, understanding, or combination with any other dealer-customer of said the American Tobacco Co.

The American Tobacco Co. was the only one of the respondents to appeal from the order, and it filed its petition for review in the Court of Appeals for the Second Circuit. The case was argued on November 19, 1924, and on October 20, 1925, the court reversed the order of the commission. The commission applied to the Supreme Court of the United States for a writ of certiorari to review the decision of the Court of Appeals on the ground that the lower court appears to hold the commission's finding of price agreement between the jobbers and the manufacturer was not supported by evidence; that it is lawful for the manufacturer to aid and abet jobbers in making effective their illegal price agreement; that it is not unlawful for a jobbing association to agree to fix prices and prevent members and nonmembers who do not observe the agreed price from procuring goods; that it is not an unfair method of competition for a manufacturer to join with a jobbers' association in compelling observance of prices illegally agreed upon; that it is unlawful for jobbers to sell goods at prices satisfactory to themselves and which, in the past, have sustained their business, though such prices may be lower than those agreed upon by the members of the association of competing jobbers; and, conversely, that it is fair

competition for jobbers to combine to coerce competitors into charging prices which they have agreed upon as satisfactory to themselves; that a combination in restraint of interstate commerce in violation of the Sherman Act is not also an unfair method of competition ; that it is not to the interest of the public to prevent jobbers from agreeing upon prices at which they will sell and from agreeing to prevent those who will not observe their prices from getting the goods.

The petition for certiorari was granted by the Supreme Court on March 8, 1926, and at the close of the year the case was awaiting hearing.

The Shade Shop case--Appropriation and simulation of trade name.--This is a District of Columbia case. Alfred Klesner, doing business under the name and style of "Shade Shop, Hooper & Klesner," was charged by the commission with a violation of section 5 of the Federal Trade Commission act, in that he had appropriated and simulated the trade name "The Shade Shop " adopted by one W. Stokes Sammons in connection with his business of manufacturing and selling window shades. Sammons had been engaged exclusively in the business since 1901.

The commission's order prohibited Klesner, his servants, agents, and employees from using the words "Shade Shop" standing alone or in conjunction with other words as an identification of the business conducted by him, in any manner of advertisement, signs, stationery, telephone, or business directories, trade lists, or otherwise.

The respondent having refused to comply with the order, the commission, on May 13, 1924, filed, in the Court of Appeals for the District of Columbia, its petition for enforcement thereof. The case was argued November 5, 1924, and decision of the court rendered on June 1, 1925. The sole question discussed in the court's opinion was' the matter of its jurisdiction to enforce the commission's orders in the District of Columbia, and the commission's petition was dismissed the ground that the court had no jurisdiction. The case is now pending in the Supreme e Court of the United States on certiorari where it awaits briefs and argument.

The Procter & Gamble Co. case--False advertising and misbranding--Soap.--Procter & Gamble Co. manufactures soap, some of which it advertises and sells as "P & G White Naphtha Soap." It also manufactures and sells a washing powder under the name of "Star Naphtha Washing Powder." The commission alleged that at the time such soap and powder are sold to the consuming public the contain no naphtha nor do they contain any petroleum distillate in an amount sufficient to be effective as a cleansing ingredient.

After hearing, the commission ordered Procter & Gamble Co. to cease using the word "Naphtha " as a brand name for any soap or soap products when such commodities at the time of their sale to the consuming public contain no naphtha, or naphtha in an amount of 1 per cent or less by weight.

The company, on August 28, 1924, petitioned the Circuit Court of Appeals for the Sixth Circuit to review the commission's order. On January 5, 1926, the court rendered its decision sustaining the first section of the commission's order prohibiting the use of the word "Naphtha" as a designation for a kerosene ingredient of soap. The court, however, vacated the remaining part of the commission's order which prohibited the use of the word "Naphtha" don soap containing not more than 1 per cent of naphtha (a volatile ingredient) at the time of sale to the consumer, the court indicating that the order should have been directed to the naphtha content to be placed in the soap at the time of manufacture. Thereafter, both parties filed petitions for rehearing, which were denied by the Circuit Court of Appeals on April 7, 1926. The Procter & Gamble Co. then filed a petition in the Supreme Court of the United States for certiorari, to which the commission filed a cross petition likewise praying for certiorari because, among other things, it is the contention of the commission that the regulation of the amount of naphtha to be placed in the product at the time of manufacture, as the Circuit Court of Appeals indicates, is not sound.

At the closed of the fiscal year the case was awaiting the action of the Supreme Court.

CASES IN UNITED STATES CIRCUIT COURTS OF APPEAL

The Utah-Idaho Sugar Co. case--Suppression of competition in the manufacture and sale of beet sugar.--The respondents in this case--namely, the Utah-Idaho Co., the Amalgamated Sugar Co., E R. Wooley, A. P. Cooper, and E F. Cullen--were charged by the commission with stifling and suppressing competition in the purchase of sugar beets and in the manufacture and sale of refined beet sugar, by means of a combination or conspiracy involving, among others, the following unfair trade practices:

(1) The circulation of false, misleading, and unfair reports as to competitors and prospective competitors (a) concerning financial standing and responsibility ; (b) that they would be unable to secure sugar-beet seed, or the beets, or to pay for those they did purchase ; (c) that their contemplated factories would not be built, etc.

(2) The circulation of false reports to the effect that respondents (a) occupied all the producing territory in which their competitors contemplated operating ; (b) had contracts for all the beets' to be grown, etc.

The commission, after very extensive hearings, dismissed the com plaint as to the respondent E F. Cullen and entered its order to cease and desist against the other respondents. The respondents filed petitions for review in the Circuit Court of Appeals for the Eighth Circuit.

The commission, as required by statute, filed with the court a transcript of the record, consisting of 13,428 pages of testimony and approximately 6,000 pages of exhibits.

Subsequent to the filing of transcript, the court ordered the to prepare and serve a condensed narrative of the transcript. Counsel for Tj 48.6 0 (Utah-Idaho Sugar Co.) sought (by mo48.6)a modifica48.6of the order concerning the prepara48.6 and service of the condensed Except68 0 TD 0 Tc ( ) Tj 2.28 0 TD 0.0124 Tc (narrative.) Tj 42.1 ecommissiona

other competitors of the respondent chamber and its members), by (1) publishing or causing to be published in any newspaper, periodical, pamphlet, or otherwise, or circulating, or causing to be circulated orally or otherwise, among the customers or prospective customers of the members of the St. Paul Grain Exchange, or the public generally, any false or misleading statements concerning the financial standing, the business, or the business methods of the said exchange, its officers, or members, or concerning the said Equity Cooperative Exchange, its officers or stockholders; (2) instituting vexatious or unfounded suits either at law or in equity against said Equity Cooperative Exchange with the purpose or intent or with the effect of hindering or obstructing the business of the said Equity Cooperative Exchange or injuring its credit and reputation.

The order likewise directed these respondents to cease and desist from--

(a) Combining and conspiring among themselves or with others, directly or indirectly, to induce, persuade, or compel, and from inducing, persuading, or compelling any of the members of said chamber, their agents or employees, to refuse to buy from, sell to, or otherwise deal with the St. Paul Grain Exchange or its members or the Equity Cooperative Exchange or its stockholders, or the customers of any of them, because of the patronage dividend plan of doing business adopted by the said Equity Cooperative Exchange, or by any of the members of the said St. Paul Grain Exchange, as more particularly set forth in paragraph (4), infra, of this order.

(b) Hindering, obstructing, or preventing any telegraph company or other distributing agent from furnishing continuous or periodical price quotations of grains to the St. Paul Grain Exchange or its members or to the Equity Cooperative Exchange or its stockholders.

(c) Passing or enforcing any rule or regulation, or enforcing any usage or custom, that prohibits or prevents members of the respondent chamber from conducting their business of dealing in grain according to the cooperative method of marketing grain or according to the patronage dividend plan, like or similar to the method or plan adopted by the Equity Cooperative Exchange.

(d) Denying to any duly accredited representatives of any organization or association of farmer grain growers or shippers admission to membership in said respondent chamber, with full and equal privileges enjoyed by any or all of its -8mbers 8( )yTj 6.720 0Ts1(.) of organized 0.0127 Tc (of)Tj 45.24(Passing)Tj 33.720 Tc (the)Tj (13

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all of its earnings or surplus to its patrons or members on the basis of patronage, whether such earnings or surplus is derived from charging patrons or members commissions or otherwise.

(e) Passing or enforcing any rule or regulation, or enforcing any usage or custom, that compels shippers of grain to Minneapolis; Minn., from country points or from St. Pa

section 5 of the Federal Trade Commission act. On October 24, 1922, the commission directed the Pure Silk Hosiery Mills to cease selling hosiery in interstate commerce "under a trade or corporate name which includes the word 'Mills' in combination with the words 'Pure Silk Hosiery,' or words of like import," unless and until respondent actually owns or operates a factory or mills in which it manufactures the hosiery sold by it.

Subsequent investigation by the commission disclosed that its order was being ignored, and the commission on December 30, 1924, petitioned the Circuit Court of Appeals for the Seventh Circuit for enforcement. The Pure Silk Hosiery Mills contested the commission's petition for enforcement. Briefs were filed, argument had, and the court, on December 8, 1924, granted the petition of the commission and by decree adopted the order of the commission and commanded the Pure Silk Hosiery Mills to obey it. Petition for rehearing was filed by the company and denied by the court.

Subsequently the commission deemed the Pure Silk Hosiery Mills to be acting in violation of the decree of the Circuit Court of Appeals mentioned above, and on June 29, 1925, filed its petition with the same court to enforce the decree. Hearing on the petition was had before the court on January 7, 1926, and at the close of the fiscal year. the matter was awaiting decision.

John C. Winston Co. case--Books, etc.--The John C. Winston Co. is a seller and distributor of books, encyclopedias, etc., in interstate commerce. The commission in its complaint charged that the Winston company brought about sales by means of false representations and by using highly deceptive methods.

Full hearing was had before the commission, and on August 13, 1924, the commission issued its order requiring the Winston company to cease and desist from making the false representations as charged in the complaint.

On September 15, 1924, the Winston company filed petition for review in the Circuit Court of Appeals for the Third Circuit. Decision was rendered on February 27, 1925, the court vacating the order of the commission on the grounds that one of the deceptive practices used by the Winston company in the sale of its products had been abandoned by that company prior to the issuance of the commission's complaint, and that the second practice condemned by the commission as unfair and in violation of section 5 of the Federal Trade Commission act did not constitute an unfair method of competition within the intent and meaning of that act. The commission, on May 26, 1925, filed a petition for certiorari in the United States Supreme Court, which petition was on October 12, 1925, denied.

The Chicago Portrait Co. case--Misrepresentation in the sale of portraits made from photographs.--The Chicago Portrait Co. was

precedent to the acceptance of such orders; (3) requiring from dealers generally assurances that they will be governed by the suggested resale discounts in all resales of respondent's products, under threat of discontinuance of relations.

The case now stands closed.

Q. R.. S. Music Co. case--Resale price maintenance in the sale of music rolls.--In this case the commission issued its order directing the Q. R. S. Music Co., of Chicago (a manufacturer of music rolls for player pianos having produced in excess of 6,000,000 rolls per annum), to cease and desist from carrying into effect a policy of fixing and maintaining uniform price's at which the articles manufactured by it shall be resold by its distributors and dealers by--

(1) Entering into contracts, agreements, and understandings with distributors or dealers requiring or providing for the maintenance of specified resale prices on products manufactured by respondent.

(2) Attaching any condition, express or implied, to purchases made by distributors or dealers to the effect that such distributors or dealers shall maintain resale prices

tion with the acquiring company. The commission charged that the effect of the acquisition of stock was to substantially lessen competition between the two companies and to tend to create a monopoly in the purchase of cattle and livestock and in the sale of meat and meat products.

In its order the commission directed the Armour Co. to divest itself of all the capital stock and properties of the Stanton Co.

The Armour Co. filed its petition for review with the United States Circuit Court of Appeals for the Seventh Circuit. Subsequently the case was reopened before the commission by order of the court. Additional testimony was taken and argument before the commission had on the order of the court to submit

minimum resale price plan by and through which the company compelled dealers to resell its products to the public at prices not less than certain arbitrary prices fixed by it as the retail prices on their products.

The commission directed Chase & Sanborn to cease and desist from enforcing these arbitrary resale prices and from informing dealers that persons or concerns not maintaining said arbitrary resale prices so fixed by Chase & Sanborn had been or would be cut off from supplies.

Petition for review was filed in the Circuit Court of Appeals for the First Circuit, and on March 29, 1925, the court rendered its decision sustaining the commission's order in every respect.

Louis Leavitt--Misrepresentation of paint.--This respondent a manufacturer, sold paint under the designation of "Gold seal combination white lead." The commission found that the paint contained not more than 3 per cent white lead, and that the term "combination white lead " is commonly understood and used by both the trade and the public to designate a mixture of genuine white lead with other ingredients in which mixture the white lead is not less than 50 per cent by weight. The commission directed Leavitt to cease and desist from calling his product "Combination white lead" unless it contained not less than 50 per cent white lead; and on April 26, 1926, entered a modified order to cease and desist containing in substance the important features of its original order. Leavitt petitioned the United States Circuit Court of Appeals, Second Circuit, for a review of the order to cease and desist, and at the close of the fiscal year the case awaits filing of briefs and argument.

Advance Paint Co.--Commercial bribery.--The commission issued an order to cease and desist directing this corporation, engaged in the manufacture and sale of paints, varnishes, and kindred products, to cease and desist from giving commodities such as liquors, cigars, meals, theater tickets, entertainment, and money to employees of its customers and prospective customers as an inducement to influence their employers to purchase respondent's paints and varnishes to the exclusion of respondent's competitors, a practice generally known as commercial bribery. Substantial evidence having come to the attention of the commission that respondent was continuing the practice of the payment of money prohibited by its order, the commission on October 17, 1925, petitioned the United States Circuit Court of Appeals, Seventh Circuit, for enforcement of the order. Printed transcript of the record was filed with the petition. During November and December, 1925, briefs were filed by both parties and the case was argued on February 2, 1926, at which time the court, without written opinion, dismissed the commission's petition for enforcement

without prejudice to the commission's right to enter a new order in the case,

tions, (2) falsely representing that its products are bound in “rich maroon levant" or other leather, (3) representing that its “Standard Reference Work” has been officially adopted by 24 States, (4) offering prospective customers fictitious “honorary

Cream of Wheat Co.--Resale-price maintenance case--Cereal.--This company, the manufacturer of "Cream of Wheat," was charged in complaint of the commission, issued May 31, 1922, with fixing uniform prices at which "Cream of Wheat" should be resold to the public by dealers and enforcing such fixed prices by combination and cooperation with dealers in ascertaining and cutting off source of supply of price cutters, all in alleged violation of section 5 of the Federal Trade Commission act. After full hearing, the commission, on April 11, 1925, entered its order directing the company to cease and desist from carrying into effect its policy of securing the observance of minimum resale prices for its product by cooperative methods in which the company and its distributors, customers, and agents undertake to prevent others from obtaining Cream of Wheat at less than the prices designated by it or from selling to others who fail to observe such prices--

(1) By seeking and securing, directly or through its sales agents, contracts, agreements, or undertakings with customers or prospective customers that they will maintain the resale prices designated by it, or that they will cooperate with it to secure the observance by others of said resale prices;

(2) By the practice of (a) soliciting and securing from customers or prospective customers themselves or from dealers or trade associations, information as to whether or not such customers or prospective customers have maintained and are maintaining, or are dis posed to maintain generally, resale prices fixed by producers, or, respondent's resale prices in particular, and (b) soliciting and securing reports from customers, of customers who fail to observe its resale prices, and investigating and verifying such reports through further reports secured from customers as to such instances of price cutting, all with a view to refusing further sales to customers found

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(6) By utilizing any other equivalent cooperative means of accomplishing the maintenance of prices fixed by respondent.

Appeal from this order was taken by the Cream of Wheat Co. to the United States Circuit Court of Appeals for the Eighth Circuit. Thereafter the record and briefs were filed in court and the case argued and submitted on June 7, 1926. At the close of the fiscal year the court had not yet decided the matter but shortly thereafter on July 26, 1926, the opinion of the court was handed down affirming the order of the commission in all respects, interpreting, however, paragraph 6 of the commission's order by adding the following proviso:

Provided, however, That nothing herein shall prevent the respondent from performing the following acts:

(a) Requesting its customers not to resell Cream of Wheat at less than a stated minimum price.

(b) Refusing to sell to a customer because he resells below such requested minimum price or because of other reasons.

(c) Announcing In advance Its intention thus to refuse.

(d) Informing itself, through its soliciting agents and through publicly circulated advertisements of customers which come to its attention, and through other legitimate means, without any cooperative action with its other customers or other persons, as to the prices at which Cream of Wheat is being sold.

CASES IN COURTS OF DISTRICT OF COLUMBIA

The Mannered Coal Co. case.--At about the same time that the steel companies were asked by the commission to file monthly reports (as discussed in the section relating to the Claire Furnace Co. case) substantially similar questionnaires were sent to practically all corporations engaged in the production and sale in interstate commerce of bituminous coal.

One of these companies, the Mannered Coal Co., declined to make the reports in question and applied to the Supreme Court of the District of Columbia for an injunction. A permanent injunction practically identical with that issued in the Claire Furnace case was awarded.

The case was taken by the commission to the Court of Appeals for the District of Columbia, where it was argued on January 9 and 10, 1924.

