

ANNUAL REPORT  
OF THE  
FEDERAL  
TRADE COMMISSION  
FOR THE  
FISCAL YEAR ENDED JUNE 30  
1931

UNITED STATES  
GOVERNMENT PRINTING OFFICE  
WASHINGTON 1931

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## FEDERAL TRADE COMMISSION

CHARLES W. HUNT, *Chairman*.

WILLIAM E HUMPHREY.

CHARLES H. MARCH.

EDGAR A. McCulloch.

GARLAND S. FERGUSON, Jr.

OTIS B. JOHNSON, *Secretary*.

### FEDERAL TRADE COMMISSIONER--1915-1931

Name	State from which appointed	Period of service
Joseph E Davies	Wisconsin	Mar. 16, 1915-Mar. 18, 1918.
William J. Harris	Georgia	Mar. 16, 1915-May 31, 1918.
Edward N. Hurley	Illinois	Mar.16, 1915-Jan. 31, 1917.
Will H. Parry	Washington	Mar.16, 1915-Apr. 21, 1917.
George Rublee	New Hampshire	Mar.16, 1915-May 14, 1916.
William B. Colver	Minnesota	Mar.16, 1917-Sept. 25, 1920.
John Franklin Fort	New Jersey	Mar.16, 1917-Nov. 30, 1919.
Victor Murdock	Kansas	Sept. 4, 1917-Jan. 31, 1924.
Huston Thompson	Colorado	Jan.17, 1919-Sept. 25, 1926.
Nelson B. Gaskill	New Jersey	Feb. 1, 1920-Feb. 24, 1925.
John Garland Pollard	Virginia	Mar. 6, 1925-Sept. 25,1921.
John F. Nugent	Idaho	Jan.15, 1921-Sept. 25, 1927
Vernon W. Van Fleet	Indiana	June 26, 1922-July 31, 1926.
C. W. Hunt	Iowa	June 16, 1924.
William E Humphrey	Washington	Feb.25, 1925.
Abram F. Myers	Iowa	Aug. 2, 1926-Jan. 15, 1929.
Edgar A. McCulloch	Arkansas	Feb.11, 1927.
G. S. Ferguson, Jr	North Carolina	Nov.14, 1927.
Charles H. March	Minnesota	Feb. 1, 1929.

### GENERAL OFFICES OF THE COMMISSION

1800 Virginia Avenue, NW.,  
Washington

### BRANCH OFFICES

608 South Dearborn Street  
Chicago  
544 Market Street  
San Francisco

45 Broadway  
New York  
431 Lyon Building  
Seattle

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**ANNUAL REPORT OF THE FEDERAL TRADE  
COMMISSION, 1930-31**

*To the Senate and House of Representatives:*

The Federal Trade Commission herewith submits to the Congress its annual report for the fiscal year July 1, 1930, to June 30, 1931.

## **PART I. INTRODUCTION**

YEAR'S ACTIVITIES

BACKGROUND

ORGANIZATION

ADMINISTRATION



**AMENDMENT OF ORGANIC ACT AGAIN SUGGESTED**

Renewal is made of the suggestion in the last two annual reports for an amendment to the commission's organic act to put beyond question the grant of specific authority to the commission to make investigations, upon request of the President or of either House of the Congress in aid of its legislative function; and it is suggested that such an amendment might also set at rest any doubt as to the applicability of the provisions of section 9 of the act to such investigations and those authorized under section 6 (d) of the act (providing for investigations of alleged violations of the antitrust acts, upon direction of the President or either House of Congress.)

**TRADE-PRACTICE RULES RECONSIDERED**

Another activity large in scope because of the number of industries interested is the commission's completion of its reconsideration of trade-practice conference rules. It declined to approve or accept a number of rules previously approved or accepted, and in addition suggested numerous changes.

Including the reconsideration of rules previously promulgated and those which were acted on for the first time, close to 100 trade groups were affected by the commission's actions on trade-practice conference rules during the fiscal year.

**UNFAIR COMPETITION CASES REVIEWED**

Besides the comprehensive tasks just mentioned, numerous cases involving alleged unfair methods of competition violative of the Federal Trade Commission act, as well as other practices prohibited by the Clayton Antitrust Act,<sup>1</sup> have occupied the attention of the commission. The more important cases are reviewed, beginning on pages 45 and 55.

Among practices involved are alleged false advertisement by a motion-picture company of a jungle play as an authentic African picture taken by a famous explorer; resale-price maintenance by a manufacturer of cosmetics; acquisition of capital stock of a competing company by a manufacturer of automobile parts; and others.

A fairly complete listing of the numerous methods of unfair competition condemned by the commission may be found on page 66.

**COMMISSION CASES IN THE COURTS**

Commission cases in the Federal courts are reported at page 70. Out of 11 in which decisions were reached the commission was reversed in 3.

<sup>1</sup> See report, p. 42, on consolidations and mergers and reasons for their decrease in number.



One reversal involved the commission's order to Raladam Co., Detroit manufacturer of thyroid "obesity cure" tablets, to cease advertising and selling them as safe and dependable in use when the present knowledge of thyroid as a remedy does not justify it. The Supreme Court said proof of competition necessary to establish the commission's authority was lacking. It denied a motion for modification of its judgment but without prejudice to the commission's making a similar application to the circuit court of appeals. This has been done.

The other reversals involved a case of stock acquisition (Temple Anthracite Coal Co.) and a case of use of the word "stone" in names descriptive of a product consisting mostly of crushed stone and cement (Arnold Stone Co.).

Two decisions affirming the commission's order concern the practice of designating beverage concentrates by fruit names when the actual juice of the fruit named is not always present. (Good Grape Co., and Morrissey, Charles T.) A similar case (NuGrape Co. of America) has reached the courts on petition for review by the respondents.

Two court cases pertain to actions of the commission to obtain records needed in general business inquiries. A history of the long litigation which resulted in a court decision securing for the commission desired documents from the Millers' National Federation for use in the bread and flour investigation appears on page 81 while on page 75 is recounted the status of the suit to obtain from Electric Bond & Share Co. data considered germane to the power utility inquiry.

**SPECIAL LEGAL ACTIVITIES ARE REPORTED**

The commission's progress in the field of eliminating false and misleading advertising in periodicals is related beginning on page 111.

Another branch of the legal work is administration of the act "to promote export trade,"

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**BACKGROUND OF THE COMMISSION**

The Federal Trade Commission is one of the "independent establishments" of the Government whose control is lodged not in a Cabinet officer but in five commissioners appointed by the President. Not more than three of these members shall belong to the same political party, it is provided in the law, in order to make the commission nonpolitical and bipartisan.

The term of office of a commissioner is seven years, as provided in the Federal Trade Commission act. The first commissioners were designated to continue in office for periods of three, four, five, six, and seven years, respectively, from the date the act became effective, but their successors were to be appointed for terms of seven years. The term of each commissioner dates from the 26th of September preceding the time of his appointment, September 26 marking the day of passage of the act in 1914.

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**COMMISSION ORGANIZED IN 1915**

The commission was organized March 16, 1915, as a result of the passage of the Federal Trade Commission act of September 26, 1914. The nucleus of the new agency was the old Bureau of Corporations of the Department of Commerce, which ceased to exist as such upon formation of the commission, although its work was taken over by the commission under what is now the economic division. The legal functions of the

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competition in commerce, providing it appeared that a proceeding in respect thereof would be in the public interest, to institute a proceeding by complaint against such party. After a hearing the commission could, for good

(sec. 3) tying and exclusive contracts, (sec. 7) acquisition of stock in a competing company, and (sec. 8) interlocking directorates. The remaining sections are in the jurisdiction of the Department of Justice.

For the administration of these laws the commission is organized into divisions of work. Beginning with the work of the commission itself and continuing through the activities of the staff, the organization is outlined as follows:

## **ORGANIZATION**

### **THE COMMISSIONERS AND THEIR WORK**

The commission is composed of the following members: Charles W. Hunt, of Iowa, chairman; William E. Humphrey, of Washington; Charles H. March, of Minnesota; Edgar A. McCulloch, of Arkansas; and Garland S. Ferguson, jr., of North Carolina.

Commissioner Hunt was elected chairman for the calendar year 1931, succeeding Commissioner Ferguson. Each January a member of the commission is designated to serve as chairman for the succeeding year. The position rotates, so that each commissioner serves at least one year during his term of office.

The chairman presides during meetings of the commission and signs the more important official papers and reports at the direction of the commission.

Official activities of the commissioners are generally similar in character, although each assumes broad supervisory charge of a different division of work. One commissioner maintains contact with the chief counsel and his staff another keeps in touch with administrative functions and with the board of review, while trade-practice conferences, the trial examiners' division, and the special board of investigation make up the field of a third commissioner. A fourth and fifth commissioner have assigned to them, respectively, the economic division and the chief examiner's office.

However, all matters scheduled to be acted upon by the commission are dealt with by the board as a whole or a quorum thereof; consequently, the facts in all cases to come before the whole body are previously placed before the commissioners individually for their consideration.

The commissioners meet regularly for transaction of official business Mondays, Wednesdays, and Fridays, except in July and August, when sessions are held only on call. They also conduct oral hearings, such as final arguments in cases before the commission and hearings on motion of the attorneys for either the commission or respondents. Besides these duties and their conferences with persons discussing official business, the members have a large amount of

reading and study in connection with the numerous cases before them for decision.

The investigations of cottonseed prices, peanut prices, cement industry, and building materials are in the custody of the chief examiner, the chief counsel furnishing an attorney for work on the cottonseed inquiry, and the economic division cooperating in the cement inquiry.

The of



loans from the Library of Congress, library service was resumed in a few days.

Steady progress has been made during the year toward rebuilding the library. Metal book stacks to accommodate 40,000 books have been installed. Printed material is being acquired as rapidly as possible. Care is exercised to limit the purchase of books and periodicals to supply only those needed constantly and immediately.

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## **PART II. GENERAL INVESTIGATIONS**

POWER AND GAS UTILITIES

INTERSTATE POWER TRANSMISSION

CHAIN STORES

RESALE-PRICE MAINTENANCE

COTTONSEED PRICES

PEANUT PRICES

PRICE BASES

CEMENT INDUSTRY

BUILDING MATERIALS

BREAD AND FLOUR

## **PART II. GENERAL INVESTIGATIONS**

### **POWER AND GAS UTILITIES**

#### **FINANCIAL STRUCTURE OF HOLDING COMPANIES**

Continuing its investigation of large utility holding companies, their financial structure, and other phases of the business, the commission during the year held public hearings pursuant to Senate resolution (S. Res. 83, 70th Cong., 1st sess., February 15, 1928)<sup>1</sup> and concerning the following groups:

Name of company

Name of group

Hearings  
began-



each other, (4) the service furnished

to such public utility corporations by such holding companies and their affiliated companies, the fees, commissions, bonuses, etc., made therefor, (5) the earnings and expenses of such companies, and (6) the advantages and disadvantages of holding companies, and other matters specified in Senate Resolution 83 (70th Cong., 1st sess., February 15, 1928.)

No conclusions or recommendations have been made by the commission in its reports on this investigation.

Reports for use in hearings were completed for a number of groups on that part of the investigation dealing with intercorporate relations, management, supervision, and servicing. These reports cover such methods of control as stock ownership; stockholders in common; directors in common; directors who are employees; officers in common; officers who are employees; proxy holders who hold for T c T u 0 T w (n o )



Alabama Power Co., in Alabama; Gulf Electric Co., in Florida; and Georgia Power Co., in Georgia; and Southeastern Securities Co. and another subsidiary serving as a temporary financing company and as intermediary for handling companies and properties in process of merger and consolidation were also the subjects of a hearing. Control of Southeastern Power & Light Co. was obtained by the Commonwealth & Southern Corporation in December, 1929.

Hearings on the Southeastern Power & Light Co. and on the three subsidiaries named in the tabular statement on page 17 consumed a total of 13 days. The activities of Southeastern Power & Light Co. and its subsidiaries with respect to municipal ownership and other matters referred to in Senate Resolution 83 were brought out in the hearings. Georgia Power Co. and Alabama Power Co. (including its contractual relations with the Government for Muscle Shoals power), subsidiary companies to Southeastern Power & Light Co., were made the subjects of hearings which began December 2, 1930, and January 27, 1931

**NORTH AMERICAN GROUP**

Hearings on the North American Co., a holding company that controls directly or through subsidiary holding companies the electric light and power utilities that serve such large cities as St. Louis, Cleveland, Milwaukee, and Washington, as well as other important communities, were begun May 13, 1931. As a result of having sold its recently acquired holdings of capital stock of Western Power Corporation to Pacific Gas & Electric Co., the North American Co. also holds a large minority voting interest in this company, which owns or controls a great network of gas and electric utility properties in central California. It also owns a large minority interest in North American Power & Light Co., a holding company, owning gas and electric operating companies in the Middle West. Hearings on various companies in the North American Co. group occupied a total of 13 days.

The North American Edison Co., an intermediate holding company, and some of its subsidiary companies were examined, including Union ⑆ West. 6est.







field work or the needs of other phases of the inquiry, this work has progressed fairly rapidly. The price data received in the grocery, drug, and tobacco studies in Washington, D. C., and Cincinnati, Ohio, were partially tabulated, and at the close of the year the preliminary work on the material received from the other cities was well advanced.

A schedule covering discounts and allowances made by manufacturers to chain stores, wholesalers, cooperative chains, and individual retailers was prepared and mailed during the last half of the fiscal year to a number of grocery manufacturers. Similar schedules will be sent early in the fiscal year 1931-32 to additional grocery manufacturers and to other manufacturers.

### **RETURNS ARE RECEIVED FROM MORE THAN 1,700 CHAINS**

Replies to the general questionnaires or schedules were received in usable form from more than 1,700 chains, operating more than 66,000 retail units, and from approximately 2,000 wholesalers and about 4,600 independent retailers. These will furnish the bulk of the statistical material to be used in the report on this phase of the chain-store inquiry. Early in the fiscal year considerable effort was directed to following up these schedules, since a larger response was regarded as essential. In addition, supplementary schedules covering operations for the years 1929 and 1930 were prepared and mailed out later in the fiscal year to all those chains, wholesalers, and retailers who had answered the original schedule, and at the close of the fiscal year supplementary returns had been received from about 1,100 chains, 1,150 wholesalers, and 3,300 retailers. By the time the follow-up work on these schedules is completed these totals will be somewhat larger. The editing of both sets of these schedules was completed by the close of the fiscal year and much of the material was in form for analysis and report writing.

The financial sections of the chain-store schedules were audited and a great deal of follow-up work, both by correspondence and by field work, was done, and this material was

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shown by the following quotation from the letter of submittal which accompanies the report:

This report includes information and data for a total of 319 cooperative grocery chains with a retail membership of 43,141 independent grocery stores as of the beginning of 1930. The commission estimates that there were 395 cooperative grocery chains in the country with an estimated membership of 53,400 retail stores. This number compares with a total number of centrally owned chain grocery stores variously estimated at from 55,000 to 57,000. The estimated volume of business of these 395 cooperative chains in 1929 was between \$600,000,000 and \$700,000,000. As nearly as can be estimated not more than three-quarters of this volume, and probably only about two-thirds, is represented by business with members.

In the "retailer" type of cooperative, where the business is owned by the retail members, a stock investment is generally required from each member, but this is rarely found in the "wholesaler-retailer" cooperatives. Weekly, monthly, or annual dues usually are required of members by wholesaler-retailer cooperatives and in a lesser degree in the retailer types. Some cooperatives require an initiation fee. The letter states that--

Based on the average amounts of all required expenditures, and 6 per cent interest on returnable contributions to capital as reported by both types of cooperative grocery chains, the average cost of belonging to a retailer cooperative grocery chain is about \$47.50 per annum; while the cost of belonging to a wholesaler-retailer cooperative chain is about \$84 per annum. The method of calculation is explained in the report.

That these cooperative grocery chains do a volume of business of considerable size is further indicated by the fact that--

The reporting wholesaler-retailer cooperative chains averaged about \$2,000,000 of net sales per company in 1929, which were much larger than those of the average retailer cooperatives net sales of about \$1,400,000. Ninety-six per cent of the wholesaler-retailer but slightly under 50 per cent of the retailer cooperatives sell to nonmembers. The retailer groups, however, made less than 8 per cent of their net sales to nonmembers in 1929, while over 50 per cent of the volume of the average wholesaler-retailer cooperative was nonmember business. As a result, the volume done by the average retailer cooperative with its own members was considerably greater than that of the average wholesaler-retailer cooperative with its members.

Most of the reporting cooperative grocery chains use leaders and these are generally advertised. It is shown that--

The average annual expenditure for advertising by the retailer cooperatives was \$5,453 for 47 reporting companies, while that of 40 wholesaler-retailer cooperative chains was \$8,984.

Manufacturers contributed to the advertising of both types of grocery cooperatives. The amounts of profits, both types of grocery co

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expenditures.

**MOST COOPERATIVES HAVE PRIVATE BRANDS**

A majority of the reporting grocery cooperatives reported the ownership of private-brand lines of merchandise; this practice being more commonly found among the wholesaler-retailer cooperatives.

The average number of private-brand items carried by the wholesaler-retailer cooperatives is nearly six times the number carried by retailer cooperatives. About two-thirds of the wholesaler-retailer cooperatives and about one-third of the retailer cooperatives report a higher

size. On the other hand, low cost of merchandise to the retail member is quite probably not the only consideration for the merchandising success of the cooperative chain. The merchandise obtained by the retailer member through the cooperative must be sold by him in competition with other types of retail distributors, and in such merchandising, advertising, store appearance, arrangement, display, management, and supervision are undoubtedly important.

#### **CHAIN STORE LEGAL ASPECTS STUDIED**

On March 6, 1931, the

RESALE-PRICE MAINTENANCE

prices, in correlation with manufacturers' and dealers' costs and profits and with their price policies. While comparisons could not be made between the prices of goods for which resale-price maintenance contracts are in legal effect and the prices of other goods, there are numerous nationally advertised commodities for which the resale prices are "suggested" by the manufacturer and generally conformed to by the retailer, which were found available for such comparisons.

While recognizing that resale price maintenance advocates had some ground for complaint, due to the price-cutting practices of some dealers, it appeared to the commission that there was no



maintenance, without such Government regulation., the injury done to the consumer's interest through the elimination of dealers' competition with respect to price-maintained articles would be greater than the damage alleged to be done to the manufacturers and distributors by leader price cutting of trade-marked, nationally advertised brands. The conclusions are summed up as follows:

The law at present prohibits manufacturers from contracting with those who purchase their goods for the maintenance of resale prices named by the manufacturer, but it has sometimes been thought that such resale-price contracts should be made lawful, if subject to governmental approval as to the fairness of the prices. Practically, however, it would be too difficult to determine, or even estimate closely, true operating-cost figures for a particular commodity for numerous dealers to make them the basis of any regulation of such contracts requiring application by an administrative authority in a manner which would give consumers the benefits of efficient merchandising. The alternative of specific Government proceedings against price cutting declared unlawful (leaving aside the possibility of constitutional limitations) is equally impracticable, even if due allowance is made for mercantile exigencies such as seasonal closing out sales. If, however, to avoid the difficulties of onerous administrative determination of price cutting, the essential test was declared to be sales below purchase price disregarding the dealer's operating expense, this rule would give little satisfaction to manufacturers complaining of price cutting, on account of the comparative infrequency of such sales. Less extreme leader price cutting injurious to the business of the manufacturer, as affecting the sales of his identified goods, may be regarded by him, however, as having a "predatory" character. It has often been claimed, indeed, that it is unfair competition, though the specific injury in question is not usually an injury to the manufacturer as a direct competitor of the price cutting.

price making in the ordinary course of commerce, as well as of questionable efficiency. It is alleged especially that the waste and inefficiency in the processes of distribution, which are already the subject of general complaint, would be enhanced by the proposed legislation. The commission believes that such collateral issues are very important.

The commission concludes, therefore, that no legislation permitting resale-price maintenance is at present called for.

#### **COMMISSIONER HUMPHREY'S STATEMENT**

Commissioner William E Humphrey appended to the report the following statement:

I doubt the advisability of voluntarily sending a report of this character to Congress. I affirmatively refrain from any expression, favorable or unfavorable, as to any opinion, inference, conclusion, or recommendation which the report may carry.

I concur in its transmittal only so far as the same may be helpful as a report upon facts.

#### **COTTONSEED PRICES**

##### **TESTIMONY IS TAKEN IN SOUTHERN CITIES**

Two resolutions involving an investigation of the cottonseed industry were adopted by the Seventy-first Congress at its first session, namely, Resolutions 186 and 147.<sup>3</sup>

Resolution 136 provided for an investigation of the facts relating to an alleged combination in violation of the antitrust laws with respect to prices as to cottonseed and cottonseed meal. Resolution 147 provided for investigation of the ownership and control of cotton gins by corporations operating cottonseed-oil mills and also for public hearings in connection with the investigation authorized by the two resolutions. In accordance with Senate Resolution 292, adopted June 20, 1930 (71st Cong., 2d sess.), the record of the hearings is being transmitted to the Senate and printed for distribution.

In December, 1929, an extensive inquiry was begun which included an examination of the files and records of the companies operating cottonseed-oil mills as well as those of trade associations in the industry. Public hearings were begun in Washington June 2, 1930, and have continued throughout the current year.

Hearings have been held in Atlanta, Montgomery, Raleigh, Columbia, Jackson, Dallas, New Orleans, Shreveport, Houston, Oklahoma City, and Little Rock. Other hearings will be held at points in Louisiana and Tennessee, after which an opportunity will be given the industry to present any additional facts bearing on the issues raised by the resolutions.

<sup>3</sup> Complete text of these resolutions will be found on p.222.





**BREAD AND FLOUR**

The Court of Appeals of the District of Columbia, February 2, 1931, reversed the former decree of the Supreme Court of the District of Columbia against the commission, and remanded the case; and the lower court, March 10, 1931, made final disposition of the case by entering its decree dismissing the complaint of the Millers' National Federation upon its merits, and setting aside the permanent injunction hitherto granted. On April 17, 1931, the federation delivered to the commission all the documents, including correspondence and minutes of meetings called for in the subpoenas issued by the commission in April, 1926.

a supplemental report is being prepared based on this correspondence and these minutes.

For a history of the court case see page 81. The Senate resolution originally authorizing this inquiry appears in full text on page 224.