On May 10, 1924, the Court of Appeals directed a reargument. The case was reached on the calendar October 10, 1924, and continued generally at that time pending a decision by the Supreme Court of the United States in the Claire Furnace case.

At the close of the fiscal year it had not been reached.

Millers' National Federation case--Investigation by commission in response to resolution of the United States Senate. On February 16, 1924, the United States Senate, by resolution, directed the com-

mission to investigate and report to the Senate, among other things, the extent and methods of price fixing, price maintenance, and price discrimination, in the flour and bread industries, developments in the direction of monopoly and concentration of control, and all evidence indicating the existence of agreements, conspiracies, or combinations in these industries. In the course of the investigation the commission made inquiry with respect to the activities of the Millers' National Federation, a voluntary, unincorporated association, whose members produce approximately 65 per cent of the flour milled in the United States, as well as of the activities of other milling associations and corporations engaged in the milling industry. Permission was requested of the Millers' National Federation to inspect certain papers, documents, and correspondence files, which permission was in part granted. As a result of the inspection of certain correspondence, the commission requested the federation to supply it with copies of certain designated letters, and further requested access, for the purpose of inspection, to minutes of meetings among members of the federation and other millers in various parts of the country and to letters passing between the federation and its members leading up to the adoption of a so-called code of ethics by the federation. The request was denied. The commission thereafter called a hearing in the investigation at Chicago, Ill., and served subpoenas upon the secretary of the federation requiring him to produce at the hearing certain letters specified by dates, names of the parties correspondent, and subject matter, which its representative had been permitted to inspect in the federation's offices. Subpoenas were also served requiring the production of minutes of the meetings among members of the federation and other millers above mentioned (inspection of which had been denied) and of the letters relating to the adoption of the code of ethics. The Washburn-Crosby Co., a member of the federation and the largest milling corporation in the United States, having also refused to permit the commission to inspect certain letters specified by dates, names of parties correspondent, and subject matter, as well as having declined to permit a statement of its business, made up from its books by representatives of the commission, to be taken from its offices, subpoenas duces tecum were served upon officers of the corporation requiring the production of the letters and of the statement of its affairs and [illegible]

mission from taking any steps or instituting any proceedings to enforce the subpoenas or requiring the plaintiffs, or any of them, to produce the documents or letters required thereby. On the day of hearing set at Chicago, the secretary of the federation, the officers of the Washburn-Crosby Co., and certain individuals connected with the federation through membership therein of corporations in which they were officers, did not appear as required by subpoenas; and on the morning of the same day a temporary restraining order was issued by the Supreme Court of the District of Columbia as prayed for in the petition. A motion for temporary injunction was subsequently made. The commission answered the motion on the merits and moved to dismiss the petition on various grounds, among others, that the court was without jurisdiction to restrain the commission from proceeding with the hearing. Both motions were argued and the case is pending awaiting the decision of the court thereon.

Pending the decision of the court, the commission has not taken further steps to enforce its subpoenas. Subsequent to the close of the fiscal year, to wit, on September 22, 1926, the court handed down its opinion, sustaining in the main the contentions of the Millers' National Federation, and granting a temporary injunction.

DIVISION OF TRADE PRACTICE CONFERENCES

OUTLINE OF PROCEDURE

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When a trade-practice conference is decided upon, a preliminary inquiry is made, the result of which serves as a basis for determination by the director whether the practices or methods used are unfair to competitors or are against the public interest, and whether the interest of the public is best served by proceeding against individual offenders or by calling a trade-practice conference. The commission is then advised through this division as to the facts and laws, accompanied by a recommendation as to action to be taken with reference thereto. If the commission determines on a trade practice conference, the industry is assembled at a place and time specified, and when the industry has adopted its rules a full report of the conference showing those present, the proportion of the total industry which they represent, and other essential data is presented to the commission; and if adopted or sanctioned by the commission, the action of the industry becomes the rule of business conduct for that industry on the subjects covered.

The findings by an industry condemning a given business practice are available to the commission for use as evidence in any proceeding directed to an individual member of the industry who fails or refuses to abide by the rules of conduct laid down by the industry, and who indulges in practices condemned by the industry and by the commission as unfair, and the division of trade practice conferences furnishes a means whereby an agreement once entered into may be kept in effect and better attention given to violations.

SUMMARY OF WORK, 192 6

Since the creation of the new division conferences were conducted for the retail furniture trade, for manufacturers of Castile soap and mending cotton, for dealers in eggs and poultry, and in connection with such commodities as “rayon,” “silkaline,” butter, and cheese. Final action has been taken by the commission with reference to four of these. Work in connection with other conferences had not been completed at the close of the fiscal year.

The results of former trade practice submittals are embodied in the publication of the commission entitled “Trade Practice Submittals,” released July 6, 1925.

Copies of public announcements in connection with conferences during the present year will be found at pages 166 to 169.

METHODS OF COMPETITION CONDEMNED

The following list shows unfair methods of competition and Clayton Act violations which have from time to time been condemned by the commission and prohibited by orders to cease and desist:

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

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

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

Making unduly large contributions of money to associations of customers.

Procuring the business or trade secrets of competitors hy espd2u 0 Tc 0.03 Tw ( ) Tj 2.4 0 T 2.

Giving products misleading names so as to give them a value to the purchasing public or to a part thereof which they would not otherwise possess, such as

(1) Name implying falsely that the particular products so named were made for the Government, or in accordance with its specifications, and of corresponding quality, or are connected with it in some way, or in some way have been passed upon, inspected, underwritten, or indorsed by it.

(2) That they are composed in whole or in part of ingredients or materials respectively contained only to a limited extent or not at all.

(3) That they were made in or came from some locality famous for the quality of such products.

(4) That they were made by some well and favorably known process,. when as a matter of fact only made in imitation of and by a substitute for such process.

(5) That they have been inspected, passed, or approved after meeting the tests of some official organization charged with the duty of making such tests expertly and disinterestedly or giving such approval.

(6) That they were made under conditions or circumstances considered of importance by a substantial fraction of the general purchasing public, etc.

Interfering with established methods of securing supplies in different businesses in order to hamper or obstruct competitors in securing their supplies.

ECONOMIC DIVISION

The economic division is organized primarily to conduct general inquiries called for by the President, by either house of

was sent to the Congress and made public after the close of the fiscal year.

Just before the closing of the preceding fiscal year, on account of doubt as to the construction of certain new limitations on the expenditure of its appropriation for the fiscal years 1925-26, with respect to the inquiries then being conducted under the direction of the Senate, the commission requested an opinion thereon by the Attorney General. The opinion in this matter, which was favorable to the prosecution of the work, was rendered on October 24, 1925. Pending the receipt of this opinion, work was suspended on the inquiry into bread and flour, namely, from July 1, 1925, to November 11, 1925. The initiation of the inquiry into open-price associations was postponed to the latter date also. As there was no serious doubt regarding the electric-power inquiry, it was conducted without interruption. The legal questions involved in this matter and some of the pertinent documents, including the opinion of the Attorney General, were printed in the annual report for the preceding year.

NATIONAL WEALTH AND INCOME

Near the close of the fiscal year the commission issued a report on national wealth and income. This report was made in response to Senate Resolution 451, adopted February 28, 1923, which directed the commission to make an inquiry into and to compile data concerning the total amount of the chief kinds of wealth in the United States, the ownership thereof, and the encumbrances thereon, including both public and private indebtedness, to determine for recent years the amount of the annual increase in the wealth of this country in the various lines of economic activity and by different classes of the population; and also to obtain information respecting the amount and ownership of income exempt from Federal taxation and to report upon the various phases of the inquiry as soon as practicable. An amendment to the resolution instructed the com mission to ascertain the aggregate taxes levied by States, counties, municipalities, and other taxing bodies for the last fiscal year and for the corresponding period of five years previous.

On June 6, 1924, in partial response to this resolution, the com mission submitted to the Senate a report on taxation and tax-exempt income. Work on the remaining phases of the inquiry relating to wealth and income was brought to a hurried close on June 30, 1925, on account of a new provision in the appropriation act for the fiscal year 1925-26 which restricted the general purposes for which the appropriation could be used.

The volume on national wealth and income is in two parts, one devoted to data on wealth and the other to data on income.

nite and possibly stricter margin rules and related policies regarding credit accommodation and through further emphasis upon the responsibility of the broker for his customers' methods of trading. Because of the character of the business it is recommended that the financial stability of future commission houses be specially safeguarded. The evil effect upon the market of trading in unduly large lots by wealthy individuals or daring speculators should be dealt with directly, it is indicated, through the machinery of the Grain Futures Administration of the Department of Agriculture. The exchanges, and their members individually, it is believed, should be assisted to establish such standards of business practice with regard to the general bearings of future trading as will enable the public to forget that they are used so largely for mere gambling.

ELECTRIC POWER

Senate Resolution 329 (68th Cong., 2d sess.), after alleging that the General Electric Co. "has acquired a monopoly or exercises a control in restraint of trade or commerce in violation of law of or over the production and distribution of electric energy and the manufacture, sale, and distribution of electrical equipment and apparatus," directed the commission to ascertain the facts and report to the Senate to what extent and by what means the "General Electric Company or the stockholders or other security holders thereof, * * * monopolize or control the production, generation, or transmission of electric energy or power"; and also to report to the Senate the "manner in which the said General Electric Company has acquired and maintained such monopoly or exercises such control in restraint of trade or commerce and in violation of law." The resolution also directed the commission to "ascertain and report what effort, if any, has been made by the said General Electric Company or other corporations, companies, organizations, or associations., or anyone in its behalf, or in behalf of any trade organization of which it is a member, through the expenditure of money or through the control of the avenues of publicity, to influence or control public opinion on the question of municipal or public ownership of the means by which power is developed and electric energy is generated. and distributed."

The first part of this inquiry was promptly initiated and a large part of the required data collected and tabulated by the close of the fiscal year. In order to expedite the inquiry it was divided into three parts, one a study of companies engaged in the manufacture and sale of power-plant apparatus and equipment, another into the electric-power industry, and the third an inquiry into conditions of competition among manufacturers and distributors of power-plant

equipment, and among concerns engaged in the generation, transmission, and sale of electric energy. In order adequately to answer the Senate resolution on the subject of control, a special study has been made of interlocking directors and of interlocking stock ownership of all of the important manufacturers and distributors of power-plant equipment, and also of each of the large groups engaged in the generation transmission, and sale of electric power. This also required a very comprehensive census of companies and large holding groups operating the private power plants, transmission and distributing lines in order to determine the importance of particular interrelations. This work has been made very difficult on account of the extensive consolidations and interconnect ions which have occurred since the inquiry was inaugurated.

The inquiry into that part of the resolution relating to the expenditure of money "or through the control of the avenues of publicity, to influence or control public opinion on the question of municipal or public ownership," was not made in accordance with the opinion of the Attorney General, referred to above, which held that under the provisions of the appropriation act for the year 1925-26, none of the funds available to the commission thereunder could be legally expended for this pon expenditur ol0 TD-r1j d7.16 0 Tgc1

and terminal grain-elevator companies, most of them refusing to permit agents of the commission to secure the necessary data from their records. However, from the data

was refused by the millers, would be made available in time for the full report.

Bread.--In respect to bread, the inquiry was directed in part to a study of a pronounced involvement in the consolidating of wholesale baking companies. This movement has been in progress for more than 15 years, but recently it has assumed a much greater significance. Attention was also given to methods of marketing bakery products by wholesale companies and by “house-to-house nd

with further inquiry into these associations for the purpose of bringing down to date information with reference to their operations. Active field work was

EXPORT TRADE DIVISION

EXPORT TRADE ACT

An “Act to promote export trade, and for other purposes,” was passed by Congress on April 10, 1918, and administration thereof intrusted to the Federal Trade Commission. (See p. 96.)

PROVISIONS OF’ THE LAW

This law, commonly know as the “Export trade act, or “ Webb Pomerene law,” authorizes the formation of combinations or “associations” entered into for the sole purpose of engaging in export trade and actually engaged solely in such export trade. Exemption from the antitrust laws of the United States is granted to such an organization, with the proviso that there shall not be restraint of trade within the United States, or restraint of the export trade of any domestic competitor, nor shall the association--

> either in the United States or elsewhere, enter into any agreement, under’ standing, 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.

Under the law, such an association may be “ any corporation or combination, by contract or otherwise, of two or more persons, partnerships, or corporations.” Export trade is defined by the act as “ solely trade or commerce in goods, wares, or merchandise exported, or in the course of being exported, from the United States or any Territory thereof to any foreign nation.”

ASSOCIATIONS FILLING PAPERS DURING THE YEAR

Export associations organized during the fiscal year are the Salmon Export Corporation, of Seattle, Wash.; the American Brake Beam Manufacturers’ Export Association, of West Nyack, N. Y., and the California Dried Fruit Export Association, of San Francisco, Calif. [illegible]

American Locomotive Sales Corporation, New York City.
American Milk Products Corporation, New York City.
American Paper Exports (Inc.), New York City.
American Pitch Pine Export Co., New Orleans, La.
American Provisions Export Co., Chicago, Ill.
American Soda Pulp Export Association, New York City.
American Spring Manufacturers' Export Association, Pittsburgh, Pa.
American Surface Abrasives Export Corporation, New York City.
American Tire Manufacturers' Export Association, New York City.
American Webbing Manufacturers' Export Association, New York City.
Associated Button Exporters of America (Inc.), New York City.
Automatic Pearl Button Export Co. (Inc.), Muscatine, Iowa.
California Dried Fruit Export Association, San Francisco, Calif.
Cement Export Co., The, care of Morris Kind, Hercules Cement Corporation, Philadelphia, Pa.
Chalmers (Harvey) & Son Export Corporation, Amsterdam, N. Y.
Copper Export Association (Inc.), New York City.
Davenport Pearl Button Export Co., Davenport, Iowa.
Delta Export Lumber Corporation, Memphis, Tenn.
Douglas Fir Exploitation & Export Co., Seattle, Wash.
Export Clothes Pin Association of America (Inc.), New York City.
Exporters of Wood Products (Inc.), New York City.
Florida Hard Rock Phosphate Export Association, Savannah, Ga.
Florida Pebble Phosphate Export Association, New York City.
Goodyear Tire & Rubber Export Co.; The, Akron, Ohio.
Grain Producers Export Association, The, New York City.
Grand Rapids Furniture Export Association, Grand Rapids, Mich.
Gulf Pitch Pine Export Association, New Orleans, La.
Hawkeye Pearl Button Export Co., Muscatine, Iowa.
Locomotive Export Association, New York City.
Naval Stores Export Corporation, New Orleans, La.
Pacific Flour Export Co., Portland, Oreg.
Pan American Trading Co., New York City.
Phosphate Export Association, New York City.
Pioneer Pearl Button Export Corporation, Poughkeepsie, N. Y.
Pipe Fittings & Valve Export Association, Branford, Conn.
Producers Linter Export Co., New Orleans, La.
Redwood Export Co., San Francisco, Calif.
Rubber Export Association, The, Akron, Ohio.
Salmon Export Corporation, Seattle, Wash.
Sugar Export Corporation, New York City.
Sulphur Export Corporation, New York City.
United Paint & Varnish Export Co., Cleveland, Ohio.
United States Alkali Export Association (Inc.), New York City.
United States Button Export Co., Muscatine, Iowa.
United States Handle Export Co., The, Piqua, Ohio.
United States Maize Products Export Association, The, Wilkes-Barre, Pa.
Walnut Export Sales Company (Inc.), Chicago, Ill.
Walworth International Co., Boston, Mass.
Wisconsin Canners Export Association, Manitowoc, Wis.

EXPORTS DURING 1925

Exports during 1925 by associations reporting to the commission totaled about

$165,500,000, an increase of $25,500,000 over exports.

SECTION 6(H) OF THE FEDERAL TRADE COMMISSION ACT

Section 6(h) of the Federal Trade Commission act directs the commission to investigate "trade conditions in and with foreign countries where associations, combinations, o r practices of manufacturers, merchants, or traders, or other conditions may affect the foreign trade of the United States."

Under this section inquiries are conducted by the export trade division along the lines of foreign commerce. Current information is gathered regarding trust laws, combines, and unfair competition in foreign countries.

TRADE LEGISLATION IN FOREIGN COUNTRIES DURING THE LAST YEAR

The Norwegian law regarding the control of competition, restrictions, and abuse of prices, passed by the Parliament on February 26, 1926, was approved by the King on March 12, and will become effective on July 1, 1926. This act takes the place of the provisional law of August 6, 1920, and provides for the establishment of a control bureau and a control council. These authorities are empowered to require reports and evidence regarding mergers of firms, binding or controlling agreements for the purpose of regulating prices, production or marketing conditions, or other information of sufficient importance to influence marketing conditions in Norway. For this purpose, business books and papers may be demanded by the control authorities or confiscated by the police if necessary. Industries are forbidden to fix or accept prices or compensation that may be considered improper. The control council may prohibit the fixing of minimum prices for further sale in cases where such prices. can be regarded as causing an increase. A merger restricting competition may be ordered dissolved by the control council if it is established that it exercises a harmful influence on prices.

broad powers of inquiry. The committee will comprise from 29 to 35 members, of which the Government shall appoint 11 members at the Reichstag's proposal, 9 members at the proposal of the chairman of the provisional economic council, and 9 members in its own discretion. Special subcommittees will be appointed to study such important problems as working hours credits taxes, and cartels. The powers of the committee are subject to provisions of the German regulations for civil suits and appeal from the committee's decisions may be made to the federal economic court.