### **PART III. GENERAL LEGAL WORK**

DESCRIPTION OF PROCEDURE

LEGAL INVESTIGATION AND REVIEW

CONSOLIDATIONS AND MERGERS

STIPULATIONS

REPRESENTATIVE COMPLAINTS

ORDERS TO CEASE AND DESIST

DISMISSALS

TYPES OF UNFAIR COMPETITION

CASES IN THE FEDERAL COURTS

TABULAR SUMMARY OF LEGAL WORK

## **PART III. GENERAL LEGAL WORK**

### **DESCRIPTION OF PROCEDURE**

A case before the Federal Trade Commission may originate in several ways. The most common origin is through application for complaint by a competitor or from other public sources.

After developing the facts from all available sources, the examining attorney summarizes the evidence in a final report, reviews the law applicable thereto, and makes a recommendation as to action.

The entire record is then reviewable by the chief examiner. If it appears to be complete, it is submitted with recommendation to the board of review or to the commission for consideration. Recommendations for dismissal outright or upon the signing by the proposed respondent of a stipulation of facts and an agreement to cease and desist from the unlawful practice charged ordinarily are sent direct to the commission. Recommendations for complaint and for certain types of stipulations go to the board of review.

If submitted to the board of review, all records, including statements made by witnesses interviewed by the examiners, are reviewed and passed on to the commission with a detailed summary of the facts developed, an opinion based on the facts and the law, and the board's recommendation.

The board may recommend (1) dismissal of the application for lack of evidence in support of the charge or on the grounds that the charge indicated does not violate any law over which the commission has jurisdiction, or (2) dismissal of the application upon the signing by the proposed respondent of a stipulation of the facts and an agreement to cease and desist the unlawful practice charged, and (3) issuance of a complaint without further procedure.

Usually if the board believes that complaint should issue it grants the proposed respondent a hearing. Such hearing is informal, involving no taking of testimony.

The foregoing procedure is applied to all cases except those pertaining to false and misleading advertising, as handled procedure (b)(1) (b)(2) (b)(3) (b)(4) (b)(5) (b)(6) (b)(7) (b)(8) (b)(9) (b)(10) Tc ( ) Tj 3.84 0 Da 00.05



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. 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.

The commission's rules of practice and procedure provide that in case the respondent desires to contest the proceeding he shall, within 30 days from service of the complaint, unless such time be extended by order of the commission, file with the commission an answer to the complaint. The rules of practice also specify a form of answer for use should the respondent decide to waive hearing on the charges.

Failure to appear or to file an answer within the time specified-

shall be deemed to be an admission of all allegations of the complaint and to authorize the

**CASES MAY BE TAKEN TO FEDERAL COURTS**

No direct penalty is attached to an order to cease and desist, but a respondent against whom it is directed is required within a specified time, usually 60 days, to report in writing the manner in which he is complying with the order. If he fails or neglects to obey an order while it is in effect, the commission may apply to a United States circuit court of appeals for review of the commission's order, and these proceedings may be carried by either party on certiorari to the Supreme Court of the United States for final determination.

**LEGAL INVESTIGATION AND REVIEW**

**PRELIMINARY INQUIRIES**

Investigation of applications



during the past 3 years. On February 15, 1928, 97 applications had been on hand 6 months or more, and the average age of all applications on the calendar was 9 months and 16 days, while on June 15, 1931, there were only 65 applications of that age on hand and the average age of all applications was only 5 months and 10 days.

Another part of the legal investigating work is to conduct, by direction of the commission or upon requests of particular units of the commission, supplemental investigation of applications for complaints, of formal complaints where additional information is desired by the chief counsel, or of suspected violations of the commission's orders to cease and desist. This includes the alleged violation of stipulations to cease from unfair practices entered into between respondents and the commission, the violation of resolutions subscribed to at trade-practice conferences, or investigational work which may arise in connection with cases considered by the special board of investigation (concerning false and misleading or fraudulent advertising).

The investigating work of the commission is carried on from its main office in Washington, through its four branch offices situated at 45 Broadway, New York City; 608 South Dearborn Street, Chicago; 544 Market Street, San Francisco; and 431 Lyon Building, Seattle. Business men may confer at these places with qualified representatives of the commission regarding cases and with reference to rulings made by the commission.

### **BOARD REVIEWS CASES FOLLOWING INQUIRIES**

Following preliminary investigation by the chief examiner's staff, 93 applications for complaint were reviewed by the board of review, which consists of four attorneys. Eighty-five of these cases were forwarded during the year, leaving eight pending at the close. Of this number 31 applications were recommended for dismissal, 13 for complaint, 21 for Stipulation, while in 11 cases further investigation was recommended, and in 9 there were miscellaneous recommendations. In connection with these applications 28 hearings were held.

### **CONSOLIDATIONS AND MERGERS**

#### **NUMBER OF STOCK ACQUISITIONS DECLINES**

The year ending June 30, 1931, indicated a further decrease in the number of acquisitions, consolidations, and mergers, such decrease being undoubtedly due to the continued depression throughout the country. The year ending June 30, 1929, was probably the peak year in acquisition and consolidation activity. In that year the commission made inquiry with respect to nearly 200 matters as

compared with some 125 in 1930 and with less than 100 in 1931. These matters comprehended the more important acquisitions, consolidations, and mergers effected during these years.

During the year the commission instituted 67 preliminary inquiries with respect to acquisitions, consolidations, and mergers. The commission's authority does not extend to common carriers, banks, and other financial institutions, so that these preliminary inquiries as in the past years were confined to other lines of business. Nor were these preliminary inquiries extended to the field of public utilities.

Thirty-seven preliminary inquiries were pending at the beginning of the year and 22 at the close, indicating a disposition of 82 preliminary matters during the year. The fire of August 30, 1930, resulted in the destruction of all current files relating to this work, necessitating the restoration of a considerable part of the material and retarding the progress of the work.

Of the 82 preliminary matters disposed of during the year, 74 were filed without docketing and 2 were referred to the Department of Justice for further consideration under the Sherman law. Only six matters appeared to be in violation of the Clayton Act.

Of the 74 preliminary matters filed without docketing, 39 involved acquisition of assets, of which 5 also involved noncompeting products; 20 matters involved capital stocks but were filed because of lack of competition or substantial competition either because of territories served or because products involved were not competitive; 11 matters were filed because of lack of jurisdiction or because only intrastate business was involved; 4 were filed because the reported acquisition, consolidation, or merger failed of consummation.

Nine docketed matters involving section 7 of the Clayton Act were pending at the beginning of the year; 6 were docketed during the year; 4 were dismissed or disposed of during the year; and 10 were pending at the close of the year. One complaint was issued and two complaints were pending in the courts.

## **STIPULATIONS**

### **COMMISSION APPROVES 165 AGREEMENTS DURING YEAR**

Stipulations in which various individuals and companies agreed to cease and desist from unlawful practices charged were approved and accepted by the commission during the fiscal year in 165 cases, digests of which may be found beginning on page 201.

During the five and one-half years in which the stipulation system had been in effect, as of June 30, 1931, a total of 837 stipulations had been approved and accepted by the commission.



## **REPRESENTATIVE COMPLAINTS**

**MAJORITY INVOLVE UNFAIR METHODS OF COMPETITION**

All but



That thereafter, respondent, the holding company, caused another corporation to be organized and assigned said option to the new company.

That respondent then acquired all the outstanding capital stock of said new company which in turn immediately exercised the option of purchase of capital stock above referred to.

That the new company acquired the assets of the corporation upon whose stock the option was held; and that the original company was then dissolved and the new company took its corporate title by change of name.

It stock 4a (upon) 5p Tj add 54 (T) 473 5640 TD 0 Tc ( ) Tj 1.8 0 TD 0.0236 Tc (turn) Tj 17.8

prive the purchasing public of advantages in price which they otherwise would obtain "from a natural and unobstructed flow of commerce of said products under methods of free competition." Answer to the complaint was filed by respondent.

Another complaint issued during the fiscal year involved the fixing and maintenance of uniform resale price in the sale of furniture. The alleged methods used by the manufacturer-respondent, are much the same as those given above, with similar results in the suppression of competition in violation of the Federal Trade Commission act.

### **RESTRAINT OF TRADE**

The respondents are officers and representative members of a laundry association of approximately 100 members. Not all members of the association are made respondents, but those named are designated respondents as representative of all.

It is alleged that the members of the association purchase laundry machinery, equipment, and supplies from manufacturers situated for the most part in other States and that such members are in competition with others who are not members of the association and who likewise buy such products from dealers in other States. It is further alleged that the members of respondent association, its officers, etc., confederate and cooperate to prevent competing laundry owners from obtaining laundry machinery, equipment, and supplies, as well as to fix and establish uniform prices for laundry work and to prevent competing laundry owners from performing such Services at less prices.

The means used to carry out this conspiracy are alleged to be the following:

Agreed uniform schedules of prices.

Meetings for discussion and adoption of plans and measures for carrying out the agreement as to prices, etc.

Securing cooperation of manufacturers of laundry machinery in the enforcement of the agreement as to prices.

By boycott, threats of boycott, and other coercive measures, inducing manufacturers to sell only to members of the association and to refrain from selling to nonmembers.

Ascertainment of information of sales or proposed sales of laundry machinery, etc., Tc ( etc.j 8.64



amount of such appraisal is required to be a cash offer. Other members may raise the original appraisal but such raised figure is also required to be a cash offer. In case of such raise, the clerk notifies all other members who have submitted bids.

If the deal is completed on the basis of the original appraisal, the successful bidder may elect whether he will take the used machinery at the appraised price. If he does not want it, he can turn it over to the member making the initial appraisal and such member must accept it and pay in cash the amount of such appraisal. If there have been increases in appraisals, then the member making the last increase is entitled to receive the machinery at such price.

It is alleged that members of said association have put said plan into effect; that they have adhered to it; that the purpose is to restrict, restrain, and suppress competition in the purchase and sale of used or old machinery and of new machinery; and that the plan results in depriving the purchasers of free, open, competitive market for their used machinery.

Answers to the complaint have been filed.

#### **COMMERCIAL BRIBERY**

Two complaints issued during the fiscal year involve the practice known as commercial bribery, alleged to be an unfair method of competition.

In one of the complaints, the respondents consist of a corporation, its secretary-treasurer and its salesman. The corporation manufactures varnish, substitute shellacs, stains, fillers, and kindred products and sells them in interstate commerce to manufacturers of furniture and others.

It is alleged that the salesman has offered and has given to finishers, foremen, and other employees of furniture manufacturers, without the knowledge and consent of the respective employers of said employees, substantial sums of money as inducements to influence said employees to purchase the products of respondent company, to recommend such purchases to said employers, to recommend to said employers the use of respondent company's products, or as promised rewards for having induced such purchases by such employers or for having recommended the use of respondent company's products to such employers." It is further alleged that such payments were made in cash only for purposes of concealment; that the practice has tended to induce and has induced the purchase of respondent company's products, and has tended to and did divert trade from competitors and thereby injured them.

In the second case the respondent company manufactures varnish, paints, shellac, wood fillers, and kindred products and sells them

in interstate commerce. The sales manager or salesman for said company is also made a respondent. The methods employed as alleged are identical with the preceding case.

Issue has been joined by the filing of answer on the part of the respondents in both cases.

### LOTTERY SCHEMES

During the fiscal year the commission issued 25 complaints charging violations of section 5 of the Federal Trade Commission act by use of lottery methods in promoting the sale of various products, including candy, chewing gum, blankets, and merchandise.

In a representative case, it is alleged that respondent, in the course of its business, sells to wholesale dealers and jobbers an assortment of candies consisting of a number of bars of candy of uniform quality, size, and shape, each piece contained within a wrapper. In each piece is a concealed slip of paper on which is printed the retail price thereof. The printed retail prices are 1, 2, 3, 4, or 5 cents, one of which is to be paid by the ultimate consumer and is determined wholly by lot Or chance, but in every case the pieces of candy received are alike.

Respondent is also alleged to furnish a display card informing prospective purchasers that they may procure said candies at from 1 to 5 cents in accordance with the sales plan above described. Said assortments are sold by wholesalers and jobbers to retail dealers who in turn sell the candy according to the plan with the assistance of the display card. It is alleged that respondent thus places in the hands of others the means of conducting a lottery to the prejudice of the public and of respondent's competitors.

In another case the respective parties respondent are engaged in the sale of various articles of merchandise, It is alleged that in selling the merchandise to retail dealers, respondents furnish various devices and plans of merchandising involving a gift enterprise or lottery scheme whereby the distribution of such articles to the ultimate consumers is determined wholly by lot or chance. Said devices consist of punch boards, push boards or fortune boards and similar devices. The punch boards are of various sizes with from 100 to 4,000 holes containing small slips of paper bearing printed numbers, which run consecutively. The slips are so placed that the numbers thereon can not be seen except when punched from the board. Indicated numbers entitle the purchasers to certain articles of merchandise. In some cases the last punch in the board carries a prize. Each punch or slip to the board sells for 5 or 10 cents. Purchasers who get numbers other than those designated as winning numbers, or who do not get the last punch, receive nothing. The articles of mer-





**MISREPRESENTATION IN ADVERTISING MOTION PICTURES**

In April, 1931,



It is alleged that respondent's agents procure endorsements by suggestive questions, and

## ORDERS TO CEASE AND DESIST

### ONE HUNDRED AND EIGHT ORDERS ARE ISSUED IN FISCAL YEAR

The commission issued orders to cease and desist in 108 cases during the year. They all covered violations of section 5 of the Federal trade commission act relating to unfair methods of competition. In one of these cases the order was also based on violations of section 3 of the Clayton Act.

As in past years, respondents upon whom the commission served orders to cease and desist have, in a great many cases, accepted their terms and filed reports with the commission signifying compliance therewith.

The orders to cease and desist issued during the year are listed as follows:

#### *Orders to cease and desist issued during the year*

[For details, see p.153]

Respondent	Location	Method of competition
Algoma Lumber Co	Klamath Falls, Oreg	False and misleading advertising; passing off of goods.
Allegheny Tube & Steel Co., et al.	St. Louis	Falsely claiming to be manufacturer; using numerous trade names simulating names of well-known firms in a similar business; using fictitious names and addresses; concealing ownership of alleged independents and instituting spurious competition; selling old goods as new.
Alter & Co., et al	Chicago	False and misleading advertising; quoting regular prices as special, reduced prices.
American Business Builders (Inc.), et al.	New York City	False and misleading advertising; receiving secret commissions from employers of graduate students; publishing endorsements secured in a contest for prizes; quoting excessive sums as profits that students will realize.
American Poultry School, et al	Kansas City, Mo	False and misleading advertising; quoting regular prices as special, reduced prices.
Amusement Novelty Supply Co.	Elmira	Passing off of goods; false and misleading advertising falsely claiming indorsement of government.
Arnold Stone Co. (Inc)	Jacksonville	False and misleading advertising; passing off of goods
Artloom Rug Mills	Philadelphia	Misbranding, passing off of goods.
Ben-Burk (Inc.)	Boston	Misbranding falsely claiming to be importer.
Big Lakes Box Co	Klamath Falls, Oreg	False and misleading advertising; passing off of goods
Black & Co., Frank W., et al	Oakland, Calif	Representing process-printing as engraving.
Bradley Boston (Inc.)	Newton, Mass	False and misleading advertising; falsely claiming to be manufacturer.
Braymill White Pins Co	Braymill, Oreg	False and misleading advertising; passing off of goods
Breece Lumber Co., George E	Albuquerque, N.Mex	Do.
Cady Lumber Corporation	do	Do.
California Door Co	Diamond Spring, Calif.	Do.
California Fruit Exchange	Sacramento, Calif	Do.
California-Oregon Box & Lumber Co.	Ashland, Oreg	Do.
California Preserving Co.(Inc.)	New York City	Falsely claiming to be manufacturer.
Canada's Pride Products Co (Inc.).	do	Misbranding; false and misleading advertising

*Orders to cease and desist issued during the year--Continued*

[For details, see p.1531]

Respondent	Location	Method of competition
Castle Crag Lumber Co	Castella, Calif	False and misleading advertising; passing off of goods
Cheri	Chicago	Using fictitious names to represent employees; falsely claiming to be manufacturer; misrepresenting standing and capacity of establishment.
Cherokee Mills, et al	Nashville	Falsely claiming to be manufacturers; misrepresenting capacity and equipment of establishment.
Chiloquin Lumber Co	Chiloquin, Oreg	False and misleading advertising; passing off of goods
Clicquot Club Co	Millis, Mass	False and misleading advertising; misbranding.
Clover Valley Lumber Co	Reno, Nev	False and misleading advertising; passing off of goods
Collodial Chemists	New York City	Misrepresenting therapeutic value; publishing fictitious endorsements
Cooke School of Electricity, L. L.	Chicago	False and misleading advertising; quoting regular prices as special reduced prices; falsely claiming giving of gratuities; falsely representing conditions under which refunds are given.
Cooperative Book Co	Lamar, Mo	Quoting regular prices as special reduced prices; falsely claiming giving of gratuities; using fictitious endorsements; representing old publications as being of recent compilation falsely representing that certain well-known educators are collaborators.
Coty (Inc.)	New York City	Enforcing maintenance of specified resale prices; refusing to sell.
Curtiss Candy Co	Chicago	Do.
Davies-Johnson Lumber Co	Calpine, Calif	False and misleading advertising; passing off of goods
De Bestt Chemical Co	Chicago	Passing off of name and goods; false and misleading advertising.
Diamond Match Co	Chico, Calif	False and misleading advertising; passing off of goods
Diel Watch Case Co. (Inc.)	New York City	Misbranding; false and misleading advertising.
Domino House (Inc.), et al	Philadelphia	Quoting regular prices as special, reduced prices; falsely claiming giving of gratuities.
Ernstberger & Co., H	New York City	False and misleading advertising; misbranding.
Ewauna Box Co	Klamath Falls, Oreg	False and misleading advertising; passing off of goods
Fayro Laboratories (Inc.)	Pittsburgh	Misbranding; false and misleading advertising; misrepresenting therapeutic value.
Feather River Lumber Co	Delleker, Calif	False and misleading advertising; passing off of goods
Flynn & Enrich Co	Baltimore	Threatening litigation in bad faith.
Forest Lumber Co	Kansas City, Mo	False and misleading advertising; passing off of goods
Fruit Growers Supply Co	Los Angeles	Do.
Golden Seal Fur Dyeing Co. (Inc.) et al.	Brooklyn, NY	Misbranding.
Grand Rapids Upholstering Co.	New York City	Falsely claiming to be manufacturer; quoting regular prices as wholesale prices; misrepresenting where products are manufactured.
Gropper & Sons (Inc.), M. J	do	Misbranding; false and misleading advertising.
Higgins & Co. (Inc.), William	do	Representing imported goods as domestic products; appropriating trade quality marks of competitors; misbranding; passing off of goods.
Hobart Estate Co	San Francisco	False and misleading advertising; passing off of goods
Kemper Silk Co. (Inc.)	New York City	Misbranding; false and misleading advertising.
Kesterson Lumber Co	Dorris, Calif	False and misleading advertising; passing off of goods
Klamath Lumber & Box Co	Klamath Falls, Oreg	Do.
Kromo Plate Corporation	New York City	False and misleading advertising; misbranding.
La Lasine International (Inc.)	do	False and misleading advertising; misbranding; falsely claiming to be importer; misrepresenting therapeutic value; falsely claiming indorsement of Government.
Lamm Lumber Co	Modoc Point, Oreg	False and misleading advertising; passing off of goods
Lassen Lumber & Box Co	San Francisco	Do.
Liederman, Earle E	New York City	Quoting regular prices as special, reduced prices;

falsely claiming to give individual instruction.

*Orders to cease and desist issued during the year--Continued*

[For details, see p.153]

Respondent	Location	Method of competition
Likely Lumber Co	Likely, Calif	False and misleading advertising; passing off of goods
Lomax Rug Mills	Philadelphia	False and misleading advertising; falsely claiming to be manufacturer.
Long-Bell Lumber Co	Kansas City, Mo.	False and misleading advertising; passing off of goods
Madison Laboratories (Inc.), Doctor Rodney, et al.	Indianapolis	False and misleading advertising; misrepresenting therapeutic value.
Manchester Shoe Co., et al	Chicago	False and misleading advertising; misrepresenting equipment of establishment; falsely claiming to be manufacturer; falsely claiming products are custom made.
McCloud River Lumber Co	Minneapolis	False and misleading advertising; passing off of goods
Mercerizes Association of America et al.	Washington, D. C	Enforcing maintenance of specified resale prices.
Milo Bar Bell Co	Philadelphia	Misrepresenting therapeutic value.
Mineral Coal Saver Co. et al	Omaha	False and misleading advertising.
Motor Snap Co. et al	Providence	Do.
Murray School of Dancing, Arthur.	New York City	Quoting regular prices as special, reduced prices; falsely claiming Government indorsement.
Nashville Roller Mills et al	Nashville	Falsely claiming to be manufacturer.
Nestle Co., C., et al	New York City	Using secretly controlled publication to exploit inventions to the disparagement of those of competitors.
Noma Electric Corporation	do	Selling below cos to suppress competition.

Siskiyou Lumber Co	Mount Hebron, Calif.	False and misleading advertising; passing off of goods
Snell Milling Co., et al	Nashville	Falsely claiming to be manufacturer.
Spanish Peek Lumber Co	San Francisco	False and misleading advertising; passing off of goods
State Milling Co., et al	Nashville	Falsely claiming to be manufacturer.
Strauss Bros. Wholesale Tailors (Inc.), et al.	New York City	False and misleading advertising; falsely claiming to be a manufacturer; falsely claiming that clothing is made to order.

*Orders to cease and desist issued during the year--Continued*

[For details, see p.153]

Respondent	Location	Method of competition
Sugar Pine Lumber Co	Pinedale, Calif	False and misleading advertising; passing off of goods
Swayne Lumber Co	Oroville, Calif	Do.
Tarbell System (Inc.), et al.	Chicago	False and misleading advertising; quoting regular prices as special, reduced prices.
Tennessee Grain Co., et al	Nashville	Falsely claiming to be manufacturer.
Titus Institute (Inc.), et al	New York City	False and misleading advertising; falsely claiming giving of gratuities.
Tomlin Box Co	Medford, Oreg	False and misleading advertising; passing off of goods.
Vandeweghe, Adiel, et al	New York City	Misbranding.
Vit-O-Net Corporation	Chicago	Misrepresenting therapeutic value; publishing fictitious endorsements
Wautaga Milling Co., et al	Nashville	Falsely claiming to be manufacturer.
Western Tanning Co	Omaha	Falsely claiming to be manufacturer; false and misleading advertising.
Wetchler & Sons, L., et al	New York City	Misbranding; false and misleading advertising.
White Pine Lumber Co	Bernolillo, N. Mex	False and misleading advertising; passing off of goods.

**REPRESENTATIVE CASES RESULTING IN ORDERS**

A number of ~~supplemental orders~~ ~~resulting in orders~~ ~~to cease and desist issued~~ ~~during the fiscal year~~ ~~are described below.~~ ~~Unless otherwise indicated these orders~~ ~~pertain to violations of the Federal Trade Commission act.~~

**TYING AGREEMENT PLAN**

~~Trade~~  
*Penick & Ford (Ltd.) (Clayton Act, Sec. 3; Federal Trade Commission act, sec. 5).--*  
 One of the respondents in this proceeding manufactures sirups, molasses, and other corn products, with packing plants in Alabama, Louisiana, Iowa, and Vermont. Its entire output entire

ucts and operating under such policy than to those who did not subscribe to it, the commission Concluding that the practices used in connection with the policy in question substantially and dangerously lessened and hindered competition in certain localities in the sale and distribution of canned sirups and molasses, to the injury and prejudice of the public; and that they were violative of both section 3 of the Clayton Act and section 5 of the Federal Trade Commission act.

The complaint against the manufacturer was dismissed on the ground that it was not engaged in interstate commerce. The order runs against the sales company only and commands it to cease and desist from the so-called 100 per cent sales policy and from declining or refusing to afford or extend its sales assistance or cooperation to any of its customers or prospective customers upon the ground that such customers have failed, refused, or neglected to deal in the canned Sirups or molasses of respondents to the exclusion of competitive products.

#### **RESALE-PRICE MAINTENANCE**

*Pro-phy-lac-tic Brush Co.*--Typical of the commission's orders prohibiting maintenance of fixed resale prices is the one issued against Pro-phy-lac-tic Brush Co., engaged in the manufacture and sale of toothbrushes. To the charges in the complaint, respondent filed a pleading to the effect that it Would not contest the proceeding and consented to an order to cease and desist from the violation of law alleged.

As alleged and found by the commission, respondent enforced a merchandising system adopted by it in co6g-j 2ion o Tj 1922a m ch-34 (l) f j 2.52 TD ( ) Tj 20182-0 4y



Cut off the supplies of toothbrushes to dealers who had cut or lowered their prices below those specified by respondent, until such dealers gave respondent satisfactory promises and assurances that they would, in the future, sell at the uniform fixed prices.

The commission found that the effect and results of the practices were to suppress competition among dealers in Pro-phy-lac-tic tooth-brushes, and to deprive the purchasing public of the advantages in price which otherwise they would obtain from a natural and unobstructed flow of commerce in such brushes under methods of free





The commission also concluded that the practices constituted an unfair method of competition prohibited by the trade commission act. Accordingly final orders were entered commanding respondents to cease and desist in the course of interstate commerce from using the word "Milling" or "Mills" or any words of like import, in their names, and from otherwise representing that they are manufacturers of flour or are selling flour direct from manufacturer to purchaser, unless and until they actually own and operate or directly and absolutely control a factory or mill wherein the flour is made by grinding or crushing the wheat berry, which is essential to the manufacture of flour.

The respective respondents to one of the orders have filed a petition for review which is now pending in the United States Circuit Court of Appeals for the Sixth Circuit. This is referred to later under the discussion relative to court cases (Royal Milling Co.). page 92.

#### **MISDESCRIPTION OF PRODUCT**

*"White Pine" Cases.*--This is a group of 50 cases in which complaints issued by the commission charged respondents with practicing an unfair method of competition in interstate commerce by falsely and deceptively using the phrase "White Pine" as part of such trade designations as "California White Pine," "Arizona White Pine," "New Mexico White Pine" and "Western White Pine" for a species of yellow pine known as *Pinus ponderosa*.

The respondents are lumber manufacturers in California, southern Oregon, Arizona, New Mexico and Nevada. Upon the charges in the complaints, issue was raised by the filing of answers. In the interest of economy and for the avoidance of a multiplicity of hearings, the cases were tried as a consolidated proceeding.

Of the 50 complaints, 11 were dismissed before trial or subsequently. Against the remaining 39, the commission, after hearing, entered orders to cease and desist. These orders are based upon findings to the effect that the lumber to which respondents apply the term "California White Pine," etc., is not, as above stated, white pine, but a species of yellow pine; that the latter is inferior for certain important uses; has a higher degree of variableness in such qualities as hardness, weight, density, and color; has a large proportion of sapwood; is less durable when exposed to the weather; has a greater tendency toward shrinking, warping, and twisting and is excelled by true white pine in softness of texture, freedom from resinous content, in paleness of color, lightness of weight, ease of working, and ability to hold nails close to the edge, and to take paint.

True white pine for generations has been the leading softwood of the country. Many ancient buildings constructed from this lumber

from 1636 to 1780 are still in use and in a high state of preservation. It has long held an excellent reputation among the consuming public, and is in great demand, having an annual production of some 1,600,000,000 board feet.

The commission further found that respondents' use of the phrase "White Pine" as part of their trade terms for ponderosa lumber was misleading and confusing to the general public, to architects and builders, to many retail dealers, and to certain of the millwork manufacturers; and that their use of this phrase was to the detriment of the public and of competitors selling genuine white pine or selling *Pinus ponderosa* lumber without designating it as "White Pine."

The orders forbade the use of the word "white" in connection, combination, or conjunction with the word "pine" or in connection with any other word or words used in combination or conjunction with the word "pine," e. g., "California White Pine," "Arizona White Pine," "New Mexico White Pine," "Western White Pine."

#### **MISCELLANEOUS MISREPRESENTATIONS**

In addition to the foregoing, a large number of the orders issued during the fiscal year require the respective respondents to cease and desist from various forms of misrepresentations found by the commission to constitute unfair methods of competition in interstate commerce. The practices prohibited by the orders involve misbranding or misrepresentations in relation to such things as rabbit skins or furs, electric medical devices, correspondence courses, books; shoes, bath salts, soft drinks, rugs, electric blankets, fabrics, reducing remedies, stationery, automobiles, a so-called coal saver, malt Sirup, marbles, canned food, liquid roof coating, novelties, beads, ginger ale, blankets, paint, hair-waving machines, leather, antiseptics, jewelry, pipe couplings, toilet preparations, furniture, cloth, building- material, nuts; watch cases, men's suits, and a preparation for treating gasoline.

#### **DISMISSALS**

##### **"PHILIPPINE MAHOGANY" COMPLAINT AMONG 50 CASES ORDERED DISMISSED**

Fifty complaints were disposed of during the year by dismissal of the charges therein. Among representative cases of this character was the dismissal, June 30, 1931, of the complaint against Gillespie Furniture Co., Los Angeles, involving the sale of wood labeled "Mahogany" or "Philippine Mahogany."

The Gillespie Furniture Co. was charged with selling "as and for mahogany, household and office furniture made of woods other

than mahogany but resembling mahogany in general appearance.” In its advertisements, circular letters, price lists, and general trade literature, the company was said to have represented its furniture as being “ Mahogany,” “ Philippine Mahogany,” and other purported species and kinds of mahogany.

Chairman Hunt and Commissioner McCulloch dissented to the action of the commission in dismissing this complaint, Commissioner McCulloch filing a memorandum of dissent.

The commission later (November 7, 1931) dismissed complaints charging 14 companies with various misapplications of the word “ mahogany.” The dismissals were ordered on the basis of the signing by respondents of a stipulation, which was worded as follows:

Respondent hereby stipulates and agrees that in its sale, description, and advertisement of the wood (if the Philippine Islands which it has heretofore designated and described as “Philippine mahogany” and articles of commerce made therewith, it will not employ the word “mahogany” in connection with the sale of said wood without the modifying term “Philippine.”

The compa

## TYPES OF UNFAIR COMPETITION

### PRACTICES CONDEMNED IN ORDERS TO CEASE AND DESIST ARE LISTED

The following partial list shows unfair methods of competition condemned by the commission from time to time in its orders to cease and desist.<sup>1</sup>

The use of false or misleading advertising, calculated to mislead and deceive the purchasing public, to their damage and to the injury of competitors.

Misbranding of fabrics and other commodities respecting the materials or ingredients of which they are composed, their quality, purity, origin, or source, and selling them under such names and circumstances that the purchaser would be misled in said respects.

Bribing buyers or other employees of customers and prospective customers' without the latter's knowledge or consent, to secure or hold patronage.

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

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

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

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

Trade boycotts or combinations of traders to prevent certain wholesale or retail dealers or certain classes of such dealers from procuring goods at the same terms accorded to the boycotters or conspirators, or to coerce the trade policy of their competitors or of manufacturers from whom they buy.

Passing off goods or articles for well and favorably known products of competitors through appropriation or simulation of such competitors' trade names, labels, dress of goods, etc., with the capacity and tendency unfairly to divert trade from said competitors, and/or with the effect of so doing to their prejudice and injury and that of the public.

Selling rebuilt second-hand, or old products as and for new.

Paying excessive prices for supplies for the purpose of buying up same and hampering or eliminating competition.

<sup>1</sup> Clayton Act violations under the commission's jurisdiction include, subject to the various provisions of the statute concerned, price discrimination (sec. 2. See p. 189 of this report) tying and exclusive contracts or dealings (see sec. 3 at p. 189), corporate stock acquisitions (see sec. 7 fit p.139), and interlocking directorates (see sec. S at p. 140).

Using concealed subsidiaries, ostensibly independent, to secure competitive business otherwise unavailable.

Using merchandising schemes based on lot or chance.

Cooperativ



erally associated with the standard containers involved, and/or with the effect of so doing, and with tendency to divert trade from and otherwise injure the business of competitors who do not indulge in such practices and/or with the effect of so doing, to the injury of such competitors and to the prejudice of the public.

Concealing business identity in connection with the marketing of one's product, or misrepresenting the seller's relation to others, e. g., claiming falsely to be the agent or employee of some other concern, or failing to disclose the termination of such a relationship in soliciting customers of such concerns, etc.

Misrepresenting in various ways the advantages to the prospective customer of dealing with the Seller; with the capacity and tendency to mislead and deceive many among the consuming public into dealing with the person or concern so misrepresenting, in reliance upon such supposed advantages and to induce their purchases thereby, and/or with the effect of so doing, to the injury and prejudice of the public and of competitor such as--

- (1) Seller's alleged advantages of location or size.
- (2) False claims: of being the authorized distributor of some concern.
- (3) Alleged indorsement of the concern or product by the Government or by nationally known businesses.
- (4) False claim by a dealer in domestic products of being an importer, or by a dealer of being a manufacturer, or by a manufacturer of some product, of being also the manufacturer of the raw material entering into said product.
- (5) Being manufacturer's representative and outlet for surplus stock sold at a sacrifice, etc.

Use by business concerns associated as trade organizations or otherwise of methods which result or are calculated to result in the observance of uniform prices or practices for the products dealt in by them, with consequent restraint or elimination of competition, such as use of various kinds of so-called standard cost systems, standard

promising to refund the money paid by them should the product prove unsatisfactory; and through other undertakings not carried out.

(2) Securing business by advertising a “ free trial” offer proposition, when, as a matter of fact, only a “ money back” opportunity is offered the prospective customer.

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, with the capacity and tendency to mislead the public into purchasing the products concerned in the erroneous beliefs thereby induced, and with the tendency to divert and/or with the effect of diverting business from and otherwise injuring and prejudicing competitors who do not engage in such practices all to the prejudice of the public and of competitors, such as--

(1) Names 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; or

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

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

(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; or

(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; or

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

Selling below cost, with the intent and effect of hindering, stifling, and suppressing competition.

Dealing unfairly and dishonestly with foreign purchasers and thereby discrediting American exporters generally, with effect of bringing discredit and loss of business to all manufacturers and business concerns engaged in and/or seeking to engage in export trade, and with the capacity and tendency so to do, to the injury and prejudice of the public and of said offending concerns' export-trade competitors.

“Block booking,” or the practice by dominant or key producers of offering their productions on an “ all or none” basis, and thereby limiting or restricting competitors' access to market.

## **COURT CASES**

### **MATTERS IN WHICH ACTION WAS TAKEN ARE PRESENTED**

The number of court proceedings in





brand when the explanatory statement “ Havana and Domestic Filler-Sumatra Wrapper” was used therewith.

The commission, August 28, 1930, filed a petition for rehearing, which was granted November 5. Hearing on this petition was had November 11, and, as a result, the court, November 21, amended its decree of June 14 so as to make it applicable, not only to labels on cigar boxes in which the company’s “ Havana Ribbon” cigars were sold, but also to placards and advertising matter in newspapers and magazines.

The court retained jurisdiction of the case in order to meet such exigencies as might arise.

*Burton Bros. & Co. (Inc.)*.--This concern, July 10, 1930, filed with the Second Circuit (New York City) its petition to review and set aside the commission’s order, which, in connection with the sale or offering for sale, in interstate commerce, of shirts made of the fabric “Burton’s Irish Poplin,” directed it to cease and desist from:

(1) Requesting shirt manufacturers to attach to invoices of shirts, or to boxes, or other containers of shirts, respondent’s “Notice to Trade” set out and referred to in the findings as to the facts in this proceeding.

(2) Publisher or making use of said notice or any notice or statement which asserts to retail dealers, directly or in effect, (a) that such shirts are sold them subject to resale price restrictions or on condition that they be not sold for less than prices fixed by respondent, or (b) that any retail dealer who sells such shirts at a price less than the resale price thereof fixed by respondent, then find there becomes legally liable to respondent.

(3) Making, publishing, or otherwise using any threat, express or implied, to bring a suit or action in any court against any retail dealer who sells such shirts, at prices less than the resale price thereof fixed by respondent.

(4) Utilizing any other equivalent methods or means of accomplishing the maintenance or control of retail dealer resale prices of shirts.

Subsequent to taking the action above described, the petitioner filed with the commission a supplemental report of compliance, which met the objections raised to its prior report, and as a result of which its petition for review was withdrawn. The stipulation providing for withdrawal was filed with the court October 7, 1930.

*Consolidated Book Pub Ziskers (Inc.)*: On July 10, 1980, the corporation of this name, engaged in the sale and distribution throughout the United States of a set of books at retail under the name “New World Wide Cyclopedia,” and of the same set of books at wholesale under the name of “The Times Encyclopedia and

Gazetteer," filed with the Seventh Circuit (Chicago) its petition to review the commission's order, which directed it to cease and desist from--

(1) Selling or offering for sale, either at wholesale or retail, any set of books of the same text and content material under more than one name or title at the same time.

(2) Advertising or representing in any manner to purchasers or prospective purchasers that any book or set of books offered for sale and sold by it will be given free of cost to said purchaser or prospective purchaser when such is not the fact.

(3) Advertising or representing in any manner that a certain number of sets or any set of books offered for sale or sold by it has been reserved to be given away free of cost to selected persons as a means of advertising, or for any other purpose, when such is not the fact.

(4) Advertising or representing in any manner that purchasers or prospective purchasers of its encyclopedia are only buying or paying for looseleaf supplements intended to keep the set of books up to date, or that purchasers or prospective purchasers are only buying or paying for services to be rendered by a research, or other bureau, for a period of 10 years, when such is not the fact.

(5) Selling the text and content material of any set of books in such a way or manner; and with the purpose and intent, that said text and content material may be resold by any other person, firm, or corporation under any other name or title than that being used by respondent for said text and content material.

(6) Advertising or representing in any manner that it maintains a research bureau employing a staff of competent editors and experts for the purpose of answering inquiries from subscribers, when such 'is not the fact.

(7) Advertising or representing in any manner that inquiries addressed to its research bureau are referred to and answered by experts and specialists in the particular subject inquired about, unless such inquiries are actually referred to and 'answered by said





the zinc and lead sulphate contained therein did not exceed approximately 20 per cent.

The respondent filed an answer consenting to the entry of a decree affirming the commission's order, and providing for the enforcement thereof; and the court, January 19, 1931, entered its decree accordingly.

The decree directed the respondent to cease and desist:

- (1) From using the words "white lead," or word or words of like import, upon the containers, of, or with which to brand, which represent, or advertise, or in any way identify, or paint, and paint pigment which contains less than 50 per cent white lead, lead carbonate, or lead sulphate; and, if and when said paint material or paint pigment is not composed wholly of white lead or lead carbonate or lead sulphate or of the two.

*Lomax Rug Mills.*--This is the trade name used by an individual (H. L. Lomax) engaged in the purchase of rugs and carpets from manufacturers, and their resale to retailers and consumers throughout the United States. A small portion of the products in question are "fabricated" by Lomax from standard



part, of common salt; that he represented that this product, when used according to directions, would make poor coal good and good coal better; that it prevented and removed soot; that it increased the heat from a given quantity of coal from 22 to 28

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









(425F. (2dFe3nTc (rT218 T Tc ( ) 96 TD -0.00 T57-0.0254 Tc (On) Tj 1-12.96 TD 04 0 T) the words, letters, figures, and designs have not been produced from metal plates, into which such words, letters, and designs have been cut. The findings were to the effect that the respondent, in producing its stationery, used ordinary type presses in making impressions on the paper, and, while the ink was still damp, sprinkled it with chemical in powdered form, afterwards applying heat, which caused the chemical to melt, fuse with the ink, become solid and present a raised letter effect closely simulating genuine engraving. The commission's brief was filed December 5, 1930.

On March 2, 1931, the court, on motion of the company, issued a rule on the commission to show cause why its application for enforcement should not be dismissed, on the ground that the company had fully complied with the order. This rule was returnable March 9, and on this date, after argument, the court denied the company's motion to dismiss (from the bench).

The respondent's brief was filed April 23, and on April 24 the case was argued on the merits. On May 4 the court handed down its decision favorable to the commission. (49 F. (2dFe3nTc (returnableo ( ) Tj 2.04 023 ( ) Tj 213.u TD 0.0077 TcdismisT 0.-12.96 0.0077 T)

sale or distribution of a product not composed wholly of the natural fruit or juice of grapes, with the provisos: (1) That if such product is composed in such substantial part of the natural fruit or juice of grapes as to derive therefrom its color and flavor, the words "NuGrape" or "Grape" may be used if accompanied with a word or words, equally conspicuous with it in character or type, clearly indicating that such product is composed in part of material or materials other than the natural juice or fruit of grapes; and (2) that if the beverage produced from respondent's sirup is not composed in such substantial part of the natural fruit or juice of grapes as to derive therefrom its color and flavor, the words "NuGrape" or "Grape" may be used if it is made prominently to appear that the product is an imitation, artificially colored and flavored. The order also forbade the use of any word or words falsely representing or suggesting that a product is made from the natural juice or fruit of grapes or contains the natural juice or fruit of grapes in such substantial quantity as to derive therefrom its color and flavor.

The findings were to the effect that the respondent was engaged in the manufacture of a concentrate or sirup, called by it "NuGrape," and in the sale of the same to numerous bottling plants and jobbers located in the various States, for the purpose of having manufactured therefrom a beverage also known, advertised, and sold under the name "NuGrape"; that exhaustive analyses made by chemists of the United States Department of Agriculture showed that this "NuGrape" sirup was an artificially colored invert sugar sirup containing added acid, principally tartaric, and not more than 20 per cent of grape juice; that the "NuGrape" beverage, made from respondent's sirup, was an artificially colored beverage sweetened with invert sugar and acidulated with said added acid and containing not more than 4 per cent of grape juice; and that respondent's product "NuGrape" sirup did not contain the natural fruit or juice of the grape in quantity sufficient to give it its color or flavor.

Certification of the record, briefing, and argument have been held in abeyance pending possible settlement of the case out of court.

*Ohio Leather Co.*--Petition to review and set aside the commission's

from using the word "Kid" alone or in combination with the word "Kaffor," or other word or words, on labels, letterheads, envelopes, or in the advertising or other designation or description of any such leather.

After briefing the case was argued February 11, 1930, and the court, November 12, 1930, handed down its decision. It vacated the order, without prejudice to such future orders as the commission might make, and remanded the case to the commission for taking further proofs. Its reason for doing this is indicated in the following excerpt from its opinion (45 F. (2d) 39):

Upon this subject, what the retail shoe-buying public understands by "kid," and whether it is, in fact, misled to its prejudice by the use of this term "Kaffor Kid," the record is very unsatisfactory; and we think no final disposition of the controversy should be based upon it. The order can not be sustained unless there is an affirmative finding, based upon substantial evidence, to the effect that the consuming public, asking for kid shoes, desires and expects to get shoes made from the skin of a kid, or of a goat, as the case may be. The present record being insufficient, it should be remanded, in order that all parties interested may take further proofs and have a finding made, if indeed, the proofs may then justify any definite conclusion.

The commission and the respondent thereafter agreed upon the terms of an amended order to cease and desist. Accordingly the parties filed in the court a joint motion to set aside the former decree and reinstate the case as a pending action; and a further motion that the court make final disposition of the case by entering a certain decree embodied in the motion, modifying the order to cease and desist, affirming such order as so modified, and enjoining disobedience thereof as so modified and affirmed. The two motions were sustained and the final decree entered April 7, 1931.

The amended order agreed upon, and made a part of the court's final decree, directed the company, in connection with the advertising, offering for sale, and sale, in interstate commerce, of leather made from calf skins, to cease and desist:

From using the word "Kid" alone or in combination with the word "Kaffor" or other word or words as a trade name, brand, label, or as a heading for advertising matter, unless immediately in conjunction therewith there are used conspicuously apt and adequate words showing it to be made of calfskin, and otherwise using said name or names unless accompanied by descriptive language easily legible and readily discernible, clearly showing it to be a product of calfskin.

*Paramount Famous-Lasky Corporation.*--The commission, July 9, 1927, entered its order to cease and desist in this proceeding, which, briefly, was directed against a conspiracy in restraint of trade in the business of producing, distributing, and exhibiting motion-picture films against the practice of "block booking" of motion-picture films

and the acquisition of theater buildings for the purpose of intimidating or coercing exhibitors of motion-picture films to lease and exhibit films produced by respondents.

In due course respondents filed with the commission their report in writing, setting forth in detail the manner and form in which they were complying with the order. This was accepted as unobjectionable, with the exception of that portion relating to compliance with paragraph 2 of the order, which was concerned with the

After briefing and argument, the court, June 28,

affect or tend thus to affect the business of these competitors--that is to say, the trader whose methods are assailed as unfair must have present or potential rivals in trade whose business will be, or is likely to be, lessened or otherwise injured. It is that condition of affairs which the commission is given power to correct, and it is against that condition of affairs, and not some other, that the commission is authorized to protect the public.