The International Union for the Protection of Industrial Property, formed by a convention signed at Paris in 1883, modified at Brussels in 1900 and at Washington in 1911, held meeting at the Hague on November 6, 1925, and revised the convention, the new draft to be ratified by the signatory countries. The original convention was signed by the United States of America, Germany, Austria-Hungary, Belgium, United States of Brazil, Cuba, Denmark, Dominican Republic, Spain, France, Great Britain, Italy, Japan, United States of Mexico, Norway, Netherlands, Republic of Portugal, Serbia,

An important case was tried in New Zealand during the past year against firms engaged in

the Philippines, radio supplies and clothing to New Zealand; electrical goods, automobile parts, and flour to the Straits Settlements; oil engines to Japan, steel products and wheat to China, and electrical supplies and movie films to India.

Complaints of this sort include allegations of defective quality, short shipments, damage en route, delay or failure to deliver, and nonpayment or only partial payment. In some cases the foreigner's complaint is supplemented by inspection and report of the American Consular officers abroad. There are two sides to every controversy, but accurate facts ascertained by Government officials at both ends of the transaction often serve as a very satisfactory basis for better understanding between American companies and their foreign customers.

The following may be illustrative of at complaint against an American importer, investigated during the past year: In December, 1923, a Rumanian shipped to the United States a consignment of shelled walnuts to be sold on a commission basis, according to contract with the American consignee. Shortly afterwards the American concern went out of business and repeated inquiries from Rumania failed to result in reply or a settlement of the account. Upon appeal to the American consulate in Rumania and inquiry by the commission in this country, the bill of sale and other records were located, and it was ascertained that a net amount of about $200 was due the fore 0.0062 270 TD 0 Tc5 ( ) j 2.4 0aftewiries

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when the goods were finally shipped the foreigner's ill will was appeased.

The efforts of the Government along this line have been commended by commercial organizations in this country, and the foreign offices of the

ADMINISTRATIVE DIVISION

This division conducts the business affairs of the commission and is made up of units usually found in Government establishments, the functions of the units being governed largely by general statutes. These units are personnel, fiscal affairs, publications, docket, mail and files, supplies, stenographic, and library. The units are under the direct supervision of the chief of the administrative division, and the character of work is indicated by the designation of the unit.

PERSONNEL

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PUBLICATIONS

QUARTERS

The commission is housed in one of the temporary war structures at Twentieth and D Streets NW., and by reason of its location and condition of the building is seriously handicapped in its work. To facilitate trial and investigatory work and in the interest of economy, small branch offices are maintained at New York City, Chicago, San Francisco, and Seattle.

FISCAL AFFAIRS

Appropriations available to the commission for the fiscal year ended June 30, 1926, under the executive and sundry civil act, approved March 3, 1925, amounted to $1,008,000. This sum was made up of three separate items : (1) $50,000 for salaries of the commissioners, (2) $940,000 for the general work of the commission, and (3) $18,000 for printing, and binding.

Expenditures and liabilities for the year amounted to $994,957.02, which leaves a balance of $13,042.98. This represents the balance in the lump-sum appropriation.

The appropriations, expenditures, liabilities, and balances are tabulated as follows:

Appropriations, expenditures, liabilities, and balances

	Amount available	Amount expended	Liabilities	Expenditures and liabilities	Balances
Federal Trade Commission, 1926:					
Salaries, commissioners	$50,000.00	$50,000.00		$50,000.00	
Printing and binding	18,000.00	12,678.85	$5,121.15	18,000.01	
All other authorized expenses	940,000.00	906,283.01	20,673.96	926,957.02	$13,012.98
Total, fiscal year 1926	1,008,000.00	968,961.91	25,995.11	994,957.02	13,042.98
Unexpended balances:					
1925	13,519.33	11,714.08			1,805.25
1924	33,008.24	Cr. 2.20			33,010.44
1923	1,874.08	Cr. 2.25			1,876.33
Total	1,05c 3.0201lances				

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Statement of costs for the fiscal year ended June 30, 1926

	Office	Field	Total
Administrative	$266,784.39		$266,784.39
Economic	217,196.06	$14,600.35	231,796.41
Legal:			
Chief counsel	177,720.54	35,228.42	212,948.96
Chief examiner	175,526.38	28,077.12	203,603.50
Board of review	29,675.91	31.50	29,707.41
Export trade	12,336.25	1,888.38	14,224.63
Trial examiners	22,985.33	4,014.38	26,998.71
Trade practice conference	1,766.95	192.60	1,958.95
Grand total	903,991.81	84,031.18	988,022.96

Detailed statement of costs for the fiscal year ended June 30, 1926

Item	Office	Field
Annual leave	$69,135.81	
Applications for complaints	44,686.06	$11,307.94
Board of review	26,575.98	
Bread inquiries	31,292.68	4,116.84
Briefs	32.76	
Clayton Act, section 7, general investigation		90.82
Communications	3,742.57	
Complaints, formal	161,510.76	46,618.77
Computing-machine work	1,203.74	
Cooperative associations	3,996.96	1,011.76
Court costs	677.12	
Court leave	67.44	
Docket section	18,309.88	
Drafting complaints	4,977.36	
Economic supervision	18,543.71	
Electric-power Industry	105,021.91	9,946.49
Equipment	8,535.12	
Export trade	10,496.93	1,888.38
Fiscal affairs	10,950.32	
General administration, commissioners, etc	77,083.84	
Grain and produce changes	16,940.48	
Heat and light	101.95	
Injunction proceedings against the commission	14.17	
Labor	3,135.01	
Legal supervision	56,072.49	914.25
Library section	7,777.93	
Lumber trade associations	46.15	83.25
Mail and file section	10,552.30	
Medical attendant	1,413.92	
Messengers	10,839.45	
Military leave	881.40	
Miscellaneous economic	453.80	
Miscellaneous legal	5.41	
National wealth inquiry		8.02
Open price associations	11,609.21	712.21
Personnel section	9,501.63	
Petroleum prices	45.69	
Preliminary inquiries	32,285.05	6,512.60
Printing and binding	16,436.84	
Publication section	15,826.78	
Purchases and supplies section	5,412.60	
Rents	11,012.51	
Repairs	157.82	
Sick leave	21,401.95	
Special briefs	75.54	
Special legal work for the commissioners	278.82	177.50
Stenographic	52,995.29	
Stipulations	2,569.44	
Study of procedure	26.05	
Supplies	10,046.49	
Time excused by the Executive or commission's order	2,728.37	493.84
Tobacco inquiry	2,739.18	
Trade practice conference	1,555.26	96.12
Trade practice submittal	53.24	52.56
Transportation of things	323.34	
Travel expense, Washington (D. C.) car tokens	80.00	
Witness fees	1,345.50	
	903,991.81	84,031.15
Total office expenses		903,991.81
Total cost		988,022.96

Adjustments.--The following adjustments are made to account for the difference

between costs and expenditures:

Total cost for the year ended June 30, 1926	$988,022.06
Less transportation issued	33,942.33
New total	954,080.63
Plus transportation paid	26,590.91
Expenditures for the year ended June 30, 1926	980,671.54

Appropriations available to the commission Since its organization and the expenditures for the same period, together with the unexpended balances, are shown

TABLE 3.--*Complaints*

	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926
Pending at beginning of year	0	0	5	10	86	133	287	312	257	232	264	220
Docketed during year	0	5	9	154	135	308	177	111	144	154	132	62
Previous dismissals rescinded	0	0	0	0	0	0	1	0	1	1	0	0
Previous orders to cease and desist rescinded	0	0	0	0	0	0	0	0	0	5	0	0
Total for disposition	0	5	14	164	221	441	455	423	402	392	390	282
Dismissed during year	0	0	1	7	13	44	37	75	88	36	103	86
Orders to cease and desist entered during year	0	0	3	71	75	110	116	91	82	92	73	44
Total disposition during year	0	0	4	78	88	154	153	166	170	128	176	130
Pending at end of year	0	5	10	86	133	217	312	257	232	264	220	152

SUMMARY

Docketed to June 30, 1928, inclusive		1,391
Dismissed (net)	487	
Order to cease and desist (net)	752	
Total disposition to June 30, 1926, inclusive		1,289
Pending July 1, 1926		152

COURT PROCEEDINGS--ORDERS TO CEASE AND DESIST

TABLE 4.--*Petitions for review--United States Circuit Courts of Appeals*

	1919	1920	1921	1922	1923	1924	1925	1926
Pending at beginning of year	0	2	8	13	9	4	14	9
Appealed during year	4	9	18	5	5	15	6	5
Total for disposition	4	11	26	18	14	19	20	14
Decisions for commission	1	0	1	4	5	1	6	5
Decisions against commission	1	3	11	5	4	4	3	1
Petitions withdrawn	0	0	1	0	1	0	2	0
Total disposition during year	2	3	13	9	10	5	11	8
Pending at end of year	2	8	13	9	4	14	9	8

SUMMARY

Appealed to June 30, 1920, inclusive		67
Decisions for commission	23	
Decisions against commission	32	
Petitions with drawn	4	
Total disposition to June 30.1926, inclusive		59
Pending July 1, 1926		8

TABLE 5.--*Petitions for review--Supreme Court or the United States*

	1919	1920	1921	1922	1923	1921	1925	1926
Pending at beginning of year	0	0	1	3	3	1	0	4
Appealed by commission	1	1	0	0	0	0	0	0

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Writ denied others		0			0			0			0			2			1			1			1
Total dis position during year	0			1			0			4			9			2			2			3	
Pending at end of year		0			1			3			3			1			0			4			6

SUMMARY

Appealed by commission to June 80, 1926, inclusive	20	
Appealed by others to June 30, 1926, inclusive	7	
Total appealed to June 30, 1926, inclusive		27
Decisions for commission	2	
Decisions against commission	7	
Petitions withdrawn by commission	1	
Writ denied commission	6	
Writ denied others	5	
Total disposition to June 30, 1926, inclusive		21
Pending July 1, 1926		6

TABLE 6.--*Petitions for enforcement--Lower courts*

	1919	1920	1921	1922	1923	1924	1925	1926	
Pending at beginning of year	0	0	0	0	0	1	3	1	
Appealed during year	0	0	0	0	1	2	1	3	
Total for disposition	0	0	0	0	1	3	4	4	
Decisions for commission	0	0	0	0	0	0	2	0	
Decisions against commission	0	0	0	0	0	0	2	0	
Petitions by commission denied	0	0	0	0	0	0	1	1	
Total disposition during year	0	0	0	0	0	0	3	1	
Pending at end of year	0	0	0	0	1	3	1	3	

SUMMARY

Appealed to June 30,1926, inclusive		7
Decisions for commission	2	
Decisions against commission	0	
Petitions denied	2	
Total disposition to June 30, 1926, inclusive		4
Pending July 1,1926		3

TABLE 7.--*Petitions for enforcement--Supreme Court of the United States*

	1919	1920	1921	1922	1923	1924	1925	1926	
Pending at beginning of year	0	0	0	0	0	0	0	0	
Appealed by commission	0	0	0	0	0	0	0	1	
Appealed by others	0	0	0	0	0	0	0	1	
Total for disposition	0	0	0	0	0	0	0	2	
Total disposition during year	0	0	0	0	0	0	0	0	
Pending at end of year	0	0	0	0	0	0	0	2	

SUMMARY

Appealed to June 30, 1926, inclusive		2
Total disposition to June 30, 1926, inclusive		0
Pending July 1,1925		2

TABLE 8.--*Petitions for rehearing, modification, etc.--Lower courts*

	1919	1920	1121	1922	1923	1924	1925	1926	
Pending beginning of year	0	0	1	0	1	0	0	2	
Appealed during year	0	1	0	3	0	2	9	3	
Total or disposition	0	1	1	3	1	2	9	5	
Decisions or commission	0	0	0	1	0	0	1	0	
Decisions against commission	0	0	0	0	0	0	1	0	
Petitions by commission denied	0	0	1	0	0	2	1	2	
Petitions by others denied	0	0	0	1	1	0	3	2	
Petitions withdrawn by commission	0	0	0	0	0	0	1	0	
Total disposition during year	0	0	1	2	1	2			

SUMMARY

Appealed to June 30, 1926, inclusive	18
Decisions for commission	2
Decisions against commission	1
Petitions by commission denied	6
Petitions by others denied	7
Petition withdrawn by commission	1
Total disposition to June 30, 1926, inclusive	17
Pending July 1, 1920	1

TABLE 9.--*Petitions for rehearing, modification, etc.--Supreme Court of the United States*

	1919	1920	1921	1922	1923	1924	1925	1926
Pending beginning or year	0	0	0	0	0	0	0	0
Appealed during year	0	0	0	1	0	0	0	1
Total for disposition	0	0	0	1	0	0	0	1
Petitions denied others	0	0	0	1	0	0	0	1
Total disposition during year	0	0	0	1	0	0	0	1
Pending at end of year	0	0	0	0	0	0	0	0

SUMMARY

Appealed to June 30 1920 inclusive	2
Petitions by others denied	2
Total disposition to June 30, 1926, inclusive	2
Pending July 1, 1926	0

COURT PROCEEDINGS--MISCELLANEOUS

TABLE 10.--*Mandamus, injunct ion, etc.--Lower courts*

	1919	1920	1921	1922	1923	1924	1925	1926
Pending at beginning of year	0	1	2	8	4	1	1	1
Appealed during year	1	2	2	5	4	0	0	1
Total for disposition	1	3	4	8	8	1	1	2
Decisions for commission	0	0	1	2	0	0	0	0
Decisions against com mission	0	1	0	1	7	0	0	0
Petitions withdrawn by others	0	0	0	1	0	0	0	0
Total disposition during year	0	1	1	4	7	0	0	0
Pending at end of year	1	2	3	4	1	1	1	2

SUMMARY

Appealed to June 30, 1926, inclusive	15
Decisions for commission	3
Decisions against commission	9
Petitions withdrawn by others	1
Total disposition to June 30, 1926, inclusive	13
Pending July 1,1926	2

TABLE 11.--*Mandamus, injunction, etc.--Supreme Court of the United States*

	1919	1920	1921	1922	1923	1924	1925	1926
Pending at beginning of year	0	0	0	0	0	6	4	1
Appealed during year	0	0	0	0	6	0	0	0
Total for disposition	0	0	0	0	6	6	4	1
Decisions for commission	0	0	0	0	0	0	0	0
Decisions against commission	0	0	0	0	0	2	3	0
Total disposition during year	0	0	0	0	0	2	3	0
Pending at end of year	0	0	0	0	6	4	1	1

SUMMARY

Appealed to June 30, 1926, inclusive	6
Decisions for commission	0
Decisions against commission	5

Total disposition to June 30,1926, inclusive	5
Pending July 1, 1926	1

EXHIBITS

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EXHIBIT 2.

FEDERAL TRADE COMMISSION ACT.

AN ACT To create a Federal Trade Commission, to define its powers and duties, and for other purposes.

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

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

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

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

All of the expenses of the commission, including, all necessary expenses for transportation incurred by the commissioners or by their employees under their orders, in making any investigation, or upon official business in any other places than [illegible] rules by [illegible]

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

appropriation for the Department of Commerce for the fiscal year nineteen hundred and fifteen, or from the departmental printing fund for the fiscal year nineteen hundred and fifteen, shall become funds and appropriations available to be expended by the commission in the exercise of the powers, authority, and duties conferred on it by this act. The principal office of the commission shall be in the city of Washington, but it may meet and exercise all its powers at any other place. The commission may, by one or more of its members, or by such examiners as it may designate, prosecute any inquiry necessary to its duties in any part of the United States.

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writing and filed in the office of the commission. If upon such hearing the commission shall be of the opinion that the method of competition in question is prohibited by this act, it shall make a report in writing in which it shall state its findings as to the facts, and shall issue and cause to be served on such person, partnership, or corporation an order requiring such person, partnership, or corporation to cease and desist from using such method of competition. Until a transcript of the record in such hearing shall have been filed in a circuit court of appears of the United States, as hereinafter provided, the commission may at any time, upon such notice and in such manner as it shall deem proper, modify or set aside, in whole or in part, any report or any order made or issued by it under this section.

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

or other process registered and mailed as aforesaid shall be proof of the service of the same.

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

(a) To gather and compile information concerning, and to investigate from time to time the organization, business, conduct, practices, and management

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

(c) Whenever a final decree has been entered against any defendant corporation in any suit brought by the United States to prevent and restrain any violation of the antitrust acts, to make investigation, upon its own initiative, of the manner in which the decree has been or is being carried out, and upon the application of the Attorney General it shall be its duty to make such investigation. It shall transmit to the Attorney General a report embodying its findings and recommendations as a result of any such investigation, and the report shall be made public in the discre Tc 0 TwS(t)atesD -stigation, and violationow ( ) Tj 2.6P.12id14cTj-fei)Tj.8H28u.28 0jTDngr.0 1 52dc 0 0 T

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

Such attendance of witnesses, and the production of such documentary evidence, may be required from any place in the United States, at any designated

place of hearing.

evidence of such corporation, or who, shall willfully refuse to submit to the commission or to any of its authorized agents, for the purpose of inspection and taking copies, any documentary evidence of such corporation in his possession or within his control, shall be deemed guilty of an offense against the United States, and shall be subject, upon conviction in any court of the United States of competent jurisdiction, to a fine of not less than $1,000 nor more than $5,000, or to imprisonment for a term of not more than three years, or to both such fine and imprisonment.

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

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

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

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

Approved, September 26, 1914.

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EXHIBIT 3.