\* \* \* \* \*

While it is impossible from the terms of the act itself, and in the light of the foregoing circumstances leading up to its passage, reasonably to conclude that Congress intended to vest the commission with the general power to prevent all sorts of unfair trade practices in commerce apart from their actual or potential effect upon the trade of competit.



was given. Upon assurance being given, the orders were accepted or, having been accepted, the further shipments were made.

\* \* \* \* \*

We think, therefore, that the commission’s finding that petitioner enters into understandings with and procures promises and assurances from its customers to maintain minimum prices as a condition to accepting their orders or continuing to supply them with its products is not only supported by substantial evidence, but likewise is sufficient as a matter of law to support the first section of the order. It is apparent, also, under the decisions referred to, that the promises or assurances that the petitioner has required of its customers have the effect of suppressing competition and amount to unfair trade practice within the meaning of the statute.

\* \* \* \* \*

The second part of the order complained of directs the petitioner to cease and desist from requesting its dealers to report the names of other dealers who do not maintain petitioner’s resale prices or who are suspected of not maintaining them. The commission found as a fact that petitioner had requested its dealers to report the names of other dealers who did not maintain its resale prices.

\* \* \* \* \*

Contrarily the evidence shows, we think conclusively, that petitioner never made such request from any dealer.

\* \* \* \* \*

The third portion of the order directed the petitioner to desist from “seeking by any methods and cooperation of dealers in making effective any policy adopted by respondent for the maintenance of prices.” This part of the order is too incomplete to be intelligible.



the Temple Coal Co. and its subsidiaries and that sold by the East Bear Ridge Colliery Co. to the total output of anthracite coal of the same kind and quality in the whole anthracite region. From the facts found as to the value of the annual output of the respective mines, it is quite apparent that the percentage of these mines to the total output can not be consequential. Therefore, if competition

After several continuances, during which the possibility of withdrawal of the petition was discussed, the commission, April 2, 1931, filed with the court a transcript of the proceedings before it; this was subsequently printed, and filed in its printed form May 2, 1931. Brief for the petitioner was filed August 24, 1931, the commission's brief October 5, and brief of Messrs. Root, Clark & Buckner, as amici curiae, October 9. The case was argued October 15. <sup>1</sup>

<sup>1</sup> Decided adversely to the commission, Nov. 2, 1931.

**TABLES SUMMARIZING WORK OF THE LEGAL DIVISION AND  
COURT PROCEEDINGS, 1915-1931**

TABLE 1.--*Preliminary inquiries*

	1915	1916	1917	1918	1919	1920	1921	1922	1923
Pending beginning of year	0	4	12	32	19	29	61	68	147
Instituted during year	119	265	462	611	843	1,107	1,070	1,223	1,234
Total for disposition	119	269	474	643	862	1,136	1,131	1,291	1,381
Dismissed after investigation	3	123	289	292	298	351	500	731	897
Docketed as applications for complaints	112	134	153	332	535	724	563	413	382
Total disposition during year	115	257	442	624	833	1,075	1,063	1,144	1,279
Pending end of year	4	12	32	19	29	61	68	147	102

  

	1924	1925	1926	1927	1928	1929	1930	1931
Pending beginning of year	102	191	176	298	328	224	260	409
Instituted during year	1,568	1,612	1,483	1,265	1,331	1,469	1,505	1,380
Total for disposition	1,670	1,803	1,659	1,563	1,659	1,693	1,765	1,789
Dismissed after investigation	1,157	1,270	1,075	942	1,153	1,649	1,060	1,150
Docketed as applications for complaints	322	357	286	293	282	384	296	332
Total disposition during year	1,479	1,627	1,361	1,235	1,435	1,433	1,356	1,482
Pending end of year	191	176	298	328	224	260	409	307

CUMULATIVE SUMMARY TO JUNE 30, 1931

Inquires instituted	18,547
Dismissed after investigation	12,296
Docketed as applications for complaints	<u>5,944</u>
Total disposition	<u>18,240</u>
Pending June 30, 1931	307

TABLE 2.--*Export trade investigations*

	1922	1923	1924	1925	1925	1927	1928	1929	1930	1931
Pending beginning of year	53	35	79	43	10	16	29	42	40	27
Instituted during year	10	79	16	11	52	54	68	20	11	7
Total for disposition	63	114	95	54	62	70	97	62	51	34
Disposition during year	28	35	52	44	46	41	55	22	24	17
Pending end of year	35	79	43	10	16	29	42	40	27	17

CUMULATIVE SUMMARY TO JUNE 30, 1931

Investigations instituted	381
Total disposition	<u>364</u>
Pending June 30, 1933	17



Chief trial examiner	780	
Special board	74	
Trade-practice acceptance	78	
Others	<u>3,296</u>	
Total dismissals	<u>4,228</u>	
<u>Total disposition</u>		<u>5,855</u>
Pending June 30, 1931		<u>754</u>

TABLE 4.--Complaints

	1915	1916	1917	1918	1919	1920	1921	1922	1923
Pending beginning of year	0	0	5	10	86	133	287	312	257
Complaints docketed	0	5	9	154	135	308	177	111	144
Rescinded orders to cease and desist:									
Contest	0	0	0	0	0	0	0	0	0
Do	0	0	0	0	0	0	0	0	0
Default	0	0	0	0	0	0	0	0	0
Rescinded dismissals:									
Stipulated	0	0	0	0	0	0	0	0	0
Trade-practice acceptance	0	0	0	0	0	0	0	0	0
Others	0	0	0	0	0	0	0	1	0
Total for disposition	0	5	14	164	221	441	465	423	402
Complaints rescinded	0	0	0	0	0	0	0	0	0
Orders to cease and desist:									
Contest	0	0	3	71	75	110	116	74	28
Do	0	0	0	0	0	0	0	17	54
Default	0	0	0	0	0	0	0	0	0
Dismissals:									
Stipulated	0	0	0	0	0	0	0	0	0
Trade-practice acceptance	0	0	0	0	0	0	0	0	0
Others	0	0	0	1	7	13	44	37	75
Total disposition during year	0	0	4	78	88	154	153	166	170
Pending end of year	0	5	10	86	133	287	312	257	232
	1924	1925	1928	1927	1928	1929	1930	1931	
Pending beginning of year	232	264	220	152	147	136	198	275	
Complaints docketed	154	132	62	76	64	149	172	110	
Rescinded orders to cease and desist:									
Contest		4	0	0	0	1	0	0	0
Do		1	0	0	0	0	0	0	0
Default		0	0	0	0	0	0	0	0
Rescinded dismissals:									
Stipulated		0	0	0	0	0	0	0	0
Trade-practice acceptance		0	0	0	0	0	0	0	0
Others		1	0	0	1	0	0	0	0
Total for disposition	392	396	282	229	212	285	370	385	
Complaints rescinded	0	0	0	0	0	0	3	2	
Orders to cease and desist:									
Contest		45	30	28	34	38	56	36	87
Do		47	43	16	18	8	7	11	14
Default		0	0	0	0	2	4	1	7
Dismissals:									
Stipulated		0	6	3	1	3	3	3	4
Trade-practice acceptance		0	0	0	5	5	1	0	1
Others		38	97	83	24	20	16	41	45
Total disposition during year	128	176	130	82	76	87	95	160	
Pending end of year	264	220	152	147	136	198	275	225	

## CUMULATIVE SUMMARY TO JUNE 30, 1931

Complaints	1,962
Rescinded orders to cease and desist:	
Contest	5
Do	1
Default	0
Total rescinded orders to cease and desist	6
Rescinded dismissals:	
Stipulated	0
Trade-practice acceptance	0
Others	4
Total rescinded dismissals	4
Total for disposition	1,072
Complaints rescinded	5
Orders to case and desist:	
Contest	831

Do  
Default  
Total orders to cease and desist

285  
14  
1,080





Total disposition  
Pending June 30, 1931

34  
0

TABLE 7.--*Petitions for enforcement--Lower courts*

	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931
Pending beginning of year	0	0	0	0	0	0	1	0	2	3	2	5	3
Appealed	0	0	0	0	1	1	1	3	2	3	9	4	3
Total for disposition	0	0	0	0	1	1	2	3	4	6	11	9	6
Decisions for Commission	0	0	0	0	1	0	2	0	0	1	5	4	4
Decisions for others	0	0	0	0	0	0	0	1	0	1	0	1	0
Petitions withdrawn	0	0	0	0	0	0	0	0	1	2	1	1	0
Total disposition during year	0	0	0	0	1	0	2	1	1	4	6	6	4
Pending end of year	0	0	0	0	0	1	0	2	3	2	5	3	2

## CUMULATIVE SUMMARY, TO JUNE 30, 1931

Appealed	27
Decisions for commission	15
Decisions against commission	1
Petitions by commission denied	3
Petitions withdrawn	<u>5</u>
Total disposition	<u>24</u>
Pending June 30, 1931	3

TABLE 8.--*Petitions for enforcement--Supreme Court of the United States*

	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931
Pending beginning of year	0	0	0	0	0	0	0	0	1	0	0	1	0
Appealed by Commission	0	0	0	0	0	0	0	0	0	0	1	0	0
Appealed by others	0	0	0	0	0	0	0	1	0	1	0	1	0
Total for disposition	0	0	0	0	0	0	0	1	1	1	1	2	0
Decisions for Commission	0	0	0	0	0	0	0	0	0	0	0	0	0
Decisions for others	0	0	0	0	0	0	0	0	1	0	0	1	0
Certiorari denied others	0	0	0	0	0	0	0	0	0	1	0	1	0
Total disposition during year	0	0	0	0	0	0	0	0	1	1	0	2	0
Pending end of year	0	0	0	0	0	0	0	1	0	0	1	0	0

## CUMULATIVE SUMMARY TO JUNE 30, 1931

Appealed	5
Decisions for commission	1
Decisions against commission	2
Petitions by others denied	<u>2</u>
Total disposition	<u>5</u>
Pending June 30, 1931	0

TABLE 9.--*Petitions for rehearing, modification, etc.--Lower courts*

	1919	1920	1921	1922	1923	1924	1926	1926	1927	1928	1929	1930	1931
Pending beginning of year	0	0	1	0	1	0	0	2	1	1	0	0	0
Appealed	0	1	0	2	0	2	8	3	0	1	1	2	1
Total for disposition	0	1	1	2	1	2	8	5	1	2	1	2	1
Decisions for commission	0	0	0	1	0	0	1	0	0	0	1	0	1
Decisions against commission	0	0	0	0	0	0	1	0	0	1	0	0	0
Petitions by commission denied	0	0	1	0	0	2	1	2	0	1	0	1	0
Petitions by others denied	0	0	0	0	1	0	3	2	0	0	0	1	0
Total disposition during year	0	0	1	1	1	2	6	4	0	2	1	2	1
Pending end of year	0	1	0	1	0	0	2	1	1	0	0	0	0

CUMULATIVE SUMMARY TO JUNE 30, 1931

Appealed	21
Decisions for commission	4
Decisions against commission	2
Petitions by commission denied	8
Petitions by others denied	<u>7</u>
Total disposition	<u>21</u>
Pending June 30, 1930	0

TABLE 10.--*Petitions for rehearre 4.562rmsposition*

## COURT PROCEEDING MISCELLANEOUS

TABLE 11.--*Interlocutory, mandamus, etc.--Lower courts*

	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931
Pending beginning of year	0	1	4	5	6	4	4	4	4	5	3	2	0
Appealed	2	4	2	6	5	0	1	1	2	2	2	2	1
Total for disposition	2	5	6	11	11	4	5	5	6	7	5	4	1
Decisions for Commission	1	0	1	3	0	0	0	0	1	1	3	1	1
Decisions against commission	0	1	0	1	7	0	0	0	0	1	0	2	0
Petitions withdrawn by Commission	0	0	0	0	0	0	1	1	0	2	0	0	0
Petitions withdrawn by others	0	0	0	1	0	0	0	0	0	0	0	1	0
Total disposition during year	1	1	1	5	7	0	1	1	1	4	3	4	1
Pending end of year	1	4	5	6	4	4	4	4	5	3	2	0	0

## CUMULATIVE SUMMARY TO JUNE 30, 1931

Appealed	30
Decisions for commission	12
Decisions against commission	12
Petitions withdrawn by commission	4
Petitions withdrawn by others	<u>2</u>
Total disposition	<u>30</u>
Pending June 30, 1930	0

TABLE 12.--*Interlocutory, mandamus, etc.--Supreme Court of the United States*

	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931
Pending beginning of year	0	0	0	0	0	6	4	1	1	0	0	0	0
Appealed	0	0	0	0	6	0	0	0	1	0	0	1	0
Total for disposition	0	0	0	0	6	6	4	1	2	0	0	1	0
Decisions for Commission	0	0	0	0	0	0	0	0	1	0	0	0	0
Decisions against commission	0	0	0	0	0	2	3	0	0	0	0	0	0
Certiorari denied Commission	0	0	0	0	0	0	0	0	1	0	0	0	0
Certiorari denied others	0	0	0	0	0	0	0	0	0	0	0	1	0
Total disposition during	0	0	0	0	0	2	3	0	2	0	0	1	0
Pending end of year	0	0	0	0	6	4	1	1	0	0	0	0	0

## CUMULATIVE SUMMARY TO JUNE 30, 1931

Appealed	8
Decisions for commission	1
Decisions against commission	5
Petitions by commission denied	1
Petitions by others denied	<u>1</u>
Total disposition	<u>8</u>
Pending June 30, 1930	0



## **PART IV. TRADE-PRACTICE CONFERENCES**

## **PART IV. TRADE-PRACTICE CONFERENCES**

### **COMMISSION ACTS ON RULES OF ALMOST 100 TRADE GROUPS**

During the fiscal year the commission approved and accepted trade-practice conference rules for 34 industries and revised previously promulgated rules for 62.

Of 34 industries for which rules were approved and accepted for the first time, conferences were held for 9 during the fiscal year, while 25 were held previously thereto. The total number of conferences held during the fiscal year was 13, 4 of which have not yet been acted on.

Of the 62 industries for which rules were the

all in the industry, may be transformed from an item of expense to an increase in profit without adding to the price paid by the ultimate purchasers of their products.



upon the particular practices dealt with. If the resolutions adopted by manufacturers, for example, should be confined to practices which do not materially affect distributors, there would be no particular reason for including distributors. On the contrary, if the proposed actions involve distribution, distributors should be included.

(4) The application should state jurisdictional facts which should show (a) whether the applicants are engaged in interstate commerce and (b) whether the practices, or some of them, are unfair methods of competition,<sup>1</sup> and whether these practices are in use in the industry at the time the application is made.

(5) The practices proposed for discussion should be named, and where necessary described. This does not limit the discussion at the conference to the particular subjects thus named, since the conference itself constitutes an open forum wherein discussion of any practice used in the industry is desired and encouraged.

(6) Authority of the person making the application should also be shown. If made by an association executive, a resolution showing the action of the association, together with the percentage of the industry represented by the membership, should be submitted. If made by a small group, it should be signed by each member thereof.

(7) The application should be accompanied by a complete list of members of the industry, or such list should be furnished shortly after submission of the application. It should be divided, keyed, or symbolized to indicate association members, nonmembers, and as to types of concerns, such as manufacturers, distributors, etc.

When this information is received by the trade-practice conference division the director makes a report and recommendation to the commission with reference thereto. If the commission determines on a trade-practice conference, the industry is assembled at a place and time specified by it.

A commissioner of the Federal Trade Commission presides, but in order to give the widest possible range to the discussion of practices which may be proposed and to preserve the voluntary character of the conference, those present are encouraged to organize by electing their own secretary for the conference.

After the industry has examined and freely discussed practices or methods elimination of which would be beneficial and fair to all in the industry and to the public, resolutions are framed which, in the judgment of its representatives, are workable, and they are separately voted on.

<sup>1</sup> Rules approved and accepted by the commission relate to practices violative of the law and are designated Group I. Other rules accepted as expressions of the trade are classed as Group II.

Following the conference the proceedings are reported to the full commission through its division of trade-practice conferences.

This procedure deals with the industry as a unit. It is concerned solely with practice's and methods, not at that time with individual offenders. It tends to wipe out on a given date all unfair methods condemned at the conference and thus place all competitors on an equally fair; competitive basis in so far as such methods or practices are concerned. Mere attendance at a conference or actual participation in the deliberations thereat should

**PART V. SPECIAL PROCEDURE IN CERTAIN TYPES OF  
ADVERTISING CASES**

## **PART V. SPECIAL PROCEDURE IN CERTAIN TYPES OF ADVERTISING CASES**

Prior to the creation in 1929 of a special board of investigation for false and misleading and fraudulent advertising, a large number of applications for complaint had been filed with the commission charging advertiser-vendors of various articles of commerce with making and publishing false and misleading statements and representations to induce the public to buy their products.

These false statements and representations were published and circulated in numerous magazines, newspapers, and other periodicals, and in booklets, folders, circulars, form letters and other advertising literature.

The largest number of such offenders were and are to-day purveyors of so-called patent medicines, cosmetics, fat reducers, hair restorers, and hair dyes.

There are 2,268 daily newspapers published in the United States with a circulation of 42,500,000; also 544 Sunday newspapers with a circulation of 26,500,000 copies; 13,156 weekly, semiweekly and tri-weekly newspapers, and 4,175 fortnightly, semimonthly, monthly, bimonthly and quarterly magazines.

### **SURVEY SHOWS EXPENDITURES FOR ADVERTISING**

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## FUNCTIONS OF SPECIAL BOARD ARE OUTLINED

The Special board of investigation is composed of three members, all attorneys, and is authorized, by various orders of the commission:

To make investigations with reference to false and misleading advertising in newspapers and magazines;

To extend to advertisers, publishers, and advertising agents the privilege of informal hearings before the board prior to actual issuance of complaint and institution of formal proceedings;

To hold such hearings or conferences in all cases where, in the opinion of the board, it appears the matter might be adjusted by stipulation or agreement;

To make from time to time reports to the commission of its action in any case or cases;

To prepare and submit to the commission for its consideration recommendations or suggested forms or plans for further proceedings in any case or cases or for the final disposition thereof; and

To perform such other duties as the commission from time to time directs.

In actual practice the special board considers all cases of false and misleading advertising in newspapers, magazines, and over the radio that are brought to its attention by reference, complaint, or otherwise, and recommends to the commission such action as it deems proper. <sup>Then</sup>

When the commission directs that a complaint be docketed against an advertiser and refers the matter to the special board, the board notifies the publishers and advertising agents and gives them an opportunity to avoid being joined with the advertisers as respondents by agreeing to abide by the results of proceedings against the advertisers.

The advertiser is also notified that he may come before the board informally "and with or without counsel submit whatever he desires in justification Tj 10.44 00 TD 0 Tc ( ) Tj 2.64 0

## SPECIAL PROCEDURE

## **PART VI. EXPORT TRADE WORK**



## **PART VI. EXPORT TRADE WORK**

Foreign trade work of the commission includes administration of the export trade act, commonly known as the Webb-Pomerene law, and inquiries made under section 6 (h) of the Federal Trade Commission act. This work is handled by the export trade section of the commission's legal division.

### **PROVISIONS OF THE WEBB LAW**

The Webb law, passed by Congress on April 10, 1918, grants exemption from the



## EXPORT TRADE WORK

was especially difficult to sell in agricultural areas because the low prices obtained for farm products have reduced the purchasing power of our foreign customers. The growing competition of Russia and the low prices quoted by European competitors were hard to meet. Webb law associations that usually ship in large quantities to Australia found themselves handicapped by adverse conditions in that market, which were met by an attempt to increase sales to New Zealand and other Pacific islands. In some industries producers and manufacturers that do not normally export and have not joined Webb law groups made an attempt this year to dispose of their products in export trade; and generally these firms sold at very low prices, a situation which helped to bring down the export price level. Some members of the Webb law associations declined to sell in export at the low prices prevailing abroad during the past year.

The necessity for readjustment of export business seemed to create a renewal of interest in the Webb law, shown by individual firms and trade organizations throughout the country. The chambers of commerce, the National Foreign Trade Council, and other business groups urged the formation of export associations; and a number of industries are working on organization plans.

#### **NEW ASSOCIATIONS FORMED DURING THE YEAR**

New associations formed during the fiscal year ending June 30, 1931, included:

American Hardwood Exporters (Inc.), New Orleans, formed by George McSweyn, W. A. Ransom, B. C. Tully, and Arthur Gohn, for exporting hardwood lumber.

Electrical Apparatus Export Association, New York City, formed by the Westinghouse Electric International Co. and International General Electric Co. (Inc.), for exporting electrical and other apparatus, materials, and goods.

Grapefruit Distributors (Inc.), Davenport, Fla., formed by Harry E. DiCristina, E. H. Dewson, and F. S. Bates for exporting citrus fruits, citrus-fruit products and by-products.

The Textile Export Association of the United States, New York City, formed by Amory, Browne & Co.; William L. Barrell Co. of New York (Inc.); Edwin E. Berliner & Co.; Bliss Fabyan & Co. (Inc.); M. C. D. Borden & Sons (Inc.); Brune Pottberg & Co.; Garner & Co. (Inc.); Iselin-Jefferson Co.; M. Lowenstein & Sons (Inc.); Minot, Hooper & Co.; Neuss, Hesslein & Co.; Pacific Mills; Pepperell Manufacturing Co.; Prince, Lauten Corporation; J. P. Stevens & Co. (Inc.); Turner, Halsey Co.; Wellington, Sears & Co.; and Woodward, Baldwin & Co., for exporting textiles.

**FIFTY-SEVEN ASSOCIATIONS NOW FILING PAPERS UNDER THE ACT**

Export associations filing papers with the commission during the first six months of 1931 were as follows:

- Alabama-Florida Pitch Pine Export Association, 601 Blount Building, Pensacola, Fla.
- American Hardwood Exporters (Inc.), 302 Marine Building, New Orleans.
- American Locomotive Sales Corporation, 30 Church Street, New York City.
- American Paper Exports (Inc.), 75 West Street, New York City.
- American Pitch Pine Export Co., 1600 Pore Marquette Building, New Orleans.
- American Provisions Export Co., 140 West Van Buren Street, Chicago.
- American Rice Export Corporation, Crowley, La.
- American Soda Pulp Export Association, 280 Park Avenue, New York City.
- American Soft Wheat Millers Export Corporation, 3261 K Street NW., Washington, D. C.
- American Spring Manufacturers' Export Association, 30 Church Street, New York City.
- American Textile Trading Co., 1421 Chestnut Street, Philadelphia.
- Chalmers (Harvey) & Son Export Corporation, rear 31 East Main Street, Amsterdam, N. Y.
- Copper Export Association (Inc.), 25 Broadway, New York City.
- Copper Exporters (Inc.), 25 Broadway, New York City.
- Davenport Pearl Button Export Co., 1231 West Fifth Street, Davenport, Iowa.
- Douglas Fir Exploitation & Export Co., 1125 Henry Building, Seattle.
- Durex Abrasives Corporation, 82 Beaver Street, New York City.
- Electrical Apparatus Export Association, 31 Nassau Street, New York City.
- Export Petroleum Association (Inc.), 67 Wall Street, New York City.
- Export Screw Association of the United States, 101 Park Avenue, New York City.
- Florida Hard Rock Phosphate Export Association, Savannah Bank & Trust Building, Savannah, Ga.
- Florida Pebble Phosphate Export Association, 420 Lexington Avenue, New York City.

nia Building, Philadelphia.

Savannah, Ga.

Northwest Dried Fruit Export Association, 400 Security Building, Portland, Oreg.	Steel Export Association of America, The, 40 Rector Street, New York City.
Pacific Flour Export Co., care of Fisher Flouring Mills Co., Seattle.	Sugar Export Corporation, 120 Wall Street, New York City.
Phosphate Export Association, 420 Lexington Avenue, New York City	Sulphur Export Corporation, 420 Lexington Avenue, New York City.
Pipe Fittings & Valve Export Association,; Branford, Conn.	Textile Export Association of the United States, 40 Worth Street, New York City.
Producers Linter Export Co., 822 Perdidido Street, New Orleans.	United States Alkali Export Association (Inc.), 11 Broadway, New York City.
Redwood Export Co., 405 Montgomery Street, San Francisco.	United States Handle Export Co., The, Piqua, Ohio.
Rice Export Corporation, Lake Charles, La.	Walnut Export Sales Co. (Inc.), Packers Station, Kansas City, Kans.
Rubber Export Association, The, 801 Akron Savings & Loan Building, Akron.	Walworth International Co., 11 Broadway, New York City.
South American Fruit Exporters (Inc.), 44 Water Street, New York City.	Western Plywood Export Co., 1549 Dock Street, Tacoma, Wash.
Standard Oil Export Corporation, 26 Broadway, New York City.	Zinc Export Association, 60 East Forty-second Street, New York City.

#### INFORMAL FOREIGN TRADE COMPLAINTS UNDER SECTION 6 (H)

Inquiries made under section 6 (h) of the Federal Trade Commission act included 34 foreign trade complaints handled by this office during the fiscal year ending June 30, 1931.

These cases involve practices of American exporters and importers (not Webb law associations) in their trade with foreign countries. They are usually reported in the first instance by the foreign complainant to the American consul abroad. If it is found that inquiry in the States is necessary the matter may be reported to the Federal Trade Commission and facts obtained to substantiate or refute the allegations of the complainant. These facts, with inspection reports of the consul, frequently lead to an amicable adjustment by the parties, either in the form of settlement or arbitration proceedings. The commission's inquiries are made without publicity.

Cases handled during the past year involved shipments of neck-ties, pianos, and electrical apparatus to Australia; calculating machines and pigeons to New Zealand; batteries to India; phonographs to the Philippines; textiles to Mexico; pipe to Cuba; furniture to Venezuela; novelties to Brazil; weighing scales to South Africa; leather goods and automobile accessories to Syria; hosiery to Greece; apples and typewriters to Sweden; rice to Denmark; bags to Holland; 'radios and machinery to Belgium; dried

apples to Germany;



lumber to Italy and to Spain; tire gauges, motors, waste cloth, fruit, and lumber to England. Two inquiries regarding imports were handled involving shipment of seed from Holland and stamps from Syria. Complaints involved claims of misrepresentation of goods, quality below sample or order, short shipment, delay or failure to ship, spoilage or breakage en route, overcharge, failure to reply to complaints or inquiries, and other factors resulting in strained relations between the parties, as well as the creation of anti-American sentiment in foreign markets.

Consuls report that this work has done much toward establishing good will for American products abroad, especially in out-of-the-way markets where American exporters have not a firmly established trade and a complaint against an American trader reflects unfavorably against all Americans trading in the community.

#### **TRUST LAWS AND UNFAIR COMPETITION IN FOREIGN COUNTRIES**

The extreme business depression throughout the world during the past year has resulted in renewed interest and activity along the lines of trust legislation and unfair competition. Some of the recent measures in foreign countries and in international trade, noted by this office under section 6 (h) of the Federal Trade Commission act, will be of especial interest at this time because the United States is confronted with some of the same problems.

**DANISH LAW RELATING TO PRICE AGREEMENTS**

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Under a Danish law, No. 139, enacted April 28, 1931, to be effective from January 1, 1932, and December 31, 1934.

of Ontario in *Rex v. Singer et al.* (March 23, 1931), *Rex v. White et al.* (April 1, 1931), and *Rex v. Belyea and Weinraub* (June 26, 1931), held plumbing and heating contractors, members of the Amalgamated Builders Council, guilty of illegal combination.

A report issued by a commissioner under the combines investigation act on October 4, 1930, charged the Electrical Estimators' Association with combination and control of contracts for installation of electrical equipment in the Toronto area:

Competition was Interfered with, both In respect of the article or commodity with which the members of the association dealt, and In respect of the labor for the Installation of these articles or commodities \* \* \* and that the

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cludes patents, utility models, industrial designs and models, trade-marks, commercial names, and indications of origin, or appellations of origin, as well as the repression of unfair competition.

#### **LEAGUE OF NATIONS REPORTS ON INDUSTRIAL AGREEMENTS**

Two reports on industrial agreements, national and international, were published by the league in 1930. The first reviews laws governing industrial and commercial combinations and legal aspects of agreements in European countries, Great Britain, and the United States, pointing out conflicting points of view as to regulation of combines. The second, presented by economists, reviews operation of some of the more important international combines and concludes that under existing conditions it would seem impossible to arrive at uniform regulation.

The Commission of Enquiry for European Union has under consideration the Briand plan for a European Federal Union. At a meeting at Geneva in May, 1931, the question of a European Customs Union was discussed. The French delegate suggested a system of international cartels to regulate production and organize the European market for cartellized products. This plan, it was pointed out, would involve creation of some system of international control. The German delegate urged agreements between two States or regional groups, which might be followed by multilateral agreements. The British delegate considered reduction of tariffs of first importance. The Italian delegate urged application of the commercial convention drafted at the First Tariff Conference in 1930, but as yet ineffective due to lack of a sufficient number of ratifications. The Convention for the Abolition of Import and Export Restrictions, signed in 1927, is ineffective for the same reason.

In April, 1931, the league announced a draft convention under which an International Agricultural Mortgage Credit Co. may be created under governmental regulation:

To make long or medium term loans with amortization to mortgage credit companies which4 Tw ( Tj Tw ( ) T

## EXPORT TRADE WORK 123

ing countries, nor is it acceptable to growers in other parts of the world. A wheat export quota plan, formation of a world wheat pool, and proposals for restriction of production, have also been discussed.

New legislation for the protection of grain trades include:

Netherlands wheat act, effective in July, 1931, under which a central wheat organization will supervise culture, storage, shipment, and delivery of wheat, and sales will be made at fixed prices.

Estonian law, effective July 19, 1930, providing for purchase by the State from farmers or cooperatives, of all grain representing surplus over their own requirements, at prices fixed by the State, and importation only under permits issued by the State.

Hungarian law, effective July 16, 1930, whereby purchasers of grain, domestic or Imported, must buy grain tickets at prices fixed by the State. Dealing in grain for future delivery is prohibited except by special permit; grain mortgages and credits on crops sold before the harvest are under State regulation.

Latvian regulations, in force on August 8, 1930, whereby locally grown grain hitherto stored at or pledged to Latvijas Bank is to be received in State granaries and advances made to farmers upon it at rates fixed by the State. Grain and grain products may be imported only under State certificates, in approved proportion to local grain in the State-controlled granaries.

Yugoslav decree, effective July 5, 1931, providing for State control of import and export trade of grain and flour; internal trade not included, but a minimum price will be guaranteed to domestic producers for average quality wheat.

Italian regulations (similar to those in France, Germany, Hungary, and Netherlands) whereby the State may determine the percentage of domestic wheat that must be used in all flour ground in domestic mills.



restriction is not effective an additional export duty of



## **PART VII DOCUMENTS AND SUMMARIES**

FISCAL AFFAIRS REPORT

SHERMAN ANTITRUST ACT

FEDERAL TRADE COMMISSION ACT

SECTIONS OF CLAYTON ACT

EXPORT TRADE ACT

PROCEDURE AND POLICY

RULES OF PRACTICE

PROCEEDINGS DISPOSED OF

COMPLAINTS PENDING

STIPULATIONS

RESOLUTIONS DIRECTING INQUIRIES

INVESTIGATIONS, 1931-1931

PUBLICATIONS, 1915-1931

INDEX

## **FISCAL AFFAIRS**

### **APPROPRIATIONS AND EXPENDITURES**

Appropriations available to the commission for the fiscal year 1931, under the executive and independent office act approved April 19, 1930, were \$1,580,000; under the second deficiency act

*Statement of costs for the fiscal year ended June 30, 1931*

	Office	Field	Total
Administrative	\$487,617.48	\$68.71	\$487,686.19
Economic	555,297.08	130,384.98	685,682.00
Chief counsel	159,528.97	18,664.07	178,193.04
Chief examiner	251,149.90	48,004.29	299,154.19
Board of review	26,533.58		26,533.58
Special board of investigation	16,406.82		16,406.82
Trial examiner			

## SHERMAN ANTITRUST ACT

AN ACT To protect trade and commerce against unlawful restraints and monopolies

*Be it enacted by the Senate and House of representatives of the United States of America in Congress assembled:*

SECTION 1. Every contract, combination the form of trust or otherwise, conspiracy, in restraint of trade or commerce among the several States, or with foreign nations, is hereby declared to be illegal. Every person who shall make any such contract or engage in any such combination or conspiracy, shall be deemed guilty of a misdemeanor, and, on conviction thereof, shall be punished by fine not exceeding five thousand dollars, or by imprisonment not exceeding one year, or by both said punishments, in the discretion of the court.

SEC. 2. Every person who shall monopolize, or attempt to monopolize, or combine or conspire with

amount in controversy, and shall recover threefold the damages by him sustained, and the costs of suit, including a reasonable attorney's fee.

SEC. 8. That 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.

Approved, July 2, 1890.

## 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 them shall be appointed from any one State.

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

If such person, partnership, or corporation fails or neglects to obey such order of the commission while  
the



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

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

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

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

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

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

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

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

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

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

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

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

Witnesses summoned before the commission shall be paid the same fees and mileage that are paid witnesses in the courts of the United States, and witnesses whose depositions are taken and the persons taking the same shall receive the same.

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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 punishable 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 exceeeii0.048 Tc 0 Tw (co) Tj 8.52 0 TD 0.0265 Tc 0.2675 Tw (sts 29.64 0 TD -t) Tj

**SECTIONS OF THE CLAYTON ACT ADMINISTERED BY  
THE FEDERAL TRADE COMMISSION**

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

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

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

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

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SEC. 7. That no corporation engaged in commerce shall acquire, directly or indirectly, the whole or any part of the stock or other share capital of another corporation engaged also in commerce, where the effect of such acquisition of ~~such~~ w ( ) i TD 0-68 0 \*

share capital is so acquired, or to restrain such commerce in any section or community, or tend to create a monopoly of any line of commerce.

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

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

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

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

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

\* \* \* \* \*

SEC. 11. That authority to enforce compliance with sections two, three, seven, and eight of this Act by the persons respectively subject thereto is hereby vested: in the Interstate Commerce Commission where applicable to common carriers subject to the Interstate Commerce Act, as amended; in the Federal Communications Commission where applicable to common carriers engaged in wire or radio communication or radio transmission of energy; in the Federal Reserve Board where applicable to banks, banking associations, and trust companies; and in the Federal Trade Commission where applicable to all other character of commerce, to be exercised as follows:

Whenever the commission, authority, or board vested with jurisdiction thereof shall have reason to believe that any person is violating or has violated any of the provisions of sections two, three, seven, and eight of this Act, it shall issue and serve

containing a notice of a hearing upon a day and at a place therein fixed at least thirty days after the service of said complaint. The person so complained of shall have the right to appear at the place and time so fixed and show cause why an order should not be entered by the commission, authority, or board requiring such person to cease and desist from the violation of the law so charged in said complaint. Any person may make application, and upon good cause shown, may be allowed by the commission, authority, or board, to intervene and appear in said proceeding by counsel or in person. The testimony in any such proceeding shall be reduced to writing and filed in the office of the commission, authority, or board. If upon such bearing the commission, authority, or board, as the case may be, shall be of the opinion that any of the provisions of said sections have been or are being violated, it shall make a report In writing in which it shall state its

order of the commission, authority, or board or the judgment of the court to enforce the same shall in any wise relieve or absolve any person from any liability under the antitrust acts.

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

Approved October 15, 1914.

\* \* \* \* \*

## **EXPORT TRADE ACT**

An Act to promote export trade, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*





## **PROCEDURE AND POLICY**

### **POLICY IN PURELY PRIVATE CONTROVERSIES**

It shall be the policy of the commission not to entertain proceedings of alleged unfair practices where the alleged violation of law is a purely private controversy redressable in the Courts except where said practices substantially tend to affect the public. In cases where the alleged injury is one to a competitor only and is redressable in the courts by an action by the aggrieved competitor and the interest of the public is not substantially involved, the proceeding will not be entertained.

### **SETTLEMENT OF CASES BY STIPULATION**

The end and object of all proceedings of the Federal Trade Commission is to end all unfair methods of competition or other violations of the law of which it is given jurisdiction. The law provides for the issuance of a complaint and a trial as procedure for the accomplishment of this end. But it is also provided that this procedure shall be had only when it shall be deemed to be in the public interest, plainly giving the commission a judicial discretion to be exercised in the particular case.

It has been contended that the language of the statute using the word "shall" is mandatory, but in view of the public-interest clause no member of the commission as now constituted holds or has ever held that the statute is mandatory. Hence, the proposed rule for settlement of applications for complaint by stipulation may be considered on its merits.

If it were not for the public-interest clause it might appear that the statute would be mandatory. It remains to determine what effect the public-interest clause has. In the interest of economy and of dispatch of business as well as the desirability of accomplishing the ends of the commission with as little harm to respondents as possible, therefore all cases should be so settled where they can be except where the public interest demands otherwise.

But when the very business itself of the proposed respondent is fraudulent, it may well be considered by the commission that the protection of the public demands that the regular procedure by complaint and order shall prevail. Indeed, there are some cases where that is the only course which would be of any value at all. As for instance the so-called "blue-sky cases" and all such where the business itself is inherently fraudulent or where a business of a legitimate nature is conducted in such a fraudulent manner that the commission is warranted in the belief that no agreement made with the proposed respondent will be kept by him.

The rule shall be that all cases shall be settled by stipulation except when the public interest demands otherwise for the reasons set forth above.

### **ON AFFORDING PROSPECTIVE RESPONDENTS OPPORTUNITY TO SHOW CAUSE WHY**

offered as a defense, or (b) the practice has been fully established and is of such character that in the nature of the case nothing could be adduced in mitigation, or (c) to delay the issuance of a complaint to afford a hearing might result in a loss of Jurisdiction, or (d) otherwise unnecessary or incompatible with the public interest, the board may transmit the case to the commission, via the docket section, with its conclusions and recommendations, without a hearing, as in this rule provided.

#### ON PUBLICITY IN THE SETTLEMENT OF CASES

In the settlement of any matter by stipulation before complaint is issued, no statement in reference thereto shall be made by the commission for publication. 1





## VIII. TIME FOR TAKING TESTIMONY

Upon the joining of issue in a proceeding by the commission the examination of witnesses therein shall proceed with all reasonable diligence and with the least practicable delay. Not less than five days' notice shall be given by the commission to counsel or parties of the time and place of examination of witnesses before the commission, a commissioner, or an examiner.

## IX. OBJECTIONS TO EVIDENCE

Objections to the evidence before the commission, a commissioner, or an examiner shall, in any proceeding, be in short form, stating the grounds of objections relied upon, and 110 transcript filed shall include argument or debate.

## X. MOTIONS

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

## XI. HEARINGS ON INVESTIGATION

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

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

## XII. HEARINGS BEFORE EXAMINERS

When issue in the case is set for trial it shall be referred to a commissioner

## XIII. DEPOSITIONS IN CONTESTED PROCEEDINGS

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

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

The reply brief on the part of the commission shall be strictly in answer to respondent's brief.

The time within which briefs shall be filed is fixed as follows: For the opening brief on behalf of the commission, 30 days from the day of the service upon the chief counsel or trial attorney of the commission of the trial examiner's report; for brief on behalf of respondent 30 days after the date of service upon the respondent or his attorney of the brief on behalf of the commission for reply brief on behalf of the commission, 10 days after the filing of the respondent's brief. Reply brief on behalf of respondent will not be permitted to be filed. Applications for extension of time in which to file briefs shall be by petition in writing, stating the facts on which the application rests, which must be filed with the commission at least five days before the time fixed for filing such briefs. Briefs not filed with the commission on or before the dates fixed therefor will not be received except by special permission of the commission. Appearance of additional counsel in a case shall not, of itself, constitute sufficient grounds for extension of time for filing brief or for postponement of final hearing.

Briefs on behalf of the commission may be served by delivering a copy thereof to the respondent's attorney or to the respondent in case respondent be not represented by attorney; or by registering and mailing a copy thereof addressed to the respondent's attorney or to the respondent in case respondent be not represented by attorney, at the proper post-office address. Written acknowledgment of service, or the verified return of the party making the service, shall constitute proof of personal service as hereinbefore provided, amid the return post-office receipt aforesaid for said brief, when registered and mailed, shall constitute proof of the service of the same.

Oral arguments may be had only as ordered by the commission on written application of the chief counsel or of respondent filed not later than five days after expiration of the time allowed for filing of reply brief of counsel for the commission.

#### XVI. REPORTS SHOWING COMPLIANCE WITH ORDERS

In every case where an order is issued by the commission for the purpose of preventing violations of law the respondent or respondents therein named shall file with the commission, within the time specified in said order, a report in writing setting forth in detail the manner and form in which the said order of the commission has been complied with.

#### XVII. REOPENING PROCEEDINGS

In any case where an order to cease and desist, an order dismissing a complaint, or other order disposing of a proceeding is issued, the commission may, at any time within 90 days after the entry of such order, for good cause shown in writing and on notice to the parties, reopen the case for such further proceedings as to the commission may seem proper.

#### XVIII. ADDRESS OF THE COMMISSION

All communications to the commission must be addressed to TD 0T3552 0 TD 0 Tc 0.03 Tw ( ) Tj 1.8 0 TD 0.039 Tc 0 T



## **PROCEEDINGS DISPOSED OF IN FISCAL YEAR**

[The cases listed here are those in which, during the fiscal year reported the commission issued order to cease and desist from unfair methods of competition found to have been practiced by respondents in violation of the Federal Trade Commission act, except in several instances where the violations were of the Clayton act. Orders of dismissal are included.]

### **ORDERS TO CEASE AND DESIST**

**Algoma Lumber Co.**

to designate articles simulating those indicated, and from using the words "Army and Navy" in describing field glasses that were neither manufactured for the United States Government nor in accordance with the specifications thereof.

**American Poultry School, et al** (Docket 1508.) Order entered February 17, 1931, requiring respondents, engaged in conducting a correspondence school giving instruction in the raising of poultry, to cease and desist from quoting fictitious prices which are in excess of those usually charged, as the regular price of the course of instruction and representing that any prices lower than those quoted are special reduced prices for a limited time only; and from representing that certain articles of merchandise are furnished free of charge, when the cost of the alleged gratuity is included in the price paid for the course.

**Arnold Stone Co. (Inc.)** (Docket 1732.) Order entered December 8, 1980, Commissioner Humphrey dissenting, requiring respondent, engaged in the manufacture of a stone substitute composed of crushed stone, cement, or other ingredients, to cease dissenting,

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salaries ranging from \$60 to \$200 a week; from representing that the prices quoted are special reduced prices and that any article of merchandise is furnished free of charge when the cost of the alleged gratuity is included in the price paid for the course; and from representing that students are given personal instruction and attention by L. L. Cooke; that any person with just the ability to read and write can within a few months qualify as an expert electrician; and that promises, agreements, and obligations are under bond unless and until a bond is posted.

**Cooperative Book Co.** (Docket 1551.)the ability

PROCEEDINGS DISPOSED OF IN FISCAL YEAR 157

from the use of the trade name "Squirrelpelt" in advertising matter or on labels furnished purchasers to be attached to garments made therefrom.

**Ewauna Box Co.** (Docket 164&) Order entered June 8, 1931. (See order, Docket 1620, Long-Bell Lumber Co.)

**Fayro Laboratories (Inc.).**



PROCEEDINGS DISPOSED OF IN FISCAL YEAR 159

**Manchester Shoe Co., et al.** (Docket 1561.) Order entered July 29, 1930, requiring respondents, engaged in the sale of shoes, to cease and desist from representing that they are manufacturers of shoes or sell specially made shoes.

**McCloud River Lumber Co.** (Docket 1635.) Order entered June 8, 1931. (See order, Docket 1620, Long-Bell Lumber Co.)

**Mercerizes Association of America, et al.** (Docket 1755.) Order entered March 24, 1931, requiring respondents, engaged in the manufacturing, mercerizing, and processing of plied cotton yarns, to cease and desist from combining or cooperating in any way to fix or maintain uniform prices, terms, discounts, or charges in connection with the sale of such yarns.

**Milo Bar Bell Co.** (Docket 1714.) Order entered February 10, 1931, requiring respondent engaged in conducting a correspondence course for instruction in physical culture, to cease and desist from representing by pictures or statements that the physical development reasonably attributable to natural growth has been brought about by respondent's appliances or instruction.