PROVISIONS OF THE CLAYTON ACT WHICH CONCERN THE FEDERAL TRADE COMMISSION

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

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

SEC. 2. That it shall he unlawful for any person engaged In commerce, in the course of such commerce, either directly or indirectly to discriminate in price between different purchasers of commodities, which commodities are sold for use, consumption, or resale within the United States or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States, where the effect of such discrimination may be to substantially lessen competition or tend to create a monopoly in any line of commerce: *Provided*, That nothing herein contained shall prevent discrimination in price between purchasers, of commodities, on account of differences in the grade, quality, or quantity of the commodity sold, or that makes only due allowance for difference in the cost of selling or transportation, or discrimination in price in the same or different communitieofcommunitieofcommun.386r qua

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whole or any part of the stock or other share capital of another corporation engaged also in commerce, where the effect of such acquisition maybe to substantially lessen competition between the corporation whose stock is so acquired and the corporation making the acquisition, or to restrain such commerce in any section or community, or tend to create a monopoly of any line of commerce.

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

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

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

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

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

SEC. 8. That from and after two years from the date of the approval of this act no person at the same time shall be a director in any two or more corporations, any one of which has capital, surplus, and undivided profits aggregating more than $1,000,000, engaged in whole or in part in commerce, other than banks, banking associations, trust companies and common carriers subject to the [illegible] has of has

Whenever the Commission or

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

EXHIBIT 4

EXPORT TRADE ACT

AN ACT To promote export trade, and for other purposes

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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 state-

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

Whenever the Federal Trade Commission shall have reason to believe that an association or any agreement made or act done by such association is in restraint of trade within the United States or in restraint of the export trade of any domestic competitor of such association, or that an association either in the United States or elsewhere has entered into any agreement, understanding, or conspiracy, or done any act which artificially or intentionally enhances or depresses prices within the United States of commodities of the class exported the.68 0 [illegible]

EXHIBIT 5.

RULES OF PRACTICE BEFORE THE FEDERAL TRADE COMMISSION

I. SESSIONS.

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

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

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

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

II. COMPLAINTS.

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

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

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

III. ANSWERS.

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

IV. SERVICE.

Complaints, orders, and other processes of the commission may be served by anyone duly

authorized by the commission, either (*a*) by delivering a copy

thereof to the person to be served, or to a member of the partnership to be served, or to the president, secretary, or other executive officer, or a director of the corporation or association to be served; or (*b*) by leaving a copy thereof at the principal

IX. OBJECTIONS TO EVIDENCE.

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

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the same is founded, except such as have been previously filed or served in the same proceeding, shall be filed with such motion and plainly referred to therein.

XI. HEARINGS ON INVESTIGATIONS.

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

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

XII. HEARINGS BEFORE EXAMINERS.

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

XIII. DEPOSITIONS IN CONTESTED PROCEEDINGS.

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

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

Any party desiring to take the deposition of a witness shall make application in ww (y(final argument on the mer

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shall, together with a copy thereof made by

EXHIBIT 6

respondents have agreed to confine the distribution of groceries and allied products to “regular” and “legitimate” channels of trade to wit: From the producer or manufacturer to the wholesaler, from the wholesaler to the retail dealer; and to fix uniform wholesale prices and to prevent

Complaint No. 1098.--In the matter of (1) California Retail Fuel Dealers' Association, its officers and executive committee and members; (2) Retail Coal and Wood Dealers' Association of Alameda County, Stockton Retail Coal Dealers' Association, Richmond Retail Fuel Dealers' Association, Sacramento Retail Fuel Dealers' Protective Association, San Jose Feed and Fuel Dealers' Protective Association, San Francisco Retail Coal Dealers' Association, Peninsula Fuel Dealers' Association, Southern California Fuel and Feed Dealers' Association, all members of and constituting (1), their respective officers al Dealers' Association 10 Tc 0.0222

Disposition: After hearing, the commission entered an order to cease and desist on May 15, 1928.

Complaint No.1133.--In the matter of Edwin A. Ames, trading as Ostermoor & Co. Charge: The respondent, in the sale of its felt mattresses attaches to each mattress a brand or label carrying pictorial representations or depictions

of complete and incomplete Ostermoor mattresses with superimposed layers of cotton felt protruding therefrom. Unfair methods of competition are charged In that said depictions are false, deceptive, and misleading,

competition

Complaint No. 1175.--In the matter of W. J. Rooks, G. W. Rooks, J. R. Fox, C. T. Wass, I. W. S. Sunberg, R. D. Rooks, James F. Quinn, and U. S. Oil Co. (Inc.). Charge: Unfair methods of competition are charged in that the respondents have offered and given sums of money to employees of purchasers of textile oils and allied products, without the knowledge and consent of the employers and principals, as inducements to such employees to recommend the products of the respondent corporation and secure the purchase thereof by their employers and principles in preference to the like commodities of competitors of the respondent corporation, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After hearing, the commission entered and order to cease and desist on April 28, 1926.

Complaint No. 1186.--In the matter of The Good-Grape Co., a corporation. Charge: Unfair methods of competition are charged in that the respondent, engaged in the manufacture and sale of a sirup for beverages, labels and advertises Its product with the name "Good-Grape," and otherwise Indicates that It is composed of the juice of the natural fruit of the grape when in fact said product is not made of the juice of the grape, thereby tending to mislead the purchasing public as to the quality of its product and to stifle and suppress competition In the sale of beverages made In whole or in part of Juice from the natural fruit of the grape and to divert the trade from truthfully marked goods, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After hearing, the commission entered an order to cease and desist on April 13, 1926, Commissioner Thompson dissenting to the form of the order.

Complaint No. 1187.--In the matter of Franklin Coal Co. Charge: Unfair methods of competition are charged in that the respondent sells its coal as Mt. Olive coal" and "Mt. Olive district coal," thereby tending to mislead the consuming public to believe that the respondent's coal Is the favorably known product of the Mount Olive district, In the State of Illinois, when in fact the respondent's coal is not derived from said Mount Olive district, in alleged violation of section 5 of the Federal Trade Commission act. Status: Awaiting briefs.

Disposition: After hearing, the commission entered an order to cease and desist on February 5, 1926.

Complaint No. 1191.--In the matter of Furniture Manufacturers' Show Rooms (Inc.). Charge: Unfair methods of 1191.--

of Grand Rapids manufacture and quality, when in fact the furniture sold by the respondents is for the most part made at points other than Grand Rapids, Mich., and is sold at retail, all in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After hearing, the commission entered an order to cease and desist on September 28, 1925.

Complaint No. 1232.--In the matter of Arkansas Wholesale Grocers Association, its officers and members, Searcy Wholesale Grocery Co., Arkansas Grocery Co., Brown-Hinton Wholesale Grocery Co., J. Foster & Co., Silbernagel & Co. Charge: Unfair methods of competition are charged in that the respondents in an endeavor to confine the distribution of groceries and allied products to the so-called regular and legitimate channels of trade by which the distribution of goods is effected via the wholesaler, attempted by means of intimidation and boycott to coerce manufacturers and producers to refrain from supplying irregular dealers, and persecuted and harassed irregular dealers; and in that the respondents cooperated to suppress price competition, and encourage and support the maintenance of uniform prices established by manufacturers and producers, by (a) publishing lists of names of manufacturers and producers enforcing a price-maintenance system and urging members of the respondent association to confine their purchases to such manufacturers and producers: (b) seeking to induce and coerce manufacturers and producers to establish and enforce a system of resale price maintenance and threatening or intimating boycott if they do not adopt and enforce such a system, and (c) urging members of the respondent association to intimidate and boycott such nonconforming manufacturers and producers, all in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After hearing, the commission entered all order to cease and desist on May 15, 1926.

Complaint No. 1236.--In the matter of David J. Goldsmith, doing business under the trade name and style Hagen Import Co. of Pennsylvania. Charge: Unfair methods of competition are charged in that the respondent, engaged in the retail sale of merchandise purchased in the United States, tends to mislead the consuming public to believe that he is all importer and manufacturer by displaying the trade name “Hagen Import Co. of Pennsylvania” in conjunction with the statements “Importers--Manufacturers--Job and “European Office, Munich, Germany,” an

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articles, enforces a merchandising system adopted by it of establishing and maintaining certain specified uniform prices at which Its toilet articles shall be resold by retailers, refusing to sell to price cutters, and employing other cooperative means to prevent retailers from reselling at prices less than those established by the respondent, In alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After hearing thew ( )2King

(This proceeding, disposed of during the fiscal year 1925, and so recorded in the statistical tables,

Complaint No. 1302.--In the matter of George E. Watson Co. Charge : Unfair methods of competition are charged in that the respondent's " Monogram" and " Faultless" paints are represented and labeled as strictly pure when in fact they contain large quantities of calcium carbonate and distillates of petroleum in lieu, respectively, of white lead and linseed oil, said paints containing correspondingly small quantities of white lead and linseed oil ; and in that the respondent claims to be the manufacturer of said paints when in fact it purchases its paints for resale; thereby tending to deceive the pur-

chasing public as to quality and manufacture, promoting the belief that persons buying from the respondent are dealing direct with the manufacturer and saving the profits of middlemen, and to Injure competitors who do not misrepresent their products or the manufacture thereof, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : After a stipulation, entered in lieu of entered en3Tj 2.76 0 TD a70 Tc9.03 Tw ( ) Tj 1.92 0 TD

vendees to retailers, thereby tending to suppress competition In the sale of said Chero-Cola and to deny to the retail trade and consuming public the advantages in price which would obtain from the natural and unobstructed play of competition in alleged violation of section 5 of the the

Complaint No. 1312.--In the matter of B. W. Cooke, C. E. Wesch, Job-Way home Study (Inc.). Charge: Unfair method of competition are charged in that the respondents, heretofore doing business as "Coye School of Drafting," "Associated Drifting Engineers," and "Chicago Auto Shops," conducting a correspondence school course in the art of mechanical and other form", of drafting and the trade of repairing automotive vehicles, made numerous and misleading statements concerning said courses of instruction, the costs thereof, the giving of tools, appliances, and supplies free of charge, and the results to be expected by pupils, and unlawfully coerced pupils to pay substantial sums of money claimed to be due and owing under the terms of fraudulently procured contracts, sending letters under the name of a fictitious collection agency, and fictitious notices and summonses in simulation of legal documents, thereby misleading the public and injuring the business of competitors who do not misrepresent their courses of instruction, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : After a stipulation. entered in of testimony, the commission entered an order to cease and desist on September 21, 1925.

Complaint No. 1318.--In the matter of Louis Shapiro, Barney Shapiro, and Frank B.- Shapiro, partners doing business under the trade name and style of Shapiro & Sons. Charge : Unfair methods of competition are charged In that the respondents represent their men's clothing as made from all-wool fabrics when In fact the garments sold by the respondents are made from a fabric containing a substantial amount of material other than wood, thereby tending to mislead and deceive the purchasing public and to injure competitors who do not practice misrepresentation, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : After a stipulation, entered in lieu of testimony, the commission enter an order to cease and desist oil September 30, 1925.

Complaint No. 1321.--In the matter of Beacon Knitting Mills. Charge : Unfair methods of competition are charged in that the respondent represents and asserts to its customers and prospective customers through its salesman and agents, and by means of business stationery, catalogues, labels, etc., that it controls aud operates knitting mills and is the manufacturer of the garments in which it deals, thereby eliminating the profits of middlemen, whereas, in fact, It does not own, control, or operate any mill or factory, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : After hearing, the commission entered an order to cease and desist on March 15, 1920

Complaint No. 1333.--In the matter of William F. Schied and H. H. Bard, copartners, doing business under the trade names and styles of American Specialty Co. and American Seed Co. Charge: Unfair methods of competition are charged in that the respondents, engaged in the sale of snap dress fastener's and vegetable and flower seeds, represent to their agents, a great number of whom are school children, that the sale of a specified number of packages of fasteners or seeds and the remission of the amount collected therefor with title the agent to a premium of his selection, when, in fact, the respondents consignment to the agent includes additional packages together with a printed statement advising the agent that it is necessary to sell the additional packages and remit the proceeds in order to insure the delivery of the premium, post-paid insured, said proceeds being in fact, in excess of the postage requirements; and in that the respondents represent their seeds as carefully selected and tested by the department of agriculture of many of the leading States, when. In fact, the respondents do not test their seeds nor do they have them tested by the department of agriculture of any State ; and, further, in that the respondents indicate that their seeds were grown in Lancaster County, Pa., which bears the reputation of being one of the richest agricultural counties in the United States, when. In fact, none of the seeds sold by the respondents are grown in said county but are purchased from seed growers in other parts of the United States, all in alleged violation of section 5 of the Federal

Trade Commission act.

Disposition: A stipulation having been entered in lieu of testimony, the commission entered an order to cease and desist on April 9, 1926.

Complaint No. 1336.--In the matter of Minneapolis Woolen Mills Co. (Inc.). Charge: Unfair methods of competition are charged in that the respondent by the use of Its corporate name and by the representations of Its agents mis leads the public to believe that it owns or operates mills or factories and that

the profits of middlemen are saved by purchasing from it, when, in fact, the respondent fills its orders from merchandise purchased by it from other manufactures, in alleged violation of section 5 of the Federal Trade Commission act.

conditions and so high as to be prohibitive to small competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : Dismissed, practices charged having been discontinued.

Complaint No. 449.--In the matter of Wilson & Co. (Inc.). Charge: That the respondent purchased all the property of the Morton Gregson Co., a Nebraska corporation, theretofore engaged in the same name of business as respondent and in active competition with it. and thereafter organized under the laws of the State of Delaware a subsidiary corporation called the " Morton Gregson Co.," which proceeded to take over the property thus purchased and to operate the business of the said Nebraska corporation, with the effect or eliminating competition previously existing be tween Morton Gregson Co., the Nebraska corporation, and the respondent, in alleged violation of section 5 of the Federal Trade Commission act and section 7 of the Clayton Act.

Disposition : Dismissed.

Complaint No. 450.--In the matter of Wilson & Co. (

independent companies for the purpose of taking over the business and property of the Lookout Refining Co. and the Chattanooga Oxygen Gas Co. and the Harris Tannery Co., competitors of respondent, the capital stock of the independent companies being held by officers and employees or agents of respondents with the purpose or effect of restraining and eliminating competition and tending to create a monopoly, in alleged violation of section 5 of the Federal Trade Commission act and section 7 of the Clayton Act.

Disposition: Counts 1 and 2 dismissed after hearing, for the reason that the competition eliminated was due to the acquisition of physical assets rather than the subsequent acquisition of capital stock ; counts 3 and 4 dismissed after hearing, for the reason that under the evidence the acquisition was not a viola-

tion of the Clayton Act and the proof was insufficient to establish a violation of the Federal Trade Commission act, Commissioners Nugent and Thompson dissenting.

Complaint No. 540.--In the matter of Royal Baking Powder Co. Charge: Using unfair methods of competition by unfairly representing and charging that its competitors' products contain alum, to wit [illegible]

composed of silk, in alleged violation of section 5 of the Federal Trade Commission act. Order of dismissal issued May 18, 1923, was revoked, and May 14, 1924, case reopened

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modations, and for other forms of entertainment are in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: Dismissed after hearing.

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

Disposition : Dismissed.

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

Disposition: Dismissed after hearing.

Complaint No. 833.--In the matter of John J. Morrill and Louis Halvarson, partners, styling themselves A. Mcleod & Co. Charge : The respondents have offered and given cash commissions and gratuities to captains, engineers, and other officers or employees of vessels without the knowledge of their employers to induce the purchase of sails, rigging, and canvas equipment from respondent, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: Dismissed after hearing, without prejudice.

Complaint No. 911.--In the matter of Milwaukee Tobacco Jobbers' Association and P. Lorillard Co. (Inc.), respondents. Charge : The charge is unfair competition in that the association and its members agreed upon a schedule of fixed prices at which the members should resell tobacco products to their dealer customers and that the P. Lorillard Co. (Inc.) entered into an agreement with the association and its members to assist them in maintaining the prices fixed and agreed upon all in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: Dismissed after hearing as to P. Lorillard Co. (Inc.); dismissed after hearing as to the other respondents, without prejudice to future action by the commission should the practices complained of or practices similar thereto be resumed by said other respondents, or by any of them, Commissioners Nugent and Thompson dissenting to the dismissal as to all respondents.

Complaint No. 915.--In the matter of Cutler-Hammer Manufacturing Co. Charge : Unfair methods of competition In commerce are charged in that the respondent practices discrimination in prices in the sale of its electric controllers by granting a greater rate of discount from the list price to those of Its vendees who accept the respondent's "sole use contract" whereby the vendee agrees to purchase the respondent's controllers only the effect of said practice being to substantially lessen competition and to create a monopoly, in alleged violation of section 2 and section 3 of the Clayton Act.

Disposition : Dismissed after hearing, Commissioner Humphrey dissenting.

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Disposition: Dismissed after hearing, without prejudice to future action by the commission, should the practices complained of or practices similar thereto be resumed by the respondents or by any of them. Commissioner Nugent dissenting.

Complaint No. 964.--In the matter of Standard Oil Co. of New Jersey. Charge : Unfair methods of competition are charged in that the respondent acquired one-half or more of the stock or share capital of the Humble Oil & Refining Co., the effect of such acquisition being to substantially lessen competition between the said Humble Oil & Refining Co. and the respondent and Its subsidiary, the Standard Oil Co. of Louisiana, to restrain commerce in those sections in which said companies are engaged in commerce and to create a monopoly In alleged violation of section 7 of the Clayton Act.