**Mineral Coal Saver Co., et al.** (Docket 1770.) Order entered January 13, 1931, requiring respondent, engaged in compounding a dry powder composed in predominant part of salt, designated "Mennie Coal Saver," to cease and desist from representing that said compound removes soot and gives "20 per cent more heat with less coal"; and from representing that said product is of proven worth or scientific merit, being carefully compounded under the super-vision of chemists, unless and until its worth shall have been demonstrated scientifically and it shall have been prepared as represented. TD -o93 Tw ( ) Tj 2.16 0 TD Tc 0.03 Tw ( )

than the cost of manufacture with the intent and effect of suppressing competition.

**Norton Institute.** (Docket 1581.) Order entered December 9, 1930, requiring respondent, engaged in conducting a correspondence school for instruction in civil-service subjects, to cease and desist from representing that "C. H. Norton" has any connection with respondent's business; that prices quoted are special reduced prices; that respondent does or can furnish the position of forest ranger; that the course of instruction in forestry is adequate to prepare persons to take the civil-service examination for the position of forest ranger, unless and until such course is adequate; and that letters of recommendation published are genuine letters actually received by respondent.

**NuGrape Co. of America.** (Docket 1576.) Order entered May 19, 1931, requiring respondent, engaged in the manufacture of a concentrate designated "NuGrape," to cease and desist from using or authorizing the use of the words "nugrape" or "grape" to designate a product not consisting entirely of the juice or fruit of the grape without the use of words in type equally conspicuous setting forth the fact that the product contains other ingredients in the event that it consists of the juice or the fruit of the grape in sufficiently substantial part to supply the color and flavor, and without the use of words setting forth conspicuously that the product is an imitation, artificially colored and flavored, in the event the product does not consist of the fruit or the juice of the grape in sufficient quantity to furnish the color and flavor.

**Owen-Oregon Lumber Co.** (Docket 1645.) Order entered June 8, 1931. (See order, Docket 1620, Long-Bell Lumber Co.)

**Ozment's Instruction Bureau.** (Docket 1872.) Order entered May 11, 1931, requiring respondent, engaged in conducting a correspondence school for instruction in civil-service subjects, to cease and desist from representing and advertising that tuition fee will be refunded without specifying the time in which it will be repaid; that quoted salaries, in excess of those actually paid, are the established salaries for certain Government positions, that Government positions are open to persons over 50 years of age, and that civil-service examinations are held at almost all towns and cities of 8,000 population upward, and those for stenographers and typists are held every 60 days; that railway mail clerks immediately upon appointment are allowed to



**Peterson Institute of Diet.** (Docket 1671.) Order entered April 14, 1931, requiring respondent, engaged in conducting a dietary course in person and by 'mail, to cease and desist from using in advertising matter statements to the effect that cancer and deafness are caused by imperfect nutrition and that any disease can be cured by proper nourishment of the body, which will be effected through the treatment given; and to cease and desist from receiving remuneration for treatments given upon the basis of such advertising matter and such representations.

**Pickering Lumber Co.** Docket 1841.) Ordered entered June 8, 1931. (See order, Docket 1620, Long-Bell Lumber Co.)

**Pro-Phy-Lac-Tic Brush Co.** (Docket 1825.) Order entered July 7, 1930, requiring respondent, engaged in the manufacture of toothbrushes, to cease and desist from employing a policy requiring dealers to maintain certain specified resale prices in connection with the sale of respondent's product.

**Quincy Lumber Co.** (Docket 1640.) Order entered June 8, 1931. (See order, Docket 1620, Long-Bell Lumber Co.)

**Red River Lumber Co.** (Docket 1644.) Order entered June 8, 1931. (See order, Docket 1620, Long-Bell Lumber Co.)

**Royal Baking Powder Co.** (Docket 1499.) Order entered December 2, 1930, with consent of respondent, requiring respondent, engaged in the manufacture of baking powder, to cease and desist from publishing, directly or indirectly, derogative interviews or adverse comment regarding competitors' baking powder, and causing such publications to seem to be anonymous, mere news items, or contributions of disinterested and technically qualified authorities acting in the public interest, and to cease and desist from representing that the Federal Trade Commission has approved the report of the examiner in Docket 540, in the matter of Royal Baking Powder Co., has in any way decided whether or not any ingredient of baking powder is injurious to the health of the users, or has approved any methods or sales policy of respondent.

**Royal Milling Co. et al.** (Docket 1597.) Order entered April 16, 1931, requiring respondents, engaged in the blending of flour, to cease and desist from the use of the words "milling company" in trade and firm name and in advertising matter, and from representing that flour purchased from respondents goes direct from manufacturer to purchaser, unless and until respondents own or operate mills wherein the flour is made.

**Rubber City Paint Co. et al.** (Docket 1757.) Order entered January 5, 1931, requiring respondent, engaged in the sale of a product containing approximately 5.7 per cent asbestos, designated as "Rubber City Liquid Asbestos Roofing" and "Bell's Liquid Asbestos Roofing," to cease and desist from the use of the word "asbestos" in trade name; and from representing that respondents are manufacturers, the product containing the "finest indestructible rock asbestos," and that product is fully guaranteed to wear for 10 years or for any period, unless and until such product is fully guaranteed to wear for the stated period and will wear for such period under normal conditions.

**Shainin, I., & Co.** (Docket 1780.) Order entered March 10, 1931, requiring respondent, engaged in the sale of Chinese art goods, to cease and desist from representing or advertising as "rose quartz beads," beads that have been dyed, unless such designation is qualified by an equally conspicuous statement to the effect that such have been artificially tinted.

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Vandeweghe, Adiel, et al. (Docket 1383.) Order entered January 27, 1931, requiring respondent Adiel Vandeweghe to cease and desist from using the words "superior seal" or "seal" to stamp or label rabbit skins dyed by said respondent for use in the manufacture of garments, without the use of adequate words in type equally conspicuous and in immediate conjunction therewith, clearly showing that garments made therefrom are made from rabbit skins and requiring respondent David Feshback to cease and desist from the use of the words "superior seal" or "seal" to designate garments made by said respondent from rabbit skins, without the use of adequate words in type equally conspicuous and in immediate conjunction therewith, showing clearly that the garments so designated are made from rabbit skins.

Vit-O-Net Corporation. (Docket 1679.) Order entered July 7, 1930, requiring respondent, engaged in the manufacture of an electric blanket designated "Vit-O-Net," to cease and desist from representing that such blanket is endorsed or recommended by prominent physicians, scientists, etc., and that it has any therapeutic value except as a heating pad.

Watauga Milling Co. et al. (Docket 1001.) Ordered entered April 16, 1931, requiring respondent, engaged in the blending of flour, to cease and desist from the use of the words "mills" and "milling company" in trade or firm name and in advertising matter, and from representing that the flour purchased from respondents goes direct from factory to purchaser, unless and until respondents own or operate mills wherein the flour is made.

Western Tanning Co. (Docket 1835.) Order entered July 7, 1930, requiring respondent, engaged in the distribution of leather, shoe findings, etc., to cease and desist from using the word "tanning" in firm name and in advertising matter and from using statements to the effect that respondent's prices eliminate the middleman's profit unless and until respondent operates a plant where the leather distributed is tanned.

Wetchler, L., & Sons, et al. (Docket 1829.) Order entered June 17, 1931, requiring respondent, engaged in the manufacture of paints, to cease and desist from using the words "zinc lead" on labels or in advertising matter unless the pigment consists of zinc and lead; and from using a firm name or mark on labels or in advertising matter in such position, form, or color that the words "lead," "white lead," or "combination white lead," appear to describe the product, unless the pigment is composed entirely of white lead when the words "lead" or "white lead" are used, and composed of not less than 50 per cent by weight of white lead when the words "combination white lead" are used.

White Pine Lumber Co. (Docket 1664.) Order entered June 8, 1931, requiring respondent, engaged in the production and marketing of lumber products, to cease and desist from the use of the word "white" in combination with the word "pine" to designate pinus ponderosa products, which have been designated by respondent as "Arizona white pine," "New Mexico white pine," "Western white pine," "white pine," and "ponderosa pine."

**NUMERICAL LIST-ORDERS TO CEASE AND DESIST**

Docket No.	Respondent	Docket No.	Respondent
1381	Golden Fur Dyeing Co. (Inc.) et al.	1598	Tennessee Grain Co. et al.
1883	Vandeweghe, Adiel, et al.	1599	Nashville Roller Mills et al.
1384	Singer, Philip A., & Bro. (Inc.) et al.	1600	Snell Milling Co. et al.
1499	Royal Baking Powder Co.	1601	Watauga Milling Co. et al.
1503	Perfect Voice Institute et al.	1602	State Milling Co. et al.
1507	Madison, Doctor Rodney, Laboratories (Inc.) et al.	1603	Cooke, L. L., School of Electricity.
1508	American Poultry School et al.	1604	Cherokee Mills et al.
1551	Cooperative Book Co.	1620	Long-Bell Lumber Co.
1561	Manchester Shoe Co. et al.	1621	Clover Valley Lumber Co.
1564	Fayro Laboratories (Inc.)	1623	Castle Crag Lumber Co.
1576	NuGrape Co. of America.	1624	Davies-Johnson Lumber Co.
1580	Peimick & Ford (Ltd.) et al.	1625	Diamond Match Co.
1581	Norton Institute.	1626	California Fruit Exchange.
1584	Flynn & Emrich Co.	1627	Likely Lumber Co.
1597	Royal Milling Co. et al.	1628	Penman Peak Lumber Co.
		1629	Feather River Lumber Co.
		1630	California Door Co.

## Docket

No.	Respondent
1631	Kesterson Lumber Co.
1632	Hobart Estate Co.
1633	Fruit Growers Supply Co.
1635	McCloud River Lumber Co.
1636	Siskyou Lumber Co.
1637	Swayne Lumber Co.
1638	Paradise Lumber Co.
1639	Sugar-Pine Lumber Co.
1640	Quincy Lumber Co.
1641	Pickering Lumber Co.
1642	Spanish Peak Lumber Co.
1643	Lassen Lumber & Box Co.
1644	Red River Lumber Co.
1645	Owen.-Oregon Lumber Co.
1646	Tomlin Box Co.
1647	Big Lakes Box Co.
1648	Ewauna Box Co.
1649	Forest Lumber Co.

## Docket

No.	Respondent
1718	Domno House (Inc.) et al.
1721	Tarbell System (Inc.) et al.
1722	Gropper, M. J., & Sons (Inc.).
1723	Murray, Arthur, School of Dancing.
1726	California Preserving Co. (Inc)
1732	Arnold Stone Co. (Inc.);
1755	Mercerizes Association of America et al.
1757	Rubber City Paint Co. et al.
1759	Motor Snap Co. et al.
1763	Amusement Novelty Supply Co.
1770	Mineral Coal Saver Co. et al.
1771	Liederman, Earle E.
1775	Ben-Burk (Inc.).
1780	Shainin, I., & Co.
181Tw	(Tomlin Box Co.)06 Tc 0 Tw (1775) (Owen.-Oregon Lumber Co.)

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1775.

**Central Fixation Publishing Co.** (Docket 1673.) Alleged misrepresentation of the curative value of a method of eye training set forth in a publication entitled "Perfect Sight Without Glasses"; dismissed.

**Colgate-Palmolive-Peet Co.** (Docket 1836.) Alleged misbranding and false and misleading advertising in the sale of naphtha soap; dismissed.

**Crosse & Blackwell.** (Docket 18212.) Alleged representation of domestic made marmalade, jellies, etc., as imported products; dismissed, practices having been discontinued prior to issuance of complaint.

**Empire Manufacturing Co.** (Docket 1515.) Alleged false and misleading advertising in the sale of furniture; dismissed.

**Geiger Candy Co.** (Docket 1823.) Alleged lottery in the sale of candy manufactured by respondent; dismissed, respondent having discontinued business.

**Gillespie Furniture Co.** (Docket 1739.) Alleged use of the words "mahogany" and "Philippine mahogany" to designate furniture made of woods other than those derived from the trees of the mahogany family; dismissed, Commissioner Hunt dissenting, and Commissioner McCulloch filing a dissenting memorandum.

**Globe Scientific Co.** (Docket 1711) Alleged passing off of name and goods and quoting fictitious prices and premiums in the sale of watches, fountain pens, and pencils; dismissed, efforts to locate respondent having failed.

**Great Northern Fur Dyeing & Dressing Corporation.** (Docket 1379.) Alleged misbranding in the sale of furs; dismissed after trial, respondent having discontinued business.

**Health Laboratories (Inc.).** (Docket 1844.) Alleged misrepresentations as to curative properties of "Acidine"; dismissed without prejudice.

**Idaho Coal Dealers Association, et al.** (Docket 1840.) Alleged combination in restraint of trade in the sale of coal; dismissed.

**Kalb Bros.** (Docket 1891.) Alleged lottery in the sale of confectionery; dismissed, respondents having discontinued business.

**Kansas Seed Co.** (Docket 1854.) Alleged misrepresentation in the sale of alfalfa seed; dismissed for lack of interstate commerce.

**Kotex Co.** (Docket 1782.) Alleged false and misleading advertising in the sale of sanitary supplies; dismissed.

**Leadite Co. (Inc.).** (Docket 1730.) Alleged misbranding and false and misleading advertising in the sale of plumbing supplies; dismissed.

**Mechanics Furniture Co.** (Docket 1516.) Alleged false and misleading advertising in the sale of furniture; dismissed.

**Mohawk Asbestos Slate Co. (Inc.).** (Docket 1767.) Alleged passing off of goods and false and misleading advertising in the sale of roofing materials; dismissed.

**Monroe Candy Co.** (Docket 1774.) Alleged lottery in the sale of confectionery; dismissed, respondent having discontinued business.

**Motor Snap Co., et al.** (Docket 1747.) Alleged false and misleading advertising in the sale of motor fuel; dismissed without prejudice.

**Mulhens & Kropff (Inc.).** (Docket 1531.) Alleged simulation of trade-mark and trade dress of competitor in the sale of toilet preparations; dismissed.

**National Silver Co., et al.** (Docket 1704.) Alleged misbranding and false and misleading advertising in the sale of tableware; dismissed after trial, Commissioner McCulloch filing dissenting (filed 8-1-19) (Docket 1704)

**Paul, B.** (Docket 1913.) Alleged use of the words “B. Paul’s henna compound” to designate a product containing only a small percentage of henna; dismissed.

**Pilzner Importing Co., et al.** (Docket 1842.) Alleged misbranding, representation of domestic products as imported, and false and misleading advertising, in the sale of malt sirups; dismissed for lack of interstate commerce.

**Purity Bakeries Corporation.** (Docket 1588.) Alleged acquisition of stock tending to lessen competition In interstate commerce and create a monopoly; dismissed.

**Radio Corporation of America.** (Docket 1529.) Alleged combination In restraint of trade and exclusive dealing contracts In the sale of radio apparatus; dismissed.

**Rex Co.** (Docket 1693.) Alleged resale price maintenance and discriminative discounts In the sale of Insecticides and fungicides; dismissed, respondent having discontinued practices prior to issuance of complaint.

**Rockford Cabinet Co.** (Docket 1520.) Alleged false and misleading advertising in the sale of furniture; dismissed.

**Rockford Chair & Furniture Co.** (Docket 1521.) Alleged false and misleading advertising in the sale of furniture; dismissed.

**Rockford National Furniture Co.** (Docket 1522.) Alleged false and misleading advertising in the sale of furniture; dismissed.

**Rockford Palace Furniture Co.** (Docket 1523.) Alleged false and misleading advertising in the sale of furniture; dismissed.

**Rockford Republic Furniture Co.** (Docket 1524.) Alleged false and misleading advertising in the sale of furniture; dismissed.

**Rockford Standard Furniture Co.** (Docket 1525.) Alleged false and misleading advertising in the sale of furniture; dismissed.

**Rockford Superior Furniture Co.** (Docket 1526.) Alleged false and misleading advertising in the sale of furniture; dismissed

**Royal Baking Powder Co.** (Docket 540.) Alleged disparagement of competitors’ goods and false and misleading advertising in the sale of baking powder; dismissed without prejudice, respondent having discontinued practices.

**Sexton Manufacturing Co.** (Docket 1769.) Alleged use of the trade-mark “Palm Beach” and the words “Beg. U. S. Pat. Off.”, which trade-mark has been registered by Goodall Worsted Co., In labeling athletic underwear manufactured by respondent; dismissed without prejudice.

**Spalding, A. G., & Bros.** (Docket 1583.) Alleged giving of secret commissions and subsidizing dealersiIn the sale of sporting goods; dismissed, respondent having subscribed to the Trade Practice Conferences rules for the athletic goods industry, which cover the allegations of the complaint.

**Tailor-Made Shoe System et al.** (Docket 1509.) Alleged false and misleading advertising in the sale of shoes; dismissed, respondent having discontinue business.

**Union Furniture Co.** (Docket 1517.) Alleged false and misleading advertising in the sale of furniture; dismissed.

**United American Metals Corporation.al.**

PROCEEDINGS DISPOSED OF IN FISCAL YEAR 167

NUMERICAL LIST-ORDERS OF DISMISSAL

Docket No.	Respondent	Docket No.	Respondent
540	Royal Baking Powder Co.	1673	Central Fixation Publishing Co.
1379	Great Northern Fur Dyeing & Dressing Corporation.	1683	Asbestos Shingle, Slate & Sheathing Co.
1461	Central Fixation Publishing Co.	1682	Asbestos Shingle, Slate & Sheathing Co.

## COMPLAINTS PENDING JULY 1, 1931

[Except where otherwise designated, the charges in each of the following cases concern unfair methods of competition in alleged violation of section 5. Federal Trade Commission act.]

**Adams, Charles F. (Inc.).** (Docket 1812.) Charge (see charge in Docket 1789, Loden's (Inc.).

Status: At issue.

**Adams Paint Co.** (Docket 1961.) Charge: That respondent, engaged in sale of paints and a roof coating designated "Griptite," claims to be a manufacturer organized since 1902, carrying on a million-dollar business, maintaining a force of chemists for constant research work and manufacturing a superior paint costing from \$1 to \$2 less per gallon than other paint of similar quality, consisting of white lead, zinc oxide, pure linseed oil, and a secret ingredient that makes his product superior to that of other manufacturers, and uses in advertising matter the picture of a large building representing a factory, bearing a sign with name Adams Paint Co. thereon; thereby deceiving the purchasing public into the erroneous belief that respondent is a manufacturer occupying the building depicted and manufacturing paint of a superior quality, and that the prices quoted are exclusive of the middleman's profit.

Status: Awaiting answer.

**Advance Candy Co. (Inc.).** (Docket 1792.) Charge: That respondent, engaged in manufacture of candy and sale thereof, together with explanatory display cards, to wholesale dealers and jobbers, distributes an assortment consisting of wrapped pieces of candy to be sold at 1 cent each, and larger pieces of candy to be given as prizes to the purchaser of last piece of candy in assortment and to purchaser who by chance selects a piece having concealed within wrapper a printed slip of paper stating that purchaser thereof is entitled to a 5-cent package of candy as a prize; thereby supplying and placing in the hands of others the means of conducting a lottery, and tending to injure competitors who do not make provision for the disposal of their products by such means.

Status: At issue; respondent signed stipulation to obey order to cease and desist that may be entered by commission after United States court shall have affirmed an order entered by the commission in a case involving methods of competition similar to those used by respondent.

**Aetna Fire Brick Co. et al.** (Docket 1527.) Charge: That respondents, engaged or interested in manufacture and sale of refractories or fire-brick shapes made of fire clay and/or silica, entered into a combination to establish sizes of base brick, uniform methods of compiling sizes of refractories and base-brick equivalents, uniform prices, terms, and methods of sale; thereby tending to hinder and suppress free competition, to the prejudice of the public and of respondent's competitors.

Status: At issue.

**Agmel Corporation.** (Docket 1766.) Charge: That respondent, engaged in importation and sale of preparation designated "Agmel," manufactured by its subsidiary, the Agave Co., in Mexico, from the sap of the maquey plant, circulates false and misleading statements to the effect that "Agmel" is a tonic and is effective in the treatment of many diseases, thereby deceiving the purchasing public into the erroneous belief that respondent's product possesses therapeutic properties.

Status: Awaiting answer

**Alexander-Martin Co. et al.** (Docket 1926.) Charge: That respondents, engaged in sale of ready-made clothing containing a substantial amount of material other than wool, principally cotton, circulate false and misleading statements relative to the quality, manufacture, and conditions of sale of ~~so~~ the purchasing public into the cl



ments taken by agent or furnished by purchaser; that a special reduced price is being quoted when two suits are offered at what is alleged to be the price of one; that purchasers will be afforded an opportunity to inspect

have affirmed an order entered by the commission in a case involving methods of competition similar to those used by respondent.

Arrow-Hart & Hegeman (Inc.), et al. (Docket 1498.) Charge: Unlawful restraint and monopoly in that respondent Arrow-Hart & Hegeman (Inc.), engaged in manufacture of electric wiring devices, acquired share capital of Hart & Hegeman Manufacturing Co., and Arrow Electric Co., thereby tending to substantially lessen competition, restrain commerce, and create a monopoly, in alleged violation of section 7 of Clayton Act.

Status: In course of trial.

Associated Knitting Mills Outlet Co. (Inc.). (Docket 1783.) Charge: That respondent, engaged in sale of hosiery, lingerie, sweaters, blankets, etc., uses words "knitting mills" in firm name, and on display signs in front of retail establishment, and advertises "buy direct from the mill and save"; thereby deceiving the purchasing public into the erroneous belief that respondent is a manufacturer and that prices quoted are exclusive of the middleman's profit.

Status: At issue.

Atlas, Charles. (Docket 1952.) Charge: That respondent, engaged in furnishing correspondence courses of instruction in physical culture, designated "dynamic-tension" method, circulates false and misleading statements relative to results to be obtained through use of such method, prices of courses and articles accessory thereto alleged to be given free of charge; thereby deceiving the purchasing public into the erroneous belief that respondent is a manufacturer and that prices quoted are exclusive of the middleman's profit.

DocId:31524604

ous to use, that the booklets and pamphlets are published by persons other than respondent, William J. A. Bailey, and that it possesses therapeutic value.

Status: In course of trial.

**Beacon Manufacturing Co.** (Docket 1873.) Charge: That respondent, en-gaged in manufacture of machine-made blankets, shawls, and bath robes, uses In advertising matter and on labels trade names containing the words "Indian," "ombre Indian," " wigwam," "sachem," " agawam," " mingo," and " casco," together with depictions of Indian scenes; thereby deceiving the purchasing public into the erroneous belief that respondent's products are hand-loomed by Indians.

Status: In course of trial.

**Belmont Candy Co.** (Docket 1861.) Charge: That respondent, engaged in manufacture of candy and sale thereof, together with explanatory display cards, to wholesale dealers and jobbers, distributes one assortment of candies to be sold at 1 cent each, and larger pieces of candy and merchandise to be given as prizes to purchaser of last piece of candy and to purchasers who by chance select a piece having a center of a specified color; two assortments consisting of wrapped candies to be sold at prices ranging from 1 to 3 cents and from 1 to 5 cents, purchasers to pay whatever sum is set forth on a slip of paper concealed in wrapper; and a fourth assortment consisting of wrapped packages containing candy and a balloon, to be sold at 5 cents each, certain of which have concealed within wrapper a slip of paper stating that such package is given free of charge to purchaser who by chance makes this section; thereby supplying and placing in hands of others the means of conducting a lottery and tending to injure competitors who do not make provision for the disposal of their products by such means.

Status: At issue.

**Bethlehem Steel Corporation et al.** (Docket 962.) Charge: That respondent Bethlehem Steel Corporation acquired properties, assets, and business of respondents Bethlehem Steel Corporation, Bethlehem Steel Co., Bethlehem Steel Bridge Corporation, Lackawanna Steel Co., Lackawanna Bridge Works Corporation, Midvale Steel & Ordnance Co., and Cambria Steel Co., and their subsidiaries; thereby tending to substantially lessen competition, contrary to public policy expressed in section 7 of Clayton Act, and to restrain trade contrary to public policy expressed in sections 1 and 3 of Sherman Act.

Status: In course of trial.

**Billings-Chapin Co.** (Docket 1733.) Charge: That respondent, engaged in manufacture and sale of paints and varnishes, uses labels bearing the words "U. S. N. varnish" and "U. S. N. deck paint," etc., together with a depiction of a United States battleship, the Navy colors, and marine scenes; thereby deceiving the purchasing public into the erroneous belief that respondent's products are manufactured in accordance with Government specifications.

Status: At issue.

**Black & Yates (Inc.).** (Docket 1736.) Charge: That respondent, engaged in sale of lumber to lumber dealers and furniture manufacturers, designates this lumber as mahogany and/or Philippine mahogany; thereby deceiving the purchasing public into the erroneous belief that respondent's product and articles made therefrom consist of wood derived from trees of the mahogany family.

Status: In course of trial.

**Blackhawk Candy** 40 TD 0 TaTj 27 0 wa4-i1.04 0 TD 0 TTj 2.17he mahog4(Inc.).1736.) 91arge: That et searyT

**Blue Hill Candy Co.** (Docket 1917.) Charge (see charge in Docket 1724, Voneiff-Drayer Co.).  
Status: At issue.

**Bohon Co., D. T. (Inc.).** (Docket 1893.) Charge: That respondent, engaged in sale by mail orders of a low-grade paint designated "Bohon's Ready Mixed Paint," circulates false and misleading statements relative to the price and quality of the paint; thereby deceiving the purchasing public into the erroneous belief that respondent's product is made from pure lead, zinc, and linseed oil mixed with such color pigments and other ingredients as to give the best service, that it is sold at factory prices, and that it is made from the same formula as that from 213.96 0 TD /F092.6d "ret T Tj 0 TD /\$c 00nd q\$4 p81.gallonure leadTD /FO



**Chicago Machine Tool Distributors et al.** (Docket 1882.) Charge: That respondents, engaged in manufacture of heavy machinery, have adopted and employ a system known as the Chicago appraisal plan, whereby an appraisal made by any member on the used machinery to be turned in by a prospective customer must be communicated confidentially to a special clerk of the association, who enters description, amount, etc., assigns registration number, and calls member back, so that amount of the appraisal may be communicated to prospective purchaser, or in the event that a prior appraisal has been made by another member, clerk notifies member of the amount of such previous appraisal, so that a higher appraisal may be entered if desired, any such higher appraisal not to be communicated to prospective purchaser until 11 o'clock in the morning of the second working day after the raised appraisal price has been registered, during which time all members who have entered prior appraisals are notified by clerk, in each case the member making the sale on the basis of the first appraisal filed, to have the option of accepting and paying for the machinery or of allowing the original appraiser to accept it, but if an increased appraisal has been filed, the member filing the last increase is the only one privileged to accept any pay for the machinery regardless of what member made the sale, thereby tending to hinder and suppress free competition to the prejudice of the public and of respondents' competitors.

Status: At issue.

**Chicago Warehouse Lumber Co.** (Docket 1742.) Charge (see Docket 1736, Black & Yates (Inc.).

Status: In course of trial.

**Cincinnati Soap Co.** (Docket 1425.) Charge: That respondent, a manufacturer of soaps, uses the words "Purity Castile," "Crown Castile," "Olive Castile," and "Fontaine Castile," in labeling and advertising soap consisting in substantial part of vegetable oils and animal fats, in some instances to the exclusion of olive oil, thereby deceiving the purchasing public into the erroneous belief that respondent's products consist in preponderant part of olive oil.

Status: At issue.

**Citrus Products Co.** (Docket 1709.) Charge: That respondent, engaged in manufacture and sale of concentrates, uses the trade names "Blue Bird," and "Orangekist," together with descriptive material containing the words "grape and "orange," on labels and in advertising matter descriptive of products simulating the fruit indicated in odor, flavor, and appearance, but not consisting of the fruit in substantial quantity; thereby deceiving the purchasing public into the erroneous belief that respondent's product is a fruit drink.

Status: Before commission for final determination.

**Clark, D. L., Co.** (Docket 1797.) Charge (see charge in Docket 1785, Minter Bros.).

Status: At issue; respondent signed stipulation to obey order to cease and desist that may be entered by commission after a United States court shall have affirmed an order entered by the commission in a case involving methods of competition similar to those used by respondent.

**Cohen, Goldman & Co. (Inc.).** (Docket 1754.) Charge: That respondent, engaged in manufacture of men's clothing and sale thereof to wholesale and retail dealers, has adopted and employs a system for maintenance of uniform resale prices, refuses to sell to dealers who do not maintain same, anti to wholesalers supplying retailers who do not maintain same; thereby tending to hinder and suppress free competition to the prejudice of the public and of respondent's competitors.

Status: At issue.

**Collins, J. N., Co.** (Docket 1875.) Charge: That respondent, engaged in manufacture of candy and sale thereof, together with explanatory display cards, to wholesale and retail dealers, distributes an assortment consisting of pieces of candy to be sold at the rate of two for 1 cent, and larger pieces of candy to be given as prizes to purchaser of last piece of candy in assortment, and to purchasers who by chance select a piece of a specified color: thereby supplying and placing in the hands of others the means of conducting a lottery, and tending to injure competitors who do not make provision for the disposal of their products by such means.

Status: At issue.

**Congo Pictures (Ltd.) et al.** (Docket 1938.) Charge: That respondents, engaged in distribution of a motion picture designated "Ingagi," assembled from old authentic films of African travel and from motion pictures of negroes living

in Los Angeles,

chasers who by chance make this selection; thereby supplying and placing in hands of others the means of conducting a lottery and tending to injure competitors who do not make provision for the disposal of their products by such means.

Status: At issue; respondent signed stipulation to obey order to cease and desist that





**Frank H. Fleer Corporation.** (Docket 1832.) Charge : That respondent, engaged in manufacture of chewing gum and sale thereof, together with explanatory display cards, to wholesale dealers and jobbers, distributes four different assortments consisting of wrapped pieces of gum to be sold at 1 cent each, and other packages

**Gillespie Furniture Co. et al.** (Docket 1910.) Charge : That respondents, engaged in manufacture of household and office furniture, and sale thereof to wholesale and retail dealers, represent certain of their products as "mahogany," "Philippine mahogany," and "Bataan mahogany"; thereby deceiving the purchasing public into the erroneous belief that such products are made of wood derived from trees of the mahogany family.

Status : At issue.

**Gilman Hat Co.** (Docket

merchandise to be given as prizes to

paper concealed within wrapper; and a third assortment consisting of wrapped candies to be sold at 5 cents each, with larger pieces or boxes of candy to be given to purchaser of last piece of candy in assortment, and to purchasers who buy

Status : At issue; respondent signed stipulation to obey order to cease and desist that may be entered by commission after a United States court shall have affirmed an order entered by the commission in a case involving methods of competition similar to those used by respondent.

**Johnson, Walter H., Candy Co.** (Docket 1817.) Ch4 Tw ( ) Tj 3 0 TD -0.012 Tc (Dod9a) Tj ( ) Tj 2.04 09nJ TDt09a



**Luden's (Inc.).** (Docket 1789.) Charge: That respondent, engaged in manufacture of candy and sale thereof, together with explanatory display cards, to wholesale dealers and jobbers, distributes an assortment consisting of pieces of candy to be sold at 1 cent each, and larger pieces of candy and other pieces of merchandise to be given as prizes to purchaser of last piece of candy in assortment, and to purchasers who by chance select a piece ~~having~~hop





Status: At Issue; respondent signed stipulation to obey order to cease and desist that may be entered by commission after a United States court shall have affirmed an order entered by the commission in a case involving methods of competition similar to those used by respondent.

**Mixer Medicine Co. et al.** (Docket 1914.) Charge: That respondents, engaged in manufacture of medicines designated "Mixer's Cancer and Scrofula Sirup," "Mixer's Cancer and Tumor Absorber," etc., circulate false and misleading statements relative to the curative properties of the products, the testimonials received from the users thereof, and the standing of respondent Charles W. Mixer as a doctor of medicine; thereby deceiving the purchasing public into the erroneous belief that respondents' products will cure some of

Preferred Baking Co. (Inc.), and Atlantic Cone Co. (Inc.); thereby tending to substantially lessen competition, restrain commerce, and create a monopoly, in alleged violation of section 7 of Clayton Act.

Status: In course of trial.

**Natural Eyesight Institute (Inc.).** (Docket 1838.) Charge: That respondent, engaged in sale and distribution of a systematic training for improving eyesight, uses the word "institute" in corporate name and advertises that the system, largely by virtue of an instrument called an "eye eyesight instrument" alleged

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**Old Colony Candy Co.** (Docket 1814.) Charge (see charge in Docket 1725, R. E. Rodda Candy Co.).  
Status: At issue.

**Old Hickory Mills et al** (Docket 1607.) Charge: That respondents, engaged in sale to retail

**Pecheur Lozenge**

attachments on property of alleged purchaser upon failure of payment; thereby perpetrating a fraud and deceiving the purchasing public into the erroneous belief that respondents' product is a superior unit sold at reasonable price.

Status: Testimony closed; awaiting report of trial examiner.

**Radium-Active Remedies Co.** (Docket 1885) Charge: That respondent, engaged in manufacture and sale of alleged radium-active remedies, which contain only an infinitesimal amount of radium, polonium, or actinium, if any, sells same at exorbitant prices, and circulates false and misleading statements relative to their curative properties; thereby deceiving purchasing public into the erroneous belief that the so-called remedies discharge radio-active emanations, thereby possessing therapeutic value in the treatment of 28 listed diseases.

Status: At issue.

**Radium Ore Revigator Co.** (Docket 1753.) Charge: That respondent, engaged in manufacture and sale of earthenware water jars designated as "Radium Ore Revigator," circulates false and misleading statements to the effect that water remaining in the jug 24 hours will materially benefit, and in some cases cure, some 27 diseases, and that the United States Government approves the use of these jars; thereby deceiving the purchasing public into the erroneous belief that the jars possess therapeutic properties and have been indorsed by the United States Government.

Status: At issue.

**Ralston University Press.** (Docket 1615.) Charge: That respondent, engaged in sale of books, circulates false and misleading statements relative to what may be accomplished by anyone having knowledge of the information, secrets, methods, and suggestions contained therein;

deceiving methods, suggestion that the  
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of the last piece of candy in each assortment and to purchasers who by chance select a piece having a center of a specified color; and a third assortment consisting of wrapped pieces of candy to be sold at prices ranging from 1 to 5 cents, purchasers to pay whatever sum is set

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of which is to enlist a number of members upon payment of a fee of \$1 to extend their mental influences to each other to create conditions necessary to promote success, and use combination offers of memberships with opportunity to purchase literature and procure a talisman, which is purported to be a rare piece used in Palestine in the year 1891 B.C., and to cost ordinarily from \$5 to \$15, many of which are in possession of lucky stars in the motion-picture world; thereby deceiving the purchasing public into the erroneous belief that these talismans are rare pieces with a capacity for bringing good luck, that pictures depicting motion-picture stars as possessors of said lucky shekles are used by and with their consent, and that membership in the "success club" will promote the well-being of the members.

Status : At issue.

**Shapiro Candy Manufacturing Co.** (Docket 1918.) Charge : That respondent, engaged in manufacture of candy and sale thereof to wholesale dealers and jobbers, distributes an assortment consisting of pieces of candy to be sold at 1 cent each and larger pieces of candy and other merchandise to be given as prizes to the purchaser of the last piece of candy in the assortment and to purchasers who by chance select a piece having a center of a specified color, certain other pieces having a center of another specified color to be given free of charge to the purchasers who by chance make that selection; thereby supplying and placing in the hands of others the means of conducting a lottery and tending to injure competitors who do not make provision for the disposal of their products by such means.

Status : At issue.

**Sheinker, W., & Son.** (Docket 1909.) Charge : That respondent, engaged in manufacture of flavoring extracts from his own formula, uses labels and containers purchased from Wilhelm Schneider & Co., of Leipzig, Germany, adding the words "New York" and "New York, U. S. A." to the bottles and labels, and uses on labels and/or in advertising matter the words "German Culinary Boquet No.22," "German Culinary Boquet No.42," and "distributors of Wilhelm Schneider and Co., Leipzig, Germany, New York, U. S. A."; thereby deceiving the purchasing public into the erroneous belief that respondent's products are imported from Leipzig, Germany, and that respondent is an authorized distributor of the products of Wilhelm Schneider & Co.

Status : At issue.

**Sheldon Co., Albert K.** (Docket 1828.) Charge : That respondent, engaged in manufacture and sale of a product containing no shellac gum, uses the trade name "Shelco-Lac," in advertising and labeling same; thereby deceiving the purchasing public into the erroneous belief that respondent's product contains shellac gum.

Status : At issue.

**Sherman Von Walden.** (Docket 1942.) Charge : That respondent, engaged in sale of a method designated the "Walden method," for treatment of some 87 listed diseases, including angina pectoris and hardening of the arteries, by diet and exercise, sends questionnaires to customers setting forth such questions as "have you heart disease and what kind?", "high blood pressure", making a diagnosis from the answers without examination, publishes as voluntary testimonials statements that are misleading and fictitious and statements for which a sum of money has been paid, uses the abbreviation "Dr." in conjunction with name, and circulates false and misleading statements relative to respondent's qualifications for diagnosing and prescribing and relative to the efficacy of the treatment; thereby deceiving the purchasing public into the erroneous belief that respondent is a scientific man and a doctor of medicine, who examines his patients, and is qualified to properly diagnose, that the Walden method allows of the proper treatment for all diseases, and cures through scientific methods, and that respondent maintains an Institute of dietetics in connection with his business.

Status : At issue.

**Shotwell Manufacturing Co.** (Docket 1796.) Charge (see charge in Docket 1785, Minter Bros.).

Status : At Issue.

**Smith, Herbert L.** (Docket 1467.) Charge : That respondent, manufacturer of cigars, some of which consist in part of Cuban tobacco, uses the words "Havana" and "Havana brown" on cigar bands and containers; thereby

deceiving the purchasing public into the erroneous belief that respondent's products are made entirely of tobacco grown on the island of Cuba.

Status : At issue.

**Snyder, W. H., & Sons.** (Docket 1441.) Charge : That respondents, engaged in manufacture of cigars, use the words "Havana fruit" and "Havana velvet" on cigar bands and containers; thereby deceiving the purchasing public into the erroneous belief that respondent's products are made of tobacco grown on the island of Cuba.

Status : At issue.

**Southern California Laundry Owners Association et al.** (Docket 1954.) Charge : That respondents, engaged in operation of laundries, have adopted and employ a system for maintenance of certain uniform prices for services, designed to prevent competing laundry owners from performing such services. at lower prices, and have induced manufacturers of laundry equipment, by means of coercion and boycott, to cancel any existing contracts with operators of laundries who are not members of the association and to refuse to sell to such operators except on discriminatory, prohibitive terms set out by respondents; thereby tending to hinder and suppress free competition, to the prejudice of the public and of respondents' competitors.

Status: At Issue.

**Southern Milling Co.** (Docket 1617.) Charge : That respondent, engaged in sale of flour, uses trade name "Southern Milling Co." and circulates statements implying operation of a mill wherein flour sold is ground and manufactured; thereby deceiving the purchasing public into the erroneous belief that respondent manufactures the product he sells, and that the price quoted is exclusive of the middleman's profit.

Status : At issue.

**Standard Education Society et al.** (Docket 1571) Charge : That respondents, publishers of an encyclopedia, circulate false and misleading statements relative to regular price of book; thereby deceiving the purchasing public into the erroneous belief that special, reduced prices are being quoted, and that a limited number of books are given free of charge upon subscription to extension service.

Status : Before commission for final determination.

**Standard Historical Society (Inc.) et al.** (Docket 1886.) Charge : That respondents, engaged in sale of a publication entitled "Standard History of the World," together with a looseleaf extension service published semiannually, sold at the rate of \$59.50, \$69.50, or \$79 for 10 years, uses the word "society" in corporate name, and circulates through sales agents and advertising matter, false and misleading statements relative to the price and the authors thereof, and membership in the alleged "society"; thereby deceiving the purchasing public into the erroneous belief that respondent is



**Universal Theater Concession Co.** (Docket 1950.) Charge : That respondent, engaged in manufacture of candy and sale thereof to wholesale dealers and jobbers, distributes one assortment of packages to be sold at 10 cents each and another assortment to be sold at 25 cents each, each package containing a piece of candy and a prize or a coupon entitling purchaser to a prize in the event that the same is too large to be conveniently contained within the package; thereby supplying and placing in the hands of others the means of conducting a lottery and tending to injure competitors who do not make provision for the disposal of their products by such means.

Status : At issue.

**Veliguth, Walter A., Co.** (Docket 1925.) Charge : That respondent, engaged in manufacture of candy and sale thereof, together with explanatory display cards, to wholesale dealers and jobbers, distributes one assortment consisting of pieces of candy to be sold at 1 cent each and larger pieces of candy to be given as prizes to purchasers who by chance select a piece having a center of a specified color; a second and third assortment consisting of pieces of candy to be sold at prices ranging from nothing to 5 cents and from 1 to 3 cents, purchasers to pay whatever sum is set forth on a slip of paper concealed within wrapper : thereby supplying and placing in the hands of others the means of conducting a lottery and tending to injure competitors who do not make provision for the disposal of their products by such means.

Status : At issue.

**Voneiff-Drayer Co.** (Docket 1724.) Charge : That respondent, engaged in manufacture of candy and sale thereof, together with explanatory display cards, to wholesale dealers, distributes assortments of candies to be sold at 1 cent each, with larger pieces or packages of candy, to be given as prizes to purchaser of the last piece of candy in the assortment, and to purchasers who by chance select a piece of candy having a center of a specified color; thereby supplying and placing in the hands of others the means of conducting a lottery, and tending to injure competitors who do not make provision for the disposal of their products by such means.

Status : At issue.

**Warner-Jenkinson Co.** (Docket 1839.) Charge : That respondent, engaged in manufacture of extracts and concentrates and sale thereof to wholesale dealers under trade name of "Red Seal," uses labels bearing the words "grape," "cherry," "orange," "peach," and "strawberry"; thereby deceiving the purchasing public into the erroneous belief that respondent's products are made of juices of the fruits indicated.

Status : Awaiting respondent's brief.

**Waugh Equipment Co. et al.** (Docket 1779.) Charge : That respondent, Waugh Equipment Co., engaged in manufacture of railway equipment, endeavors to induce railway companies to place orders for equipment by promising through respondents Arthur Meeker, Frederick W. Ellis, and J. B. Scott, officers or stockholders of Armour & Co., certain volumes of freight traffic from that company in return for patronage, such traffic to be withdrawn if patronage is withheld; thereby tending to lessen the free flow of competition in the sale of railway equipment and to injure competitors who do not tender reciprocal patronage.

Status : Before commission for final determination.

**Wendeistein, Carl, Co.** (Docket 1741.) Charge (see Docket 1736, Black & Yates (Inc.).

Status : In course of trial.

**Western Hardwood Lumber Co.** (Docket 1743.) Charge (see charge in Docket 1736, Black & Yates (Inc.).

Status : In course of trial.

**Western Leather Clothing Co.** (Docket 1820.) Charge : That respondent, engaged in manufacture and sale of leather cloth, uses labels bearing the words "genuine horse hide" and represents that product is made from hides of horses; thereby deceiving the purchasing public into the erroneous belief that respondent's product thus labeled is a genuine leather product.

Status : Awaiting further testimony.

**Wheelwright, George W., Paper Co.** (Docket 1866.) Charge : That respondent, engaged in production of domestic-made, machine-manufactured paper, uses the words "Italiano hand-made vellum" to designate same; thereby deceiving

the purchasing public into the erroneous belief that respondent's product is genuine vellum and is a hand-made Italian product.

Status : At issue.

**Whirlwind Manufacturing Co. et al** (Docket 1931.) Charge : That respondents, engaged in manufacture of a device designated "Whirlwind Vaporizer," use in advertising matter such statements as "over the mountains from Los Angeles 559 miles on 11 gallons of gas," "has been found by actual tests to increase gasoline mileage from 25 to 50 per cent," "salesmen and distributors wanted to make up to \$100 weekly"; thereby **deceiving**



1795 Ucanco Candy Co. (Inc.).

1880 Gellman Bros.

## Docket

No.	Respondent
1881	Rosemary Candy Co.
1882	Chicago Machine Tool Distributors et al.
1883	Ebroclo Shirt Co. (Inc.).
1884	Helena Rubinstein (Inc.).
1885	Radium-Active Remedies Co.
1886	Standard Historical Society (Inc.) et al.
1889	Deniston Co.
1890	Joseph Sculler.
1892	Brux Candy Co. et al.
1893	D. T. Bohon Co. (Inc.).
1895	Gilman Hat Co.
1896	Globe Hat Works.
1897	Maf Hat Works (Inc.).
1898	Manhattan Hat Co. (Inc.).
1899	Prime Hat Co.
1901	Grand Hat Co.
1902	Prospect Hat Co. (Inc.).
1903	H. & H. Hat Manufacturing Co.
1904	Herman Hat Co.
1905	United States Pencil Co. (Inc.)
1906	Boyd-Martin Boat Co.
1907	Arnonld, D., Co.
1908	Winthrop Mills Co.
1909	Sheinker, W., & Son.
1911	Mosby Medicine Co.
1912	Limoges China Co.
1914	Mixer Medicine Co. et al.
1915	Borg-Warner Corporation.
1916	Gillespie Furniture Co. et al.
1917	Blue Hill Candy Co.
1918	Shapiro Candy Manufacturing Co.
1919	Tennessee Woolen Mill Co.
1920	Arnco Mills.
1921	Joseph P. Brandler.
1922	Philadelphia Hosiery Mills.
1928	L M. Bagedonow (Inc.).
1924	Reliance Pencil Corporation.
1925	Vellguth, Walter A., Co.
1926	Alexander-Martin Co. et al.