Disposition: Dismissed after hearing, Commissioners Nugent and Thompson dissenting.

Complaint No. 967.--In the matter of Tobacco Products Corporation and Midwest Tobacco Jobbers' Association, respondents. Charge: That the respondent association and the Tobacco Products Corporation entered into all agreement, understanding, and conspiracy by which they fixed the price at which the members of the respondent association should resell the products of the Tobacco Products Corporation, and that the Tobacco Products Corporation agreed to assist in the carrying out of the conspiracy by discontinuing the sale of its products to such members of the association as would sell such product at prices less than those fixed by the conspiracy, all in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: Dismissed without prejudice after hearing. Commissioners Nu gent and Thompson dissenting.

Complaint No. 968.--In the matter of Scotten-Dillon Co. and Midwest Tobacco Jobbers' Association, respondents. Charge: That the respondent association and Scotten-Dillon Co. entered an agreement, understanding, and conspiracy by which they fixed the price at which the members of the respondent association should resell the products of Scotten-Dillon Co., and that Scotten-Dillon Co. agreed to assist in the carrying out of the conspiracy by discontinuing the sale of its products to such members of the association as would sell such products at prices less than those fixed by the conspiracy, all in alleged violation of section 5 of the Federal Trade Commission act.

Disposition

Distributing Co., which quotes equal prices to wholesalers and retailers, from selling soaps. soap products, and cooking fats to the members of the respondent association and wholesale grocers, and sought to coerce wholesalers into refraining from dealing in the said products of the Proctor & Gamble Distributing Co., in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : Dismissed after hearing, Commissioner Nugent dissenting.

Complaint No. 1009.--In the matter of Illinois Glass Co. Charge : Unfair methods of competition are charged in that the respondent, engaged in the manufacture and sale of glass bottles, entered into and carried out an agreement by the effect of which the respondent acquired the entire assets and

capital stock of the Cumberland Glass Manufacturing Co., the More Jonas Glass Co., and the Mintola Glass Co., thereby tending to substantially lessen competition, restrain commerce, and create a monopoly, in alleged violation of section 5 of the Federal Trade Commission act and section 7 of the Clayton Act.

Disposition: Dismissed, Commissioners Nugent and Thompson dissenting.

Complaint No. 1012.--In the matter of Ohio Wholesale Grocers' Association, Cleveland Tobacco Jobbers, and P. Lorillard Co. (Inc.), respondents. Charge: The charge is unfair competition in that the Ohio Wholesale Grocers' Association and a group of Cleveland, Ohio, tobacco jobbers, and P. Lorillard Co. (Inc.), entered into a conspiracy, agreement, and understanding, by which they fixed the prices at which the products of P. Lorillard Co. (Inc.), should be resold by the jobber respondents, and that P. Lorillard Co. (Inc.), agreed with the other respondents to assist in the carrying out of the conspiracy alleged, by refusing to sell to such of the respondents as would resell its products at prices less than those fixed by the conspiracy. All in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: Dismissed without prejudice, Commissioners Nugent and Thompson dissenting.

Complaint No. 1015.--In the matter of William R. Warner & Co. (Inc.). Charge: Unfair methods of competition are charged in that the respondent, having established two scales of prices for Its patent medicines, pharmaceuticals, and drug specialties designated, respectively, as jobbers' prices and retailers' prices, makes a regular practice of selling its products at said

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entered into a similar conspiracy with the Liggett & Myers Tobacco Co.; that each association agreed to abide by the prices of the other association when its members sold into territory of the members of such other associations and that the Liggett & Myers Tobacco Co. agreed with both of the associations to assist in the carrying out of the several conspiracies by discontinuing

The charge is unfair competition in that Larus Bros. Co. and the Keystone Tobacco Jobbers' Association, by conspiracy, fixed prices at which the members of that association should resell the products of Larus Bros. Co.; that the Central Pennsylvania Tobacco Jobbers' Association entered into a similar conspiracy with Larus Bros. Co.; that each association agreed to abide by the prices of the other association when Its members sold into territory of the members of such other association, and that Larus Bros. Co. agreed with both of the associations to assist in the carrying out of the several conspiracies by discontinuing to sell such members of the association as would sell its products at prices less than those fixed by the conspiracies aforesaid.

Disposition: Dismissed without prejudice, Commissioners Nugent and Thompson dissenting.

Complaint No. 1037.--In the matter of P. Lorillard Co. (Inc.), a corporation; Keystone Tobacco Merchants' Association, an unincorporated organization; its officers, J. C. Lindner, president; E. A. Stroud, vice president; I. Finkelstein, treasurer; W. F. Smulyan, secretary; their successors and its members; Central Tobacco Jobbers' Association of Pennsylvania, an unincorporated organization, its officers, G. H. Stallman, president; Jacob L. Hauer, vice president; W. Clyde Shissler, secretary and treasurer; their successors and Its members. Charge: Unfair methods of competition are charged in that the respondents conspired and agreed to fix uniform prices for the sale and resale of cigars, cigarettes, and other tobacco products, the respondent, P. Lorillard Co. (Inc.), refusing to sell its products to those who did not maintain said standard resale prices or resold products to price-cutting subjobbers and retailers, all for the purpose and with the effect of restricting competition and restraining the natural flow of commerce in violation of section 5 of the Federal Trade Commission act.

Disposition: Dismissed without prejudice, Commissioners Nugent

Disposition: Dismissed, Commissioner Thompson dissenting.

Complaint No. 1082.--In the matter of Coast States Oil Co., a corporation, J. C. Van Slyke, L. Chair Van Slyke, W. H. Labofish, J. W. Hood. Charge: Unfair methods of competition are charged in that the respondents, to further the sale of the corporate stock of the respondent corporation, made numerous false, misleading, and deceptive statements as to the properties, prospects, and management of said corporation, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition Dismissed, respondent having gone out of business.

Complaint No. 1132.--In the matter of Firestone Steel Products Co., Jacob Mattern & Sons (Inc.), Motor Rim Manufacturers Co., Motor Rim &

tenance of said prices and arrangements, in alleged violation of section 5 of the Federal Trade

Disposition: Dismissed after stipulation.

Complaint No. 1180.--In the matter of Holly Sugar Corporation, Southern California Sugar Co., Santa Ana Sugar Co., Alameda Sugar Co., and S. W. Sinsheimer. Charge: It is charged that the respondent, S. W. Sinsheimer, Is ineligible to act as director of any two or more of the respondent corporations and that his service in that capacity constitutes a violation of section 8 of the Clayton Act.

Disposition: Dismissed for lack of public interest, Commissioner Nugent dissenting.

Complaint No. 1181.--In the matter of Holly Sugar Corporation. Charge: It is charged that the respondent by acquiring the stock or share capital of the Southern California Sugar Co., Santa Ana Sugar Co., and Alameda Sugar Co.,

tends to substantially lessen competition, to restrain commerce, and to create a monopoly in commerce in beet sugar, in alleged violation of section 7 of the Clayton Act.

Disposition: Dismissed after hearing, Commissioners Nugent and Thompson dissenting.

Complaint No. 1182.--In the matter of Holly Sugar Corporation, Southern California Sugar Co., and E. A. Carlton. Charge: It is charged that the respondent, E. A. Carlton, is ineligible to act as director of both the respondent corporations and that his service in that capacity constitutes a violation of section 8 of the Clayton Act.

Disposition: Dismissed for lack of public interest, Commissioner Nugent dissenting.

Complaint No. 1183.--In the matter of Philip Carey Manufacturing Co., Philip Carey Co., Waring Underwood Co., Pioneer Asphalt Co., Western Elaterite Roofing Co. Charge: Unfair methods of competition are charged in that respondents in the manufacture or sale of asphalt paving joints, entered into combination and undertaking to suppress competition by entering into uniform license agreements and by establishing and observing uniform prices for the sale of said product, thereby denying purchasers the advantages in price which they would enjoy under conditions of mutual and normal competition in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: Dismissed after hearing.

Complaint No. 118.--In the matter of Interwoven Stocking Co. Charge: Unfair methods of competition are charged in that the respondent adopted a merchandising system of fixing and maintaining certain specified uniform prices for the resale of its hosiery, refusing to supply price cutters and employing cooperative means and methods for the enforcement of said resale prices, In alleged violation of section 5 of the Federal Trade Commission act.

Disposition: Dismissed after hearing.

Complaint No. 1194.--In the matter of M. H. Powers Co., Inc. Charge: Unfair methods of competition are charged in that respondent, engaged in the resale of furniture which he has purchased for the most part from manufacturers other than those of Grand Rapids, Mich., falsely advertises that he is a sales agent for furniture manufacturers of Grand Rapids, Mich., thus tending to mislead the purchasing public into the belief that in dealing with respondent they are buying direct from the manufacturer and saving the profits of middlemen, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: Dismissed after hearing for lack of jurisdiction in the absence of interstate commerce.

Complaint No. 1195.--In the matter of Nathan Tannebaum, trading as Capitol Furniture Distributing Co. Charge: Unfair methods of competition are charged, in that respondent, engaged in the resale of furniture which he has purchased for the most part from manufacturers other than those of Grand Rapids, Mich., falsely advertises that he is a sales agent for furniture manufacturers of Grand Rapids, Mich., together with statements to the effect that furniture buyers save 40 to 50 per cent by buying direct from the manufacturer, thus tending to mislead the purchasing public into the belief that in dealing with respondent they are buying direct from the manufacturer and saving the profits of middlemen, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: Dismissed after hearing.

Complaint No. 1197.--In the matter of Northern J17 Tsection

Brelling Innes Co., National Grocer Co., Cannon Grocery Co., Roach & Seeber Co., the Peninsula Wholesale Grocery Co., Carpenter-Cook Co. Charge: Unfair methods of competition are charged, in that respondents have agreed to confine the distribution of groceries and allied products to "regular" and "legitimate" channels of trade, to wit, from the producer or manufacturer to the wholesaler, from the wholesaler to the retail dealer, and to fix uniform wholesale

obstruct the natural flow of commerce, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: Dismissed after hearing, practices charged having been discontinued.

Complaint No. 1213.--In the matter of Landers, Frary & Clark, a corporation. Charge: Unfair methods of competition are charged in that the respondent enforced a merchandising system adopted by it of fixing and maintaining certain specified uniform prices for the resale of its electrical heating and cooking appliances, employing cooperative means and methods for the enforcement of said system of standard prices, thereby tending to deprive the ultimate purchasers of the advantage in price which would obtain from the natural flow of commerce in said products under the conditions of free competition, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: Dismissed after hearing, Commissioner Nugent dissenting.

Complaint No. 1214.--In the matter of The American Tobacco Co., a corporation; P. Lorillard Co. (Inc.), a corporation; Liggett & Myers Tobacco Co. (Inc.), a corporation; West Virginia Wholesale Grocers' Association Co., a corporation, its officers, directors, and stockholding members. Charge: Unfair methods of competition are charged in that the respondent jobbers combined and conspired, with the aid of the respondent manufacturers, to fix uniform discounts or prices for the resale of cigars, cigarettes and other tobacco products, the respondent manufacturers refusing to sell to price cutters, all for the purpose and with the effect of eliminating competition, in alleged violation of section 5 of the Federal Trade Commission act. The charges were dismissed as to the American Tobacco Co.

Disposition: Dismissed without prejudice, Commissioners Nugent and Thompson dissenting.

Complaint No. 1223.--In the matter of Chicago Retail Lumber Dealers' Association, a corporation, its officers and members. Charge: Unfair methods of competition are charged in that the respondents combined and conspired to restrict and destroy competition and thereupon established and operated an "allotment pool," the object of which was to prorate and divide in advance the aggregate annual business of all the members on the basis of certain fixed and agreed percentages so that each member who did more business than that allotted to him should pay into the fund a uniform fixed percentage of the excess of business done by such member, and that each member doing less business than that allotted to him should be paid out of said fund the same uniform fixed percentage upon such deficiency in his business; and in that the respondents, to effectuate their object of restricting and destroying competition, (a) prepared, issued, and used an association price list as a basis for uniform selling prices; (b) prepared cost surveys as a basis for said price lists; and (c) established a special fund consisting of large cash deposits by the members, said deposits being forfeitable to respondent association in case of noncompliance with the terms and purposes of respondents' combination and conspiracy; and in that the respondents, in for

Complaint No. 1224.--In the matter of Karl

and is sold at retail, all in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: Dismissed after hearing, practices charged having been discontinued ; Commissioner Nugent dissenting.

Complaint No. 1231.--In the matter of Champion Spark Plug Co. Charge: Unfair methods of competition are charged in that the respondent adopted and employs a merchandising system whereby it fixes and maintains certain specified uniform prices for the resale of its spark plugs, refusing to sell to price cutters and employing other cooperative means and methods for the enforcement of said system of fixed resale prices, in alleged violations for the

prices are being maintained; the bureau, through its secretary, with the aid and advice of various members, compiles and distributes to the members lists of uniform prices, terms, and discounts to be charged and allowed, which lists have been adopted by respondent members as their own and adhered to by them; offending members are reported and disciplined; etc., all in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: Dismissed practices charged having been discontinued.

Complaint No. 1248.--In the matter of Fisk Rubber Co. Charge: Unfair methods of competition are charged in that respondent, engaged in the manufac-

ture and sale of automobile tires, inner tubes. and other rubber products has acquired and holds approximately 51 per cent of the share stock of the Federal Rubber Co. (the reorganized Federal Rubber Manufacturing Co., which company sold its product tires, mechanical rubber goods, and sundries--through its subsidiary sales corporation, the Federal Rubber Manufacturing Co. of Illinois) a former competitor, and that subsequent to such acquisition the Federal Rubber Co. transferred its assets to respondent and ceased to manufacture automobile tires and similar products ; that the effect of such acquisition is to substantially lessen competition between respondent on the one hand and the Federal Rubber Co. and the Federal Rubber Manufacturing Co. on the other hand ; and that such acquisition by respondent of such share stock is contrary to law and in violation of section 7 of the Clayton Act. Chairman Vernon W. Van Fleet dissents.

Disposition : Dismissed.

Complaint No. 1253.--In the matter of Owosso Manufacturing Co., a corporation; the Wabash Screen Door Co., a corporation; Philadelphia Screen Manufacturing Co., a corporation; Sherwood Metal Working Co., a corporation; Porter Screen Co., a corporation; the Continental Co., a corporation. Charge: Unfair methods of competition are charged in t that the respondent, manufacturers of screen doors, window screens, and similar products entered into a combination for the sale of their respective products, the respondent, Continental Co., being organized to act as a common selling agency, to apportion the orders, to establish exclusive territories, and to determine selling prices on the basis of the average cost to the respective manufacturers, thereby eliminating and destroying competition, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : Dismissed, Commissioners Nugent and Thompson to file a memorandum of dissent at a later date.

Complaint No. 1254.--In the matter of the Coraza Cigar Co. Charge : Unfair methods of competition are charged in that the respondent in connection with the sale of certain of its cigars uses a trade-mark containing the words “Marshall Field.” together with a portrait or likeness of Marshall Field. sir. and a coat of arms or seal similar to that used by the long established and favorably known Marshall Field & Co., in the sale of its merchandise, thereby tending to mislead the trade and public into the belief that the respondent’s cigars are manufactured and/or sold by Marshall Field & Co., in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : Dismissed after hearing. Commissioners Thompson and Van Fleet dissenting.

Complaint No. 1257.--In the matter of South Jersey Wholesale Confectioners Association, of Trenton, N. J., [illegible] charged [illegible]

Sugar Co., Michigan Sugar Co., Northern Sugar Corporation, Iowa Sugar Co., Iowa Valley Sugar Co., Ohio Sugar Co., Menominee River Sugar Co., Spreckles Sugar Co., Santa Annia Sugar Co., Utah-Idaho Sugar Co. Charge: Unfair methods of competition inn the sale and distribution of beet pulp are charged in that the respondent Larrowe Milling Co. has been given the exclusive right and privilege of selling all the beet pulp produced by the respondent sugar manufacturing companies for sale to manufacturers of and dealers in cattle feed, the respondent, Larrowe Milling Co., being kept advised of the quantity of beet pulp on hand and manipulating the market in such a manner as to secure high prices for all the beet pulp sold by it, thereby tending to suppress competition in price and to deny to the

public the advantages in price which would obtain under conditions of natural and normal competition between the respondents, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : Dismissed, Commissioners Nugent and Thompson dissenting.

Complaint No. 1280.--In the matter of Banner Silk Knitting Mills (Inc.), a corporation. Charge : Unfair methods of competition are charged in that the respondent, engaged in the sale and manufacture of textiles or fabrics which are not composed of silk in whole or in part, advertised and represented certain of Its products as silk and furthered the deception by the adoption and use of the word "Silk" as a part of its corporate name, thereby tending to mislead and deceive the purchasing public and to injure competitors who label their products truthfully, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : Dismissed after hearing, respondent having gone out of business.

Complaint No. 1291.--In the matter of Midland Steel Products Co. Charge: Unfair methods of competition are charged in that the respondent, pursuant to the purposes of its incorporation, acquired the capital stock and the property, assets, and businesses, of the Parish & Bingham Corporation and Detroit Pressed Steel Co., thereby tending to substantially lessen competition, to restrain commerce in the sale and distribution of auto frames and frame parts and to create a monopoly therein, in alleged violation of section 7 of the Clayton Act and section 5 of the Federal Trade Commission act.

Disposition : Dismissed.

Complaint No. 1294.--In the matter of Plateless Engraving Co., a corporation. Charge: Unfair methods of competition are charged in that the respondent, engaged in process printing and in the sale of process-printed stationery, by the use of the word "engraving" in its corporate name and advertisements tends to mislead and deceive the

Disposition : Dismissed without prejudice to the right to issue and hear a complaint charging the respondent with all its acquisitions of stock or share capital to this date as a violation of section 7 of the Clayton Act.

Complaint No. 1310.--In the matter of Willis J. Davis and C. D. Swindt, partners doing business under the trade name and style Kanuga Cigar Co. Charge: Unfair methods of competition are charged in that the respondents, engaged in the manufacture of cigars in the State of Georgia and in the sale thereof, label certain of their products "Smoka Tampa." thereby tending to mislead the public into the belief that its cigars are made in the Tampa district, Florida, and are of Tampa quality, and to injure competitors

who do not practice misrepresentation, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : Dismissed, respondents having gone out of business.

Complaint No. 1327.--In the matter of Rose Bros. Co. Charge : Unfair methods of competition are charged in that the respondent, engaged in the manufacture and sale of umbrellas, advertised and represented that the handles of certain of its umbrellas were composed of or trimmed with Bakelite, when in fact said handles were made of or trimmed with celluloid and other products having the appearance, or being a colorable imitation, of Bakelite as made by the Bakelite Corporation, thereby tending to deceive the trade and purchasing public and to injure competitors who do not practice misrepresentation, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : Dismissed after hearing.

Complaint No. 1337.--In the matter of John C. Herman and Edward S. Herman, copartners doing business under the trade name and style of John C. Herman & Co. Charge : Unfair methods of competition are charged in that the respondents label certain of their cigars with the words “Tampa” or [illegible] “Tampa [illegible] cigars [illegible] the cigars and Edward [illegible]

charge in that the respondents, engaged in the sale of knitted garments to retailers, indicate by the use of their trade name that they are manufacturers, when in fact the respondents do not control or operate any mill or factory and purchase their garments for resale, thereby tending to m

holds and controls the whole or substantially all of the stock of a number of corporations engaged in the baking business in the several States of the United States, thereby tending to substantially lessen competition. to restrain commerce in bread, biscuits, cakes, pies, crackers, and other food products in the sections or communities in which such corporations were engaged in commerce at the time of the acquisition of their stock and to create a monopoly in said food products, in alleged violation of section 7 of the Clayton Act.

Disposition : Dismissed after hearing, action having been taken in the United States District Court for the District of Maryland.

Complaint No. 457.---In the matter of Western Meat Co. and Nevada Packing Co. Charge: That respondents have violated

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: Awaiting respondent's brief.

competition are charged in that they, in order to further the sale of the share stock of the said corporations, issued and published numerous false and misleading statements and concealed or withheld other material information relative to the organization, business, and properties of the said corporation, thereby deceiving and misleading the purchasing public in alleged violation of section 5 of the Federal Trade Commission act. Status: Awaiting respondent's brief.

Complaint No. 871.---In the -36s8o6( ) Tj 2wdv,huS TTc 0.03 Tw ( ) s6L Tc 0.03 Tw 2.4 0 0.057 Tc 0 Ti-

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of such products, and hindering free competition, in alleged violation of section 5 of the Federal Trade Commission act. Status: In course of trial.

Complaint No. 930.---In the matter of Right-Way Royalty Syndicate, E. L. Chapman, H. F. Mitchell, and A. J. Chapman. Charge: Respondent syndicate is an unincorporated Texas trust. The respondent individuals are trustees, officers, organizers, and promoters and constitute the board of trustees of said respondent syndicate. Unfair methods of competition are charged in that the respondents, to further the sale of syndicate securities have made and are still making numerous false, misleading, and deceptive statements concerning the business, management, operations, property, prospects, etc., of said syndicate, in violation of section 5 of the Federal Trade Commission act. Status : Awaiting final determination by the commission.

Complaint No 932.---In the matter of Dispatch Petroleum Co., Porter Oakes, and James T. Chiles. Charge : Respondent company is a Texas joint-stock association and respondent individuals are promoters thereof. Unfair methods of competition in commerce are charged in that respondents, to further the sales of the share stock of said company, made numerous false and misleading statements and concealed essential facts as to the properties, prospects, and earnings of said company, in alleged violation of section 5 of the Federal Trade Commission act. Status : Awaiting briefs.

Complaint No. 956.---In the matter of Oakleed Oil Co., Mark Kleeden, and Julia K Threlkeld. Charge: Unfair methods of competition in commerce are charged in the sale of the share stock of respondent company in that the respondents have misrepresented the business, management, properties, and prospects of the said respondent oil company for the purpose of misleading and deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status : Suspended pending investigation by the Post Office Department.

Complaint No. 960.---In the matter of Texas-Mexia Drilling Syndicate; B. M. Hatfield, Sterling Syndicate, J. D. Johnson, Old Timers Oil Pool, Albert 5. Leach, Co-operative Oil Interests, and C. R Farmer. Charge : Unfair methods of competition in the sale of the share stock of the respondent syndicates and interests, are charged, in that the respondents have misrepresented the business, management, properties, and prospects of said respondent syndicates and interests for the purpose of misleading and deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status : Suspended pending criminal prosecution by the United States.

Complaint No 962.---Charge: Sale of [illegible] pending [illegible]

Gibbons, Percie C. Wilie, E. H. Doud. Charge: Unfair methods of competition are charged in the sale of share stock of the respondent corporation in that the respondents have misrepresented the business, management, properties, and prospects of said corporation for the purpose of misleading and deceiving the purchasing public (purchasing

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in the sale of securities of respondent syndicate in that the respondents have misrepresented the organization, business, management, properties, and prospects of said respondent syndicate for the purpose of misleading and deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status : At issue.

Complaint No. 1028.---In the matter of Guaranty Royalties Co., W. F. Rogers, W. L. Hughes, and A. C. Loughrey. Charge : Unfair methods of competition are charged in the sale of the stock of the respondent joint-stock association in that the respondents have made numerous false, misleading, and deceptive statements concerning the organization, management, properties, production, earnings, and prospects of the respondent company for the purpose of inducing the public to purchase said stock, in alleged insaid 45s Tw (8c 0 T36 w ( ) Tj 1.8 0 TD -0.0594 Tc 0bli0.1002

Status: Before the commission for final determination.

Complaint No. 1089.---In the matter of The Three-In-One oil Co. Charge : Unfair methods of competition are charged in that the respondent employs a system for the maintenance and enforcement of certain specified uniform prices fixed by it at which its shall be resold by wholesale wholesale

of at quality inferior to that of the wares commonly known as "Sheffield silver" or "Sheffield silver plate" tends to mislead and deceive the purchasing public as to the value named quality of its ware in alleged violation of section 5 of the Federal Trade Commission act. Status : At issue.

Complaint No. 1100.---In the matter of American Snuf inferior

for transoceanic radio communication and perpetuating the monopoly thereof by refusing to supply to others the apparatus and devices necessary for the employment and operation of certain service ; (6) entering into exclusive contracts and preferential agreements for the handling of transoceanic radio traffic and the

discouraging, stifling, and suppressing competition in the wholesale and retail stationery trade and of enhancing the prices of such goods by *(a)* establishing and maintaining a National Catalogue Commission for the preparation and distribution of lists of standard minimum retail prices; *(b)* establishing and maintaining local committees to further the purposes of the National Catalogue Commission ; *(c)* inducing manufacturers to adopt the recommendations of the National Catalogue Commission and to increase their list prices, enlarge trade discounts and standardize resale prices; *(d)* endeavoring to compel the adoption of said minimum prices and standard retailers' discounts *(e)*

securing the adoption of standard cost-keeping methods which have the effect of inflating costs as a basis for the gross margins to be secured and the resale prices to be recommended ; *(f)* encouraging refusal to sell to price cutters; *(g)* by inducing dealers to boycott manufacturers not in harmony with the policies of the respondents and give preference to cooperating manufacturers ; *(h)* circulating false and derogatory statements concerning the quality of goods and business methods of those who refuse to adopt the respondents' recommendations; *(i)* inducing manufacturers to refuse to sell to the so-called irregular dealers. transient dealers and brokers; *(j)* endeavoring to eliminate competition between the various branches of the trade and discriminating in favor of manufacturers who abstain from selling direct to consumers; *(k)* gathering and disseminating information in aid of the enforcement of the aforesaid policies and excluding from membership in the respondent association all retailers not in harmony with said policies, all in alleged violation of section 5 of the Federal Trade Commission act. Status : In course of trial.

Complaint No 1156.--In the matter of Hemill Silverware Co. Charge : Unfair methods of competition are charged in that the respondent's practice of using the word "Sheffield" or "Sheffield plate" in designating its silver-plated ware which is not manufactured in Sheffield, England, nor of the quality of genuine Sheffield silver and Sheffield plate, tends to mislead and deceive the purchasing public as to the value and quality of said product, in alleged violation of section 5 of the Federal Commission act. Status: Awaiting briefs.

Complaint No. 1157.--In the matter of Benedict Manufacturing Co. Charge : Unfair methods of competition are charged in that the respondent, engaged inn the manufacture and sale of silver-plated ware, stamps its products with the words " Quadruple plate," thereby tending to create the false impression that its ware have been coated or plated four times and to induce the purchase of its product in preference to competitors' commodities of similar quality not misrepresented, in alleged violation of section 5 of the Federal Trade Commission act. Status : At issue on amended complaint.

Complaint No 1158.--In the matter of W. A. L. Silver Manufacturing turning Co. Charge: Unfair methods of completion are charged in that the respondent, engaged in the manufacture of silver-plated ware in the City of New York, stamps its silverware with the words " Sheffield," "Sheffield plate," on other similar designations containing the word "Sheffield," thereby tending to create the false impression that its silver-plated ware was manufactured in Sheffield, England, and is of the high quality associated with genuine Sheffield silver and Sheffield plate, in alleged violation of section 5 of the the

: At issue on amended complaint.

Complaint :5.04 0 TD 0.Sheffield, [illegible]

silver and Sheffield plate, in alleged violation of section 5 of the Federal Trade Commission act. Status At issue.

Complaint No 1163.--In the matter of Keystone Metal Spinning & Stamping Co. Charge: Unfair methods of competition are charged in that the respondent, engaged in the manufacture of silver-plated ware in the city of New York, confuses and misleads the purchasing public by stamping its wares with such designations as "Sheffield," "Sheffield plate," and Quadruple plate," any and all of which are misrepresentative of the manufacture, quality, and value of the respondent's products, in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue on amended complaint.

Complaint No. 1165.--In the matter of James A McCafferty Sons Manufacturing Co. (Inc.). Charge : Unfair methods of competition are charged in that the respondent, engaged in the manufacture and sale of paint and paint products, advertises and sells one of its products as "Gold seal combination white lead," when in fact said product contains no sulphate or carbonate of lead in amount greater than 3 per cent of the total ingredients of said product, thereby tending to mislead and deceive the purchasing public as to the quality of said product, in alleged violation of section 5 of the Federal Trade Commission act. Status : At issue.

Complaint No 1184.--In the matter of Philip Carey Manufacturing Co., Philip Carey Co. Charge : Unfair methods of competition are charged in that the respondent's practice of entering into exclusive contracts whereby competitors bind themselves not to deal in the products of any competitor of respondents tends to substantially lessen competition in the sale of asbestos and asphalt products,

individually and as first vice president of said association; Mitchell Joannes, individually and as second vice president of said association; Francis E. Dewey, individually and as treasurer of said association; Francis J. Reckert, individually and as secretary of said association; Glass-Turbusi Co.; Otto L. Kuehn & Co. Charge : Unfair methods of competition are charged in that respondents have agreed to confine the distribution of groceries and allied products to "regular" and "legitimate" channels of trade, to wit, from the producer or manufacturer to the wholesaler, from the wholesaler to the retail dealer, and to fix uniform wholesale prices and to prevent price cutting,

the said agreement, enforced by intimidation, coercion, and boycotting, tending to suppress and hinder competition and to obstruct the natural flow of commerce, in alleged violation of section 5 of the Federal Trade Commission act. Status: Before the commission for final determination.

Complaint No. 1201.--In the matter of J. R. Speal, Hartman & Manahan, L. L. Hardesty & Co., Charles Jacobs, Rowe V. Clark, J, A. Morgan & Sons, W. K. Morgan & Co., Paul Brown, W. F. Allen & C. Charge : Unfair methods of competition are charged in that the respondents have combined and cooperated to eliminate competition In the purchase of strawberries in the producers' market for a large strawberry producing area, and thereby restrict the prices paid to an amount substantially less than the growers would receive under conditions of free and open competitive purchasing; and in that the respondents thereafter cause their principals, without their knowledge or consent, to pay prices substantially in excess of the amounts paid by the respondents to the growers of the strawberries, thereby tending to enhance prices of said strawberries to a large number of the consuming public, in alleged violation of section 5 of the Federal Trade Com mission act. Status : In course of trial.

Complaint No. 1203.--In the matter of Barnes-Ames Co., Barnes-Irwin Co. Charge : Unfair methods of competition are charged in that the respondents, exporters of wheat, have accepted orders and received payment from foreign customers for wheat of a specified quality and, wilfully or through negligence, have delivered wheat of a quality inferior to that ordered and containing large quantities of chaff and other foreign substances, other than -0.03 Tc 0 Tf Tj

of disinfectants, antiseptics, and soaps, offers and gives prizes or premiums to administrative officers and purchasing agents of public institutions, without the knowledge or consent of their principals, to induce said purchasers to buy the respondent's products in preference to those of Its competitors, in alleged violation of section 5 of the Federal Trade Commission act. Status : In course of trial.

Complaint No. 1219.--In the matter of Hayes Wheel *Co.* Charge : Unfair methods of competition are charged in that respondent, by acquiring all the outstanding common capital stock of the Imperial Wheel Co., tends to sub-

stantially lessen competition between the respondent and said Imperial Wheel Co., to restrain commerce in the sale of automobile wheels in certain territories and to create a monopoly in the sale and distribution thereof, in alleged violation of section 7 of the Clayton Act. Status : At issue.

Complaint No. 1226.--In the matter of. Double A Platinum Works (Inc.). Charge: Unfair methods of competition are charged in that the respondent, engaged in the manufacture of unfinished jewelry known to the trade as "findings," stamps said findings as "Double A Platinum" or "A. A. Plat.", thereby tending to mislead the trade and public to believe that the respondent's products are composed of pure platinum, when in fact they are made of platinum alloyed with other metals, in alleged violation of section 5 of the Federal Trade Commission act. Status : Before the commission for final determination.

Complaint No. 1234.--In the matter of Superior Silver Company (Inc.). Charge : Unfair methods of competition are charged in that the respondent, engaged In the manufacture of silver-plated ware by the electroplating process, stamped its product "Superior Sheffield" and held itself out to be "manufacturers of Sheffield plate silver ware, using the trade-mark "Superior Sheffield," thereby tending to mislead the purchasing public to believe that it is a manufacturer of copper rolled plate similar to that known as "Sheffield," and that its product is of "Sheffield" quality, in alleged violation of section 5 of the

names and advertise to mislead the purchasing public to believe that they are manufacturers and
that said purchasing public in pa

acquisition of the stock or share capital of the Barrett Co., General Chemical Co., the Solvay Process Co., Semet-Solvay Co., and National Aniline & Chemical Co., (Inc.), tends to substantially lessen competition, to restrain commerce in various and sundry articles, products, and chemicals produced by said corporations, and to create in the respondent a monopoly in the lines of commerce in which said corporations were respectively engaged and especially in the chemicals and coal-tar products required in the production of dyes and dyestuffs, in alleged violation of section 7 of the Clayton Act. Status : At issue.

Complaint No. 1251.--In the matter of American Association of Advertising Agencies, its officers, executive board, and members ; American Press Association, a corporation ; Southern Newspaper Publishers' Association, its officers, directors, and members. Charge : Unfair

Bureau; Philadelphia Leather and Finders' Credit Bureau; Baltimore Leather and Finders' Credit Bureau; Greater New York Leather and Finders' Credit Bureau; Capital Leather and Finders' Credit Bureau of Albany, N. Y.; Michigan Leather and Finders' Credit Bureau of Detroit; Illinois Leather and Finders' Credit Bureau (Inc.); Cleveland Leather and Finders' Credit Bureau; Toledo Leather and Finders' Credit Bureau; Cincinnati Leather and Finders' Credit Bureau; St. Louis Leather and Finders' Credit Bureau; Connecticut Leather and Finders' Credit Bureau; Virginia Leather and Finders' Credit Bureau; Iowa and Nebraska Leather and Finders' Credit Bureau; Missouri, Kansas, and Arkansas Leather and Finders' Credit

Bureau; Illinois State Leather and Finders' Credit Bureau ; Louisville Leather and Finders' Credit Bureau; Twin Cities Leather and Finders' Credit Bureau; Rubber Heel Club of America and the officers and members thereof. Charge: Unfair methods of competition are charged In that the respondents have combined and conspired with the intent and effect of discouraging, stifling, and suppressing competition in price and otherwise in the sale and distribution of shoe findings and in shoe-repair service, and of confining such commerce to " regular" channels of trade and "legitimate" dealers, in alleged violation of section 5 of the Federal Trade Commission act. Status : At issue.

Complaint No. 1267.--In the matter of G. H. Koppel, doing business under the trade name and style Cuban-American Sponge Co. Charge: Unfair methods of competition are charged in that the respondent, engaged in the purchase and sale of chamois-leather and sponges, falsely indicates on its business stationery and literature that it is a chamois tanner and manufacturer and operates chamois tanneries and sponge fishing fleets when in fact it is not engaged but purchases its leathers and sponges for resale, thereby tending to mislead and deceive the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status: Before the commission for final determination.

Complaint No. 1269.--Federal Trade Commission *v*. Shanghai Lace Corporation. Charge: Unfair methods of competition are charged in that the respondent, engaged in the importation of lace from China and in the sale thereof to the manufacturers of garments, describes its lace

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from China and the sale thereof to garment manufacturers, designate their lace astodesignate20.03 Tw ( ) picot, T

alleged violation of section 5 of the Federal Trade Commission act. Status: At issue.

Complaint No. 1289.--In the matter of F. Burkhalter, an individual doing business under the trade name and style Royal Soap Co. Charge: Unfair methods of competition are charged In that the respondent advertises and represents Its "Royal Medicated

sist in whole or in part of a woven fabric resembling wicker-work, advertises and represents its wares as "wicker" wares when in fact the material used by the respondent is wood-paper pulp processed and worked into a form resembling withes or cordage, thereby tending to deceive the trade and purchasing public and to injure competitors who do not misrepresent their products, in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue.

Complaint No. 1301.--In the matter of Windsor Cigar Co.; Benjamin Paris, doing business under the trade name and style, Paris Cigar Co.; Raphael N. Paris. Charge: Unfair methods of competition are charged in that the respondents engaged in the manufacture of cigars in the State of Pennsylvania and in the sale thereof, label their product "Havana Cadet," thereby tending to mislead the purchasing public to believe that said cigars are made of tobacco grown on the island of Cuba and to injure competitors who do not misbrand their products, in alleged violation of section 5 of the Federal Trade Commission act. Status: Awaiting examiner's report.

Complaint No. 1306.--In the matter of Maud B. Clough and W. H. Siebrecht, Jr., partners doing business under the trade name and style Siewin Co. Charge: Unfair methods of competition are charged in that the respondents, engaged in the manufacture and sale of a

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Complaint No. 1314.--In the matter of S. Goodman and B. Cohen, partners doing business under the trade name and style Goodman, Cohen & Co. Charge: Unfair methods of competition are charged in that the respondents, engaged in the manufacture and sale of shirts, use a cotton fabric containing no silk whatever, but which has the appearance of silk, and label the shirts made therefrom with the name "Nusylk" (the words "all cotton" or "superfine cotton" appearing in small and inconspicuous letters), thereby tending to mislead the purchasing public to believe that the respondents' shirts are made of

silk and to injure competitors who do not practice misrepresentation, in alleged violation of

products, at

in that the respondents indicate, without basis therefor that one of their products was awarded a “Double Grand Prize, St. Louis Exposition. 1904,” thereby tending to mislead the trade and public, and to injure competitors who do not Louisnotto

machines, to monopolize or attempt to monopolize said

to give negotiable promissory notes and enforces payment thereof, all in alleged violation of section 5 of the Federal Trade Commission] act. Status: Awaiting commission's brief.

Complaint No. 1332.--In the matter of Jones Hardwood Co. Charge: Unfair methods of competition are charged in that the respondent, engaged in the sale of hardwood lumber and other hardwood products, represented and sold as "Philippine mahogany" certain hardwoods which were not mahogany

wood, thereby tending to mislead the trade and the purchasing public and to injure competitors who do not practice misrepresentation, in alleged violresent Tw (the) Tjc ( ) Tj 2.16 0 Tc 0.03 Tw7s

of Rubinow Edge Tool Works. Charge:

groceries and allied products in the territories served by the respondent members to so-called regular and legitimate channels of trade and to prevent irregular and illegitimate dealers from obtaining groceries directly from manufacturers and producers, carrying out said purposes by threats of boycott and other methods of intimidation and coercion against manufacturers, brokers, and agents and by espionage and other cooperative and individual efforts, thereby tending to suppress competition and obstruct the natural flow of commerce, in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue.

Complaint No. 1342.--Not released.

Complaint No. 1345.--Not released.

Complaint No. 1346.--In the matter of Con-Ferro Paint & Varnish Co. Charge : Unfair methods of competition are charged in that the respondent, engaged in the manufacture and sale of paints, makes numerous false and mis leading statements as to the quality and value of its products, thereby tending to mislead the purchasing public and to injure competitors who do not misrepresent their products, in alleged violation of section 5 of the

in that the respondent causes to be depicted on his catalogues and advertising literature pictorial representations of the United States Capitol Building, the caricature known as "Uncle Sam," and a shield emblematical of the United States Government, when in fact the respondent has no relationship with the Government, thereby misleading the public as to the status of the respondent's courses of instruction and his qualifications, in alleged violation of section 5 of the Federal Trade Commission act. Status : Before the commission for final determination.

Complaint No. 1356.--In the matter of Gotham Silk Hosiery Co. (Inc.). Charge : Unfair methods of competition are charged in that the respondent.

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Complaint No. 1364.--In the matter of Atlanta Wholesale Confectioners Association, its officers and members, Brower Candy Co., A. B. Tenenbaum, J. L. Tenenbaum, and J. P. Tenenbaum, partners, doing business under the trade names and styles Tenenbaum Bros.,

and legitimate channels of trade and to the respondent members as whole-sale dealers, to prevent so-called irregular and illegitimate dealers (doing both a wholesale and retail business or retail business only) from obtaining confectionery and allied products directly from the manufacturers thereof and to suppress competition and especially competition in price in the sale and distribution of said products, employing cooperative means to make effective their undertaking and threatening to boycott and otherwise seeking to persuade and compel manufacturers to sell their products to members of respondent association only and to refrain from selling to irregular or illegitimate dealers, all in alleged violation of section 5 of the Federal Trade Commission act. Status: In course of trial.

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Complaint No. 1366.--In the matter of Eclipse Fountain Pen & Pencil Corporation, Marx Finstone, Lillian Finstone, David Klein. Charge : Unfair methods of competition are charged in that the respondents, engaged in the manufacture and sale or fountain pens and pencils, label certain of their products with fictitious and exaggerated resale prices, thereby tending to mislead and deceive the consuming public as to the value of said products and to injure competitors who do not practice misrepresentation, in alleged violation of section 5 of the Federal Trade Commission act. Status : Awaiting examiner's report.

Complaint No. 1367.--In the matter of Commonwealth Manufacturing Co.-and Harry Dushoff, doing business under the trade names and styles Harry Dushoff & Co. and Chicago Manufacturing Co. Charge : Unfair methods of competition are charged in that the respondents, engaged in the sale of binder twine, shirts, and shoes, describe themselves as "manufacturers" of the commodities dealt in, when in fact the respondents are not manufacturers but purchase said commodities for resale; and, further, in that respondents sell certain of their shoes as "Army shoes," when in fact the said shoes are not surplus property of the United States Government but were obtained by the respondents from the manufacturers thereof in the ordinary course of trade, thereby tending to mislead and deceive the purchasing public and to injure competitors who do not practice misrepresentation, in alleged violation of section 5 of the Federal Trade Commission act. Status : Awaiting answer.

Complaint No. 1368.--In the matter of Korean H. Basmadjian, doing business under the trade name and style H. Basmadjian & Sons. Charge: Unfair methods of competition are charged in that the respondent, engaged in the sale of pistachio nuts, makes numerous false and misleading statements and representations to the effect that H. Basmadjian & Sons are the growers of the pistachio nuts in which they nuts TD nev0 Tw (the0Tj

organizations, and collection agencies to further the sale of said publication and to assist in coercing and blackmailing purchasers into the payment of money on orders or contracts, substituti

by subterfuge, misrepresenting the quality of the paper and binding, offering additional books or extension service "free," when in fact the price thereof was included in the price of the book bought, and making numerous false and misleading representations, all tending to deceive the purchasing public, the said practices injuring competitors who do not practice misrepresentation, in alleged violation of section 5 of the Federal Trade Commission act. Status : At issue.

Complaint No. 1372.--In the matter of Synthetic Products Co. Charge: Unfair methods of competition are charged in that the respondents, engaged in the manufacture and sale of a compound for use in softening rubber and rendering the same more resilient, labels and advertises its product as "Liquid Rubber," when in fact the said product contains no rubber whatsoever, thereby tending to mislead and deceive the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status : Awaiting final argument

Complaint No. 1373.--In the matter of Public Service Cup Co. Charge : Unfair methods thein that the

ivory is used, and further in that the respondents take misleading statements and representations as to prices and values, thereby tending to deceive the purchasing public, and to injure competitors who do not practice misrepresentation, in alleged violation of section 5 of the Federal Trade Commission act. Status : Awaiting answer.

Complaint No. 1378.--In the matter of Ohio Leather Co. Charge : Unfair methods of competition are charged in that the respondent, engaged in the

manufacture and sale of leather, advertises and labels one of its products as “Kaffor Kid,” thus indicating that it is manufactured from the skins of goats, when in fact the respondent’s said product is manufactured from the hides of calves, thereby tending to mislead and deceive the trade and consuming public and to injure competitors who do not practice misrepresentation, in alleged violation of section 5 of the Federal Trade Commission act. Status : At issue.

Complaint No. 1379.--In the matter of Great Northern Fur Dyeing & Dressing Co. Charge : Unfair methods of competition are charged in that the respondent, engaged in the business of dressing and dyeing Australian and New Zealand rabbit skins, causes one of its trade-marks--“Northern Seal” (black), “Northern Bevre” (brown), “Northern Nutrette” (plum color)--to be stamped on the back of each skin prepared by It, and furnishes to manufacturers of garments made from such skins silk labels containing the words “Genuine Northern Seal,” thus placing in the hands of dealers who sell to the public garments made from such skins the means whereby such dealers can commit a fraud on the public by displaying such labels and trade-marks to support their false representations that such garments are made from genuine seal fur or the fur of animals other than rabbits; the tendency being to deceive the purchasing public and to divert trade from competitors who properly label their rabbit skins, and from dealers in the skins of seals, beavers, musk rats, etc., all in alleged violation of section 5 of the Federal Trade Commission a ct. Status : At issue.

Complaint No. 1380.--In the matter of Feldbaum & Spiegel (Inc.). Charge : Unfair methods of competition are charged in that the respondent, engaged in the business of manufacturing and selling to dealers garments made of dyed Australian and New Zealandgarments

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prepared by the dyer respondent, many of which are so prepared on contract for the dealer respondent who sells some of the same to the manufacturing respondent, thus placing in the hands of dealers who sell the garments made from the "Iceland Seal" skins to the public the means whereby a fraud on the public can be committed by permitting them to display such trademark to support their false representations that such

garments are made from genuine seal fur; the tendency being to deceive the purchasing public and to divert trade from competing manufacturers of properly marked garments made of rabbit skins, or from those who manufacture and sell garments made of genuine seal fur, all in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue.

Complaint No. 1383.--In the matter of Adiel Vandeweghe and David Feshback. Charge: Unfair methods of competition are charged in that (1) the dyer respondent and (2) the manufacturing respondent (who purchases a substantial number of skins from the former) engaged in dressing and dyeing Australian and New Zealand rabbit skins and the manufacture and sale to the trade of garments made therefrom cause each of such skins to be marked on the back thereof the trade-mark "Superior Seal," thus placing in the hands of dealers who sell such garments to the public the means whereby such dealers can commit a fraud on the public by displaying such trade-mark to support their false representations that the garments are made from genuine seal fur; the tendency being to deceive the purchasing public and to divert trade from competing manufacturers of properly marked garments made of rabbit skins, or from those who

in alleged violation of section 5 of the Federal Trade Commission act. Status : Awaiting answer.

Complaint No. 1387.--In the matter of Reading Saddle & Manufacturing Co. Charge: Unfair methods of competition are charged in that the respondent, engaged in the manufacture of tools, advertises, labels, and sells certain of its products as “steel," "converted steel,” or “solid steel,” when in fact the said tools are not composed of steel and are composed of a metal other than steel.

thereby tending to mislead and deceive the purchasing public and to injured competitors who do not practice misrepresentation in alleged violation of section 5 of the Federal Trade Commission act. Status : At Issue.

Compliant No. 1388.--In the matter of T. V.

EXHIBIT 8

STIPULATIONS PUBLISHED AFTER DELETING NAME OF RESPONDENTS

(The purpose of the following releases is to inform the public of those unfair methods and practices condemned by the commission and to establish precedents that will serve to eliminate unfair business methods of interest to the public and injury to competitors.)

STIPULATION OF THE FACTS AND AGREEMENTS TO CEASE AND DESIST

STIPULATION NO. 1, APRIL 15, 1925

MAINTENANCE OF RESALE PRICES: SOFT DRINKS

Respondent, a copartnership, engaged in the manufacture of soft-drink beverages and in the sale of same In commerce between and among various States of the United States, and in competition with other individuals, firms, partnerships, and corporations also engaged in the sale of similar products, entered into the following stipulation of facts and agreement to cease and desist for ever from the alleged unfair methods of competition used in the sale of said product.

Respondent represented that it was engaged in the manufacture of soft-drink beverages and in the sale of said product in commerce to bottlers located in various States of the United States. In a contract entered into between the respondent and the bottlers of said product it was understood and agreed that the bottlers would not sell to dealers at a price less than 70 cents per case of two dozen bottles each; that the purpose of the aforesaid clause is and was to require the maintenance of a resale selling price.

The respondent agreed to cease and desist forever from the use of the aforesaid contract, and further agreed to notify all parties bound by said contract that the clause maintaining resale prices was removed and no longer binding, and the respondent further agreed that if it should ever resume or indulge in any of the alleged unfair practices as above set forth, or any other method having for its purpose the maintenance of resale prices, or any other unlawful practices or methods of establishing a resale-price system, the foregoing statement of facts may be used in evidence against said respondent.

STIPULATION NO. 2, MAY 13, 1925

FALSE AND MISLEADING BRANDS OR LABELS; BREAD

Respondent agreed to cease and desist forever from the use of labels on Its said products containing the words “Packed by” or the use of any other word or words that import or imply that the product sold by it in interstate commerce is and was imported into the United States, and the use of any other word or words that may have the capacity and tendency to mislead and deceive the purchasing public into the erroneous belief that the product is baked or manufactured in a foreign country and imported to the United States and packed by the aforesaid respondent for distribution in interstate commerce; or until such the as the said respondent corporation does import or handle an imported product packed by it for sale and distribution in

interstate commerce. It was further agreed that if the respondent should ever resume or indulge in any of the alleged unfair practices, as above set forth, the foregoing statement of facts may be used in evidence against it in a proceeding by the Federal Trade Commission.

STIPULATION NO. 3, MAY 13, 1925

FALSE AND MISLEADING CORPORATE OR TRADE NAME; KNITTED CLOTHING

Respondent agreed to cease and desist forever from the use of the words "Knitting" and "Mills" as part of or in connection or conjunction with its corporate or trade name, and also agreed to cease and desist from the use of the words "Knitting" or "Mills," either independently or in connection or conjunction each with the other, or in any other way in soliciting the sale of and selling its product in interstate commerce that may have the capacity and tendency to mislead and deceive the purchasing public into the erroneous belief that the respondent corporation either owns, operates, or controls a mill or factory manufacturing the knitted clothing sold by It in interstate commerce; or until such the as the aforesaid respondent does actually own, operate, or control a mill or factory manufacturing the product sold by it. It further agreed that if it should ever resume or Indulge in any of the practices as set forth above, the foregoing statement of facts may be used in evidence against it.

STIPULATION NO. 4, JUNE 15, 1925

FALSE AND MISLEADING CORPORATE NAME AND ADVERTISING MATTER; HOSIERY

Respondent agreed to cease and desist forever from the use of the word "Mills" as part of or in connection or conjunction with its corporate or trade name, and also agreed to cease and desist from the use of the slogan "From Mill to Wearer," and the words "Manufacturers of Hosiery," and the use of any other word or words that import or imply that it manufactured the product sold by it in interstate commerce, and the aforesaid respondent further agreed to cease and desist forever from the use of the words "fashioned," "semi-fashioned," and "form fashioned," either independently or in connection or conjunction with any other word or words, or in any other way in soliciting the sale of and selling its product in interstate commerce that may have the capacity and tendency to mislead and deceive the purchasing public Into the erroneous belief that the product sold by it was in truth and in fact "fashioned." It is further agreed that if the aforesaid respondent should ever resume or indulge in any of the practices as set forth above, the foregoing statement of facts may be used as evidence against it.

STIPULATION NO. 5, SEPTEMBER 4, 1925

MAINTENANCE OF RESALE PRICES; CARPETS, RUGS, ETC.

Respondent agreed to cease and desist forever from the maintenance, or aiding In maintaining, resale prices to be charged for its said product by jobbers and/or retail dealers handling the same by using the methods as above set forth, or by cooperating with said jobbers and dealers In the use of such methods; and the said respondent further agreed that It would cease and desist from cooperating with said jobbers or dealers in response to complaints of price cutting on the part of their competitors for the purpose of compelling maintenance of such prices; or for the purpose of cutting off the supplies of such price cutters; or for the purpose of limiting or restricting such jobbers or dealers complained against in fixing their own prices; and also to cease and desist from seeking or securing, in cooperation with said jobbers or dealer distributers, information in regard to price cutting and from requiring price cutters so informed upon to give promises or assurances for the future maintenance of retail prices or for the discontinuance of

prices fixed or used by such price cutters as a condition for receiving further goods; and also agreed to cease and desist from using any cooperative methods either directly or through. its agents or representatives to induce such price-cutting dealers to restore said retail prices and to maintain the same, and further agreed not to adopt any of the cooperative methods as set forth herein for limiting or restricting dealers in fixing their own retail prices. Respondent further agreed that if it jobbers or dealers in fixing their own retail prices. Respondent further agreed

that if it should ever resume or indulge in any of the practices as above set forth, the foregoing statement of facts may be used in evidence against said respondent.

STIPULATION NO. 6, SEPTEMBER 11, 1925

FALSE AND MISLEADING CORPORATE AND TRADE NAMES; CLOTHING

Respondents agreed to cease and desist forever from the use of the word "Mills" as part of or in connection or conjunction with their corporate or trade names in the sale and distribution of their products in interstate commerce, and also agreed to cease and desist from the use of the corporate or trade name containing the word "Mills" in advertisements inserted in newspapers circulated in interstate commerce and on order blanks, letterheads, and advertising matter, or the use of the word "Mills" In any other way that may have the capacity and tendency to mislead and deceive the purchasing public into the erroneous belief that either the principal or subsidiary corporation owned, controlled, or operated a mill or factory for the manufacture of the cloth from which the product is made; or until such the as the aforesaid corporations either own, operate, or control a plant or factory for the manufacture of the cloth from which is made the product they sell in interstate commerce. It was further agreed that if either or both of the aforesaid corporations should ever resume or indulge in any of the aforesaid practices, the foregoing statement of facts may be used in evidence against said respondents.

STIPULATION NO. 7, SEPTEMBER 11, 1925

FALSE AND MISLEADING ADVERTISEMENTS; FURNITURE

Respondent agreed to cease and desist forever from the use of the word "Reed" either independently or in connection or combination with any other word as a trade name for the sale of its product in interstate commerce, and further agreed to cease and desist forever from the use of any other word or words that may have the capacity and tendency to mislead and deceive the purchasing public into the erroneous belief that the product manufactured by it from wood pulp cord woven over a wire centered stake or warp was and is manufactured from a vegetable product known as "Reed." It was further understood and agreed that If the said respondent should ever resume or indulge in the practices as set forth above, the foregoing statement of facts may be used as evidence against it in the trial of the complaint which the commission may issue.

STIPULATION NO. 8, SEPTEMBER 11, 1925

FALSE AND MISLEADING CORPORATE AND TRADE NAME; CLOTHING

Respondent agreed to cease and desist forever from the use of the word "Mills" as part of or in connection or conjunction with its corporate or trade name in the sale of its product in interstate commerce, and also agreed to cease and desist from the use of its corporate or trade name in advertisements inserted in newspapers circulated in interstate commerce and on order blanks, letterheads, and advertising matter, and the use of the word "Mills" in any other way that may have the capacity and tendency to mislead and deceive the purchasing public into the erroneous belief that the aforesaid respondent owns, controls, or operates a mill or factory for the manufacture of the cloth from which the product sold by it is made; or until such the as the aforesaid respondent does actually own, operate, or control a mill or factory manufacturing the

product sold by it in interstate commerce. It is further agreed that if it should ever resume or indulge in any of the practices as set forth above, the foregoing statement of facts may be used in evidence against said respondent.

STIPULATION NO. 9, SEPTEMBER 11, 1925

FALSE AND MISLEADING CORPORATE AND TRADE NAME; KNITTED CLOTHING

Respondent

STIPULATION NO.12, SEPTEMBER 11, 1925

FALSE AND MISLEADING ADVERTISEMENTS AND FICTITIOUS PRICE MARKS; IMITATION PEARL NECKLACES

Respondents agreed to cease and desist forever from inserting advertisements in publications

the use of the word and figures, "Price $50.00" as a brand or price mark for their aforesaid product sold in interstate commerce, or any other word, words, or figures that directly assert or clearly import or imply that the aforesaid product is intended to be and/or is sold and/or intended to be sold at the aforesaid fictitious price as advertised and/or stamped or marked thereon, or any other word, words, or figures in their advertisements, circulars, and other printed matter circulated in interstate commerce that may have the capacity and tendency to mislead and deceive the purchasing public into the erroneous belief that the aforesaid product was intended to be sold and/or is sold at the aforesaid fictitious price as advertised and labeled by the aforesaid respondents, and/or that the price or prices for which the same is sold by the said respondents, and/or their vendees, is substantially below the value or the aforesaid price as marked on the said boxes or containers in which the aforesaid product is sold. It was further understood and agreed that if the aforesaid respondent should ever resume or indulge in any of the practices as set forth above, the foregoing statement of facts may be used as evidence against them in the trial of the complaint which the commission may issue.

STIPULATION NO. 13, SEPTEMBER 11, 1925

FALSE AND MISLEADING CORPORATE OR TRADE NAME, KNITTED CLOTHING

Respondent agreed to cease and desist forever from the use of the words "Knitting"" and "Mills" either independently or in conjunction each with the other or In any other way in soliciting the sale of and selling its product in

Respondent agreed to cease and desist forever from the use of the words "Knitting" or "Mills" either independently or in conjunction each with the other as part of or in connection or conjunction with his trade name, and the use of the aforesaid words on his order blanks, price lists, letterheads, and other advertising matter circulated in interstate commerce in soliciting

the sale of and selling his product, or the use of the words “Knitting” or “Mills” in any other way that may have the capacity and tendency to mislead and deceive the purchasing public into the erroneous belief that the aforesaid respondent owned, operated, or controlled a mill or factory manufacturing the knitted clothing sold by him. Respondent also agreed that if he should ever resume or indulge in any of the practices as set forth above, the foregoing statement of facts may be used in evidence against him.

STIPULATION NO. 16, SEPTEMBER 11, 1925

FALSE AND MISLEADING BRANDS AND LABELS ; BLANKETS

Respondents agreed to cease and desist forever from the use of the word "Woolen" in their trade brand or label, or any other word that may have the capacity and tendency to mislead and deceive the purchasing public into the erroneous belief that the product sold by them in commerce between and among various States of the United States is fabricated entirely from wool. Respondents also agreed that if they should ever resume or indulge in any of the practices in question, this said stipulation of facts may be used in evidence against them in the trial of a complaint which the commission may issue.

STIPULATION NO. 17, SEPTEMBER 11, 1925

FALSE AND MISLEADING BRANDS AND LABELS; BLANKETS

Respondent agreed to cease and desist forever from the use of the words “Wool” or “Woolen” as part of its trade brand or label either independently or in conjunction each with the other, or the use of the words “Wool” or “Woolen” with any other word or words in its trade brands or labels in designating or defining its products not manufactured entirely from wool and

Respondent agreed to cease and desist from the use of the word "Linen" either independently or in connection or conjunction with any other word or words, letter or letters, as a brand or label for its product, or in any other way to designate or describe the same that directly assert or clearly import

or imply that the product sold by it was manufactured or spun from the fibers of the flax plant known to the trade and purchasing public as " Linen," or the use of any other word or words that may have the capacity and tendency to mislead and deceive the purchasing public contrary to the

FALSE AND MISLEADING ADVERTISEMENTS; BRANDS AND LABELS

Respondent, a corporation engaged in the sale and distribution of fabrics in interstate commerce and in competition with other individuals, firms, partnerships, and corporations also engaged in the sale of similar products, entered

into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition used by it in the sale of its product:

Said respondent, in the course and conduct of Its business, sold in interstate commerce a product which it represented in its advertising matter circulated in interstate commerce as "Sil-kee Pongee" or as "Sil-kee," and also caused said product to be designated on its labels as "Sil-kee Pongee" or as "Silkee," and with the aforesaid labels affixed thereto sold said product in inter state commerce; when in truth and in fact the said product did not contain silk either in whole or in part.

Respondent agreed to cease and desist forever from the use of the words "Sil-kee Pongee" or the word "Sil-kee" in advertising matter and on labels used in the sale of its product. Respondent also agreed that If it should ever resume or indulge in any of the practices, as above set forth, the foregoing statement of facts may be used as evidence against it.

Respondent, a corporation engaged in the business of manufacturing soybean and wheat products and in the sale of the same in interstate commerce in competition with other individuals, firms, partnerships, and corporations also engaged in the sale of similar products, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition used by it in the sale of its

Said respondent, in soliciting the sale of and selling its products in interstate commerce, caused to be circulated between and among the various States letterheads on which it used the words "Importers and Manufacturers of Soy" and the aforesaid respondent, also placed and caused to he placed, upon bottles or containers in which said product was sold, labels bearings the Words "Sanuki, Japan"; when in truth and in fact said respondent does not import the manufactured product which it so represents, labels, and sells in interstate commerce, nor does it own, operate, or control a plant or factory in Japan where such product is produced or manufactured.

Respondent agreed to cease and desist forever from the use, on its stationery, advertisements, and otherwise the words "Importers" and/or "Sanuki, Japan", or the use of any other word or combination of words that would import or imply that the said respondent Imports the product which it sells, unless and until such time as the product so advertised, labeled, and sold in interstate commerce is in truth and in fact imported in accordances with the representations used in the sale of said product. Respondent also agreed that should it ever resume or indulge in any of the practices in question, this said stipulation as to the facts may be used against it in a proceeding before the commission.

STIPULATION No. 25, OCTOBER 5, 1925

FALSE AND MISLEADING ADVERTISEMENTS; BRANDS AND LABELS

Respondents, a partnership engaged in the manufacture of cigars and in the sale and distribution of the same in ofAonf ( ) .03 Tw ( ) Tj 1.68 0 TD -0.1069 Tc 0 Tw (same)0p0 Tw (indulge) Tji0

into the following

sented that the same contained no corn meal or other substance which will attract the tiny bugs and worms that get into many cereals in the summer time, and the said product was further represented in said advertising matter as follows: "Few people care for the taste of corn flour and every housewife knows that it will not keep well in warm weather, having a tendency to attract tiny bugs and worms," and other representations to the effect that corn flour does not keep well and has a tendency to attract bugs and worms; when in truth and in fact cereals manufactured from corn flour have no greater tendency to spoil and/or to attract bugs and worms than the cereal products manufactured from wheat.

Respondent agreed to cease and desist forever from the use of the aforesaid statements in its advertisements and other printed matter circulated in interstate commerce, wherein representations were made that cereal products manufactured from corn flour have a greater tendency to spoil and/or attract bugs or worms than cereal products manufactured by the respondent from wheat hour, and also from using disparaging representations of comparison to the effect that cereal products manufactured by competitors from corn flour have a greater tendency to spoil and/or attract bugs and worms than cereal products manufactured by respondent. It is further agreed by respondent in case it isolates the provisions of the above stipulation that the same could be used against it in proceedings by the commission.

STIPULATION NO. 27, OCTOBER 5, 1925

FALSE. AND MISLEADING BRANDS AND LABELS

Respondent, a corporation engaged in compounding or manufacturing a chemical product that it designates, defines, and describes as "Shellac," and also in the sale and distribution of the Same in interstate commerce, and in competition with other individuals, firms, partnerships, and corporations engaged in the sale of "Shellac" and similar products, entered into the following stipulation of facts and agreement to cease and desist from the alleged unfair methods of competition used by it in the sale of said product:

Respondent, in the course and conduct of its business, manufactured or compounded a product which it sold in interstate commerce under a trade brand or label' containing the word "Shellac," Rand in connection therewith used the words "Strictly Pure, cut with 190 proof specially denatured alcohol," "The perfect Shellac," "A superfine product," and similar representations; when in truth and in fact the said product

STIPULATION NO. 28, OCTOBER 5, 1925

FALSE AND MISLEADING ADVERTISEMENTS

Respondents, a copartnership engaged in printing stationery by a special process and in the sale and distribution of printed products in interstate commerce, and in competition with other individuals, firms, partnerships, and

corporations selling and distributing printed and engraved products, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition as set forth therein:

Respondents, in the course and conduct of their business, printed by a special process stationery products by the means of a printing press, and with the use of a slow drying ink which was treated with a powdered chemical and later subjected to a heating process that fused the powder and ink, and when cooled caused it to harden, thereby producing a raised surface so pow49r

indulge in any of the practices in question the foregoing statement of facts may be used in evidence against them in the trial of a complaint which the commission may Issue.

STIPULATION No. 30, NOVEMBER 2, 1925

FALSE AND MISLEADING ADVERTISEMENTS; BRANDS AND LABELS

Respondent, an individual engaged in making necklaces and in the sale of the same in interstate commerce, and in competition with other individuals, firms, partners hips, and corporations also engaged in the sale of similar products, entered into the following stipulation of facts and

EXHIBIT 9

STATEMENTS OF TRADE PRACTICE CONFERENCES

The results of trade practice conferences held prior to June 30, 1925, are embodied in the commission's publication entitled "Trade Practice Submittals," released July 6, 1925.

Following are statements to the public released subsequent to that date:

RETAIL FURNITURE

Announcement--January 7, 1926

Following trade practice

9. Where furniture is catalogued, tagged, labeled, advertised, invoiced. or sold by manufacturers, manufacturers' representatives, Jobbers, or wholesalers it shall be in accordance with these rules and interpretations.

10. The above rules need not apply to antique furniture.

We therefore request that these rules receive the official sanction and approval of the Federal Trade Commission.

Gimbel Bros. (Inc.), by Sheldon R Coons; Buckley Newhall Co., by William Geng, secretary; S.

Spear & Co., by Alexander Miller; Ludwig, Baumann & Co., by James B. McMahon, jr.; John Wanamaker, N.Y., by Armin W. Riley; Bloomingdale Bros. (Inc.), by Michael Joseph; Cowperthwait & Sons, by Walter C. Cowperthwait; W. & J. Sloane, by Geo. H. Stevenson; R. Shellas & Chestnutt, (Inc.), by Walter L. Chestnutt, vice president and treasurer; The Namm Store, by Joseph J. Lubrygt R. H. Macy & Co. (Inc.), by Oswald W. Knauth; Stern Bros., by David W. Prendenthal; Lord & Taylor, by J. S Scher; James A. Hearn & Son, by Truman P. Handy; James McCreery & Co., by E. L. Baker; Frederick Loeser & Co., by G. A. Helm; H. C. Koch & Co. (Inc.), by W. T. Koch, treasurer; John A. Schwarz (Inc.), by John A. Schwarz, president; McEney's, by J. S. McEney; Abraham & Straus (Inc.), by John Mench; Deutsch Bros., by A. Deutsch; Weil Bros., by Morris Weil ; B. Altman & Co., by Charles Hayner, secretary.

The commission announced that all furniture manufacturers of the country will be invited to subscribe to the foregoing rules, and also that all furniture dealers and associations would likewise be asked to subscribe.

CASTILE SOAP INDUSTRY

Announcement--May 12, 1926

The Federal Trade Commission to-day made the following statement: Pursuant to a petition signed by 23 soap manufacturers, the commission, on March 30, 1926, held a trade practice submittal with the industry for the purpose of considering the adoption of rules as to the marketing, labeling, and advertising of soaps sold in the United States under the name "Castile." Notices of the meeting were sent to all manufacturers and importers of Castile soap. The submittal was conducted by Commissioner C. W. Hunt. The following concerns were represented:

Lever Bros. Co., Cambridge, Mass.
Armour & Co., Chicago, Ill.
Larkin & Co. (Inc.), Buffalo, N. Y.
Globe Soap Co., Cincinnati, Ohio.
Swift & Co., Chicago Ill.
Proctor & Gamble Co., Cincinnati, Ohio.
John T. Stanley Co. (Inc.), New York City.
Fels & Co., Philadelphia, Pa.
James S. Kirk Co., Chicago, Ill.
The Andrew Jergens Co., Cincinnati, Ohio.
The Cincinnati Soap Co., Cincinnati, Ohio.
Flash Chemical Co., Cambridge, Mass.
Chas. L. Huisking Co., Cincinnati, Ohio.
John T. Stanley Co., New York City.

"*Be it resolved*, That the following regulations be adopted pertaining to the marketing, stamping, and labeling of Castile soaps:

"A. These regulations shall apply only to soaps stamped, labeled, or sold as Castile soaps.

"B. All such soaps shall be stamped on the cake or marked on the wrapper with the country of their manufacture respectively

"C. All soaps, the stamping or labeling of which include the words Olive Oil Castile shall contain no filler or adulteration and shall contain no fat or oil ingredient except olive oil.

"D. All soap stamped, labeled, or sold as 'Castile,' however that word may be qualified, unless the qualifications include the word 'olive' or 'cocoa,'

shall contain no filler or adulteration. If such soaps contain less than 51 per cent of olive oil or no olive oil, it shall be so indicated on the cake or wrapper.

"E. All soaps, the stamping or labeling of which include the words, 'Cocoa Hardware Castile' or 'Cocoa Castile,' shall contain no filler or adulteration and the fat content thereof shall contain not less than 51 per cent of the coconut oil.

"F. These regulations shall apply to castile' soaps of foreign origin, handled and distributed in the United States by importers and shall apply to all castile soaps 5 0 Tw (castiTh) Tj 12.8nt of the coconut o

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no other, with reference to the yardage, ends, strands or ply shall be marked on the package or ball and in the order stated :

"The yardage as it comes off the ball or package.

"The number of ends.

"The number of plies per end."

The commission, as a result of this submittal, desires to announce to the trade and public that it receives the action taken by the industry as set fourth above and approves the method of branding or labeling of mending cottons as prescribed in foregoing resolution.

The commission further announced that the industry shall have until February 1, 1926, to meet the requirements for marking their product as set forth

STATEMENTS OF TRADE PRACTICE CONFERENCES