## Docket

No.	Respondent
1927	Brooten, H. H., & Sons (Inc.).
1928	Coumbe, S. C., Co. et al.
1929	Brown Fence & Wire Co.
1930	Brooks Rupture Appliance Co. et al.
1931	Whirlwind Manufacturing Co. et al.
1932	Para Paint & Varnish Co.
1934	Emile Meyer & Co. et al.
1936	Fidelity Hop & Malt Corporation et al.
1937	Northam Warren Corporation.
1938	Congo Pictures (Ltd.) et al.
1939	Patuxent Guano Co.
1940	Elby Extract Co.
1942	Sherman Von Walden.
1943	Parisian Manicure Manufacturing Co.
1945	Rogers Silverware Redemption Bureau (Inc.).
1946	Patterson School.
1947	United Tailoring Co. (Inc.) et al.
1948	Newton Remedy Co. et al.
1949	Rochester Nurseries (Inc.) -
1950	Universal Theater Concession Co.
1951	Gilbert Spruance Co. et al.
1952	Charles Atlas.
1953	Richards & Co. (Inc.) et al.
1954	Southern California Laundry Owners Association et al.
1955	Metal The Construction Co. (Inc.).
1956	Block Candy Co.
1957	Doernbecher Manufacturing Co.
1958	United States Gypsum Co.
1959	Cook Paint & Varnish Co. et al.
1960	Knickerbocker Watch Co.
1961	Adams Paint Co.
1962	Fishback Candies (Inc.).



## **STIPULATIONS APPROVED AND ACCEPTED**

[Copies of statements covering these stipulations may be had upon  
request to the commission.]

Stipulations approved and accepted by the commission during the fiscal year 1930-31 are digested in  
the following pages. In each instance the respondent agreed to cease and

686. **Tobacco Pouches.**--Using patent number and date or other marking designed to imply that the products are patented devices, when such is not the fact.

687. **Typewriter Ribbons.**--Using word "Silk," sometimes in conjunction with the word "Fiber," or with other words, to designate a product that is not made of silk.

688. **Insulated Metal Staples.**--Simulating containers of Emerson Apparatus Co., a well-known firm manufacturing a similar product.

689. **Accordians.**--Using word "Manufacturing" in firm name and picture of a factory in advertising matter, when neither owning nor operating factories; advertising that orders are filled and shipped immediately, even though the order be accompanied only by a partial payment, when such is not the fact.

690. **Paper Products, Cordage, etc.**--Using word "Mills" in trade name when neither owning nor operating mills.

691. **Correspondence School; Institutional Management.**--Quoting as "Special" and "Limited" offers, prices that are the customary terms made in the usual course of business; advertising as "Free" certain purported gratuities the cost of which are included in the price paid by the purchaser for the course with which they are alleged to be given free of charge; quoting earnings that may be expected by the average student that are far in excess of his probable earnings.

692. **Vibraphones.**--Representing that a certain device will restore hearing to deaf persons when such is not the fact.

693. **Soap.**--Using word "Imported" to designate a soap of domestic manufacture; using words "Buttermilk," "Peroxide," and "Witch-hazel" to designate soaps not consisting in substantial part of the commodities indicated.

694. **Jewelry.**--Using words "Amber," "Amberlite," or other derivatives of the word "Amber" to designate imitation amber jewelry.

695. **Citrus Fruits.**--Using words "Indian River" to designate fruit that is not grown in the Indian River district of Florida.

696. **Read Lettuce.**--Combining in maintaining arbitrary billings in excess of the customary cost billings of products delivered to purchasers.

697. **Metallic Powders.**--Using word "Manufacturer" on labels and in advertising matter when neither owning nor operating factories.

698. **Clothing; Sweaters.**--Using words "Hand Fashioned" on labels and in advertising matter to designate garments that are not "fashioned" as that term is generally understood.

699. **Sirup.**--Using word "Maple" to designate a product consisting in substantial part of maple Sirup without the use of another word in type equally conspicuous to indicate product is not composed wholly of maple Sirup.

700. **Bronze Powders.**--Using word "Manufacturer" in advertising matter when neither owning nor operating factories; using word "Aluminum Bronze" to designate a product consisting in predominant part of aluminum, without the use of the word in the product name.



728. **Clothing; Shoe Laces.**--Using figure "88" when product is not composed of 88 strands or threads.

729. **Correspondence School; Voice Culture.**--Quoting as "Special" and "Limited" offers, prices that are the customary terms made in the usual course of business; circulating letters of recommendation from former pupils without disclosing that such pupils have since acquired an interest in the school.

730. **Watches.**--Using words "American" and "All American" to designate products not manufactured wholly in America; advertising that a certain group of famous football players use these watches without disclosing the fact that such were given them gratuitously by the

744. **Clothes Line.--Using** words "Rust Proof" on labels and In advertising matter to designate a wire clothes line that is not proof against rust.

745. **Soap.--Branding and labeling** products with prices In excess of those at

tion, and that fact has not been set forth in a conspicuous manner in connection therewith.

761. **Clothing (Women's)** .--Using words "Persian" and "Pelt" to designate products not made from the pelt of the Persian lamb or from the pelt of any other animal.

762. **Pen Knives**.--Using marks that set forth the fineness of the outer gold covering of the product which has a concealed filling of base metal in such a manner as to indicate that the entire shell and filling are made of the same kind and grade of metal as the outer covering.

763. **Battery Solution**.--Representing that product will not freeze and will instantly charge a battery when such are not the facts.

764. **Window Shades**.--Using word "Special" in adve adveBat Tw1L11Tw () TTc 0 Tw (adve) Tj 16e4 Tj 31.



the use of products whose radium content is about that of the devices designated "Health Applicators" and "Beauty Aids."

792. **Livestock Remedies.**--Representing that products have been approved by the Department of Agriculture when such is not the fact; using the words "Worms," "Wormer," and "Worming" to designate remedies that are effective in the treatment of only one kind of worms without indicating that limitation; representing that certain remedies are effective in the treatment of sore mouth, black tongue, running fits, and barking fits when such are not the facts.

793. **Clothing (Men's).**--Representing that orders filled from ready-made clothing have been tailored to purchaser's measurements; quoting the price customarily charged as special offers at reduced prices; claiming to be manufacturer, when neither owning nor operating mills.

794. **Automobile Accessories--Burglar Alarm.**--Advertising and representing by means of pictures that a certain burglar alarm for use on an automobile is a vocal device that issues words of warning, when such is not the fact; quoting the regular price as a special price for a limited time only.

795. **Therapeutic Device.**--Representing the immersion of a certain device in water will impart radioactivity and health-giving properties thereto, when such is not the fact; publishing purported quotations from observations of doctors and other authorities implying that they indorse the use of radioactive water of the strength of that produced by the use of said device, when such is not the fact.

796. **Electric Appliances.**--Adopting and enforcing a system of price fixing whereby dealers are required to sell products of Thor Pacific Co. at prices fixed by said company.

797. **Water Softeners.**--Using words "Mineral Soap" to designate trisodium phosphate used as a water softener.

798. **Yarn-dyeing Machines.**--Tending to lessen competition by leasing machinery on the condition that the lessee shall not use the goods of competitors.

799. **Clothing; Hosiery.**--Using words "Silk" or "Silk Rayon" to designate products containing silk in substantial



809. **Barber and Beauty Parlor Supplies.**--Using words "Tempered," "Special steel," and "Forged steel" in branding, labeling, and advertising supplies that are not made of forged steel and are not tempered or especially hardened in any way.

810. **Master Clocks.**--Advertising that respondents' master clocks are the only clocks used by power companies to furnish regulated time and that these clocks control generator speeds, when such are not the facts.

811. **Drawing Instruments.**--Using word "Manufacturers" in advertising matter when neither owning nor operating factories; representing that products are made of cold rolled German silver and tool steel, when such is not the fact.

812. **Headache Powders.**--Misrepresenting therapeutic value of product; using words "Safe" and "It does not depress the heart" in advertising matter descriptive of headache tablets that act as a heart depressant.

813. **Tea.**--Establishment and employment by Salada Tea Co. (inc.) of a system for the maintenance of uniform resale prices.

814. **Lamp.**--Representing that patents owned on a combination of elements, which combination includes a lens, serve as patents on the lenses when used apart from the combination, when such is not the fact.

815. **Process Printing; Stationery.**--Using words "Engraved" and "Engraving" to designate an effect produced by a form of process printing, rather than by engraving.

816. **Typewriter Ribbons.**--effici( ) Tj210500 Tw using 0.0mo224 Tw (the faTw (Engraving0ei5Tw (of) Tj -364.44

831. **Proprietary Medicine.**--Publishing testimonials some of which are signed by names of persons who have never used the product, others have been changed until they present a misquotation of the writer, others have been applied to a product other than the one for which written, and yet others have been given for a monetary consideration and no statement to that effect has been published In connection therewith; misrepresenting composition and therapeutic value of product.

832. **Soap.**--Branding and labeling soap with prices in excess of those at which it is expected to be, and usually is, sold; using a fictitious name purporting to be that of a physician on labels and in advertising matter in such a manner as to imply his connection with the preparation of the formula or the manufacture of the soap; using word "Antiseptic" to designate a brand of soap that has no antiseptic properties other than those possessed by any coconut-oil soap; representing that a certain brand of soap contains olive oil and contains no acids, when such are not the facts.

833. **Mineral Water.**--Misrepresenting therapeutic value of product

834. **Automobile Parts.**--Claiming to be manufacturers, when neither owning nor operating factories; representing that the "Brinell test" is used, when such is not the fact; representing that products are manufactured from special alloy or nickel-chromium steel when only a portion thereof are so manufactured.

835. **Lead Pencils.**--Using word "Factory" and the phrase "You save all middlemen's expense and profits," when neither owning nor operating factories; describing a diploma of honorable mention for a display of advertising pencils as the "Highest possible award for advertising pencils Medal of Honor."

836. **Cigars.**--Using words "Anti Nicotine" to designate products from which all of the nicotine content

010. **Books and Alleged Cures for the Tobacco Habit and for Eczema.**--Handling as an advertising agency advertising matter of vendor of an alleged cure for the tobacco habit and for eczema, and a "Personality Book."

011. **Trouble Light and Shirts.**--Handling as an advertising agency advertising matter of vendors of trouble lights and shirts, who promise large and excessive earnings for salesmen.

012. **Rheumatism, Alleged Cure.**--Handling as an advertising agency advertising matter of vendor of an alleged cure for rheumatism.

013. **Device for Locating Hidden Treasure.**--Handling as an advertising agency advertising matter of vendor of a device for locating hidden treasure.

014. **Hair Tonic.**--A manufacturer advertises "No need to be bald," "The only hair treatment yet devised which goes direct to the source of baldness," and guarantees product as a sure treatment for cultivating hair growth.

015. **Deafness, Alleged Cure.**--Handling as an advertising agency advertising matter of vendor of an eardrum alleged to aid impaired hearing.

016. **Asthma, Alleged Cure.**--Handling as an advertising agency advertising matter of vendor of an alleged cure for asthma.

017. **Calcium Wafers.**--Handling as an advertising agency advertising matter of company selling calcium wafers.

018. **Hare Culture, Advice on Motherhood, and Alleged Cure for Bladder Trouble.**--Handling as an advertising agency advertising matter of vendor of an alleged cure for bladder trouble, who also advertises to show how to make big money raising hares and to give advice on motherhood.

019. **Asthma and Stomach Trouble, Alleged Cures.**--Handling as an advertising agency advertising matter for vendors of an alleged cure for asthma and for stomach trouble.

020. **"Pep" Tablets.**--A manufacturer advertises that certain products are French tablets that will restore vitality, pep, and youthful vigor.

021. **Therapeutic Devices.**--Publishing advertising matter of vendor of a mechanical substitute for human dispensation of suggestive therapeutics alleged to restore health and bring success, vendor of an electrical device alleged to cure dandruff and promote the growth of hair, and vendor of a specific massage alleged to stimulate and vitalize the generative glands.

022. **Puzzle Contents.**--Handling as an advertising agency advertising matter of publisher of a newspaper of certain puzzle contests designed to secure contact with prospective solicitors.

023. **Hair Dye, Astrological Predictions, and "Pep" Tablets.**--Handling as an advertising agency advertising matter of vendor of an alleged hair dye, distributor of French "pep" tablets for men, and an astrologer.

024. **Fat-Reducing Belt, Instruction Course in Business Building, and Hair Tonic.**--Handling as an advertising agency advertising matter of manufacturer of a fat-reducing belt, vendor of an instruction course in business building, and vendor of a compound for promoting the growth of hair.

025. **Asthma, Alleged Cure.**--A vendor advertises upon his own responsibility and as purporting to be in the words of others that asthma is a specific disease rather than a symptom of a pathological condition not yet fully known to medical science, and that the remedy distributed is a cure rather than a treatment for the alleviation of the inconvenience incident to the so-called disease.

026. **Bladder Trouble, Alleged Cure.**--A vendor advertises certain tablets alleged to have therapeutic value in the treatment of bladder trouble.

027. **Deafness, Alleged Cure.**--A vendor advertises that certain artificial ear-drums will overcome deafness and restore perfect hearing in some specific cases.

028. **Skin and Bladder Troubles, Alleged Cures.** --Handling as an advertising agency advertising matter of vendors of a remedy for eczema, a treatment for skin ailments, and an alleged cure for bladder trouble.

029. **Hernia, Alleged Cure.**--Publishing advertising matter of manufacturer of an appliance for the treatment of hernia.

030. **Massage Cream, Bust Developer, Nose Sharper, Fat-Reducing Compound, and Puzzle Advertisements.**--Publishing advertising matter of vendors of a cream alleged to develop any part of the

human body, a device for de-



the most stubborn case, having been prescribed by a prominent physician with astonishing results.

047. **Fat-reducing Belts.**--Publishing advertising matter of vendor of an abdominal belt alleged to reduce weight of the wearer by a massage action.

048. **Ear Drums.**--Handling as an advertising agency, advertising matter of vendor of artificial ear drums.

049. **Dropsy, Alleged Cure.**--A vendor advertises that an alleged remedy will cure all cases of dropsy, and represents that it will provide relief for short breathing, without indicating that such relief is indirectly caused by the elimination of surplus fluid or the removal of swelling.

050. **Fat-reducing Belts.**--Publishing advertising matter of two vendors of abdominal belts alleged to reduce weight.

051. **Hair Tonic.**--Handling as an advertising agency, advertising matter of manufacturer of a preparation alleged to produce a new growth of hair on bald heads, and cause new, thick, wavy hair to grow where hair was thin.

052. **Tissue Developer.**--A vendor advertises a massage cream alleged to develop any part of the body.

053. **Rheumatism, Sore Muscles, Kidney and Bladder Trouble, Alleged Cures.**--Handling as an advertising agency, advertising matter of vendor of a medicine alleged to cure or relieve rheumatism, sore muscles, kidney and bladder troubles, and kindred ailments, by dissolving or eliminating uric acid.

054. **Correspondence Exchange.**--The conductor of a correspondence exchange represents that results are guaranteed; advertises that her business is conducted as a club, or is the world's greatest club, that the opportunity for membership is limited, and that the fee quoted is a special offer for a limited time only, membership carrying no further charges, that she advertises in foreign periodicals and that description lists will be furnished free; and uses a fictitious name in signing documents, in such a manner as ( ) Tj 2.04 04Tc 0 Twsg1em,j









0110, 0111, and 0112. **Jewelry, Perfumery, and an Alleged Cure for the Tobacco Habit.**--Publishing advertising matter of vendor of an alleged cure for the tobacco habit, and of three vendors of Jewelry and perfumery.

0113. **Bashfulness, Alleged Cure.**--Publishing advertising matter of vendor of an alleged cure for bashfulness.

0114. **Tissue Developer.**--Publishing advertising matter of vendor of a cream alleged to develop various parts of the body.

0115. **High Blood Pressure.**--Publishing advertising matter of vendor, alleged to be a doctor advertising a competent treatment for high blood pressure.

0116. **Enuresis, Alleged Cure.**--A vendor advertises that a certain medicinal preparation will cure enuresis without a qualifying statement to the effect that the treatment is efficacious only when the trouble is due to lack of tone of the sphincter muscle of the bladder.

0117. **Stomach, Liver, Kidney, Intestinal, Gland, and Blood Troubles, Alleged Cure.**--Publishing advertising matter of vendor of a certain medicinal preparation alleged to cure stomach, liver, kidney, intestinal, gland, and blood troubles.

0118. **Vocational Instruction.**--Publishing advertising matter of vocational instruction bureau using misleading representations and making false claims as a method of securing students.

0119. **Mending Fluid.**--A vendor uses the word "Laboratories" in firm name and advertises that the agency for a certain mending fluid selling like wild fire, will insure a return of from \$75 to \$100 weekly, that exclusive sales territory is being held and that a selling outfit is given free, when in truth such territory is given to the first person who buys a specified quantity, and the price of the outfit is collected in advance, to be refunded only when orders totaling two gross tubes of the product have been turned in.

## **RESOLUTIONS DIRECTING INVESTIGATIONS**

### **UTILITY CORPORATIONS**

[S. Res. 83 Seventieth Congress, first session, February 15, 1928]

*Resolved*, That the Federal Trade Commission is hereby directed to inquire into and report to the Senate, by filing with the Secretary thereof, within each thirty days after the passage of this resolution and finally on the completion of the investigation (any such inquiry before the commission to be open to the public and due notice of the time and place of all hearings to be given by the commission and the stenographic report of the evidence taken by the commission to accompany the partial and final reports) upon: (1) The growth of the capital assets and capital liabilities of public utility corporations doing an interstate or international business supplying either electrical energy in the form of power or light, or both, however produced, or gas, natural or artificial, of corporations holding the stocks of two or more public utility corporations operating in different States, and of nonpublic utility corporations owned or controlled by such holding companies; (2) the method of issuing the price realized or value received, the commissions or bonuses paid or received, and other pertinent facts with respect to the various security issues of all classes of corporations herein named, including the bonds and other evidences of indebtedness thereof, as well as the stocks of the same; (3) the extent to which such holding companies or their stockholders control or are financially interested in financial, engineering, construction, and/or management corporations, and the relation, one to the other, of the classes of corporations last named the holding companies, and the public utility corporations; (4) the services furnished to such public utility corporations by such holding companies and/or their associated, affiliated, and/or subsidiary companies, the fees, commissions, bonuses, or other charges made therefor, and the earnings and expenses of such holding companies and their associated, affiliated, and/or subsidiary companies; and (5) the value or detriment to the public of such holding companies owning the stock or otherwise controlling such public utility corporations immediately or remotely, with the extent of such ownership or control, and particularly what legislation, if any, should be enacted by Congress to correct

**UTILITY CORPORATIONS (PRINTING OF EXHIBITS)**

[S. Res. 112, Seventy-first Congress, first session, September 9, 1929]

*Resolved*, That, as a part of its reports to the Senate, pursuant to Senate Resolution 83, Seventieth Congress, first session, the Federal Trade Commission be required expeditiously to transmit duplicates, or true copies, of all exhibits introduced into its record in hearings held and to be held pursuant to said resolution, and that they be printed as parts of said reports, to accompany the respective parts thereof printed in accordance with Senate Resolution 221 of May 3, 1928; except that as to copyrighted books, bulky volumes, and other lengthy exhibits only such descriptions thereof and pertinent extracts therefrom shall be printed as the Federal Trade Commission may indicate and transmit with such exhibits for that purpose.

**INTERSTATE MOVEMENT OF ELECTRIC ENERGY 1**

[S. Res. 151, Seventy-first Congress, first session, November 8, 1929]

*Resolved*, That the Federal Trade Commission is hereby directed to inquire into, as certain, and report to the Senate by filing with the Secretary thereof within thirty days after the passage of this resolution, and at least once each ninety days thereafter until the completion of the investigation, the quantity of electrical energy used for the development of power or light, or both, however produced, measured by kilowatt-hours, generated in any State (the term "State" as herein used meaning any State, Territory, or any this State, the Sn State, and

Whereas many of these chains operate from one hundred to several thousand stores; and

Whereas there have been numerous consolidations of chain stores throughout the history of the movement, and particularly in the last few years; and

Whereas these chain stores now control a substantial proportion of the distribution of certain commodities in certain cities, are rapidly increasing this proportion of control in these and other cities, and are beginning to extend this system of merchandising into country districts as well; and

Whereas the continuance of the growth of chain-store distribution and the consolidation of such chain stores may result in the development of monopolistic organizations in certain lines of retail distribution ; and

Whereas many of these concerns, though engaged in interstate commerce in buying, may not be engaged in interstate commerce in selling; and

Whereas, in consequence, the extent to which such consolidations are now, or should be made, amenable to the jurisdiction of the Federal antitrust laws is a matter of serious concern to the public: Now, therefore, be it

*Resolved*, That the Federal Trade Commission is hereby directed to undertake an inquiry into the chain-store system of marketing and distribution as conducted by manufacturing, wholesaling, retailing, or other types of chain stores and to ascertain and report to the Senate (1) the extent to which such consolidations have been effected in violation of the antitrust laws, if at all; (2) the extent to which consolidations or combinations of such organizations are susceptible to regulation under the Federal Trade Commission act or the antitrust laws, if at all; and (3) what legislation, if any, should be enacted for the purpose of regulating and controlling chain-store distribution.

And for the information of the Senate in connection with the aforesaid sub-divisions (1), (2), and (3) of this resolution the commission is directed to inquire into and report in full to the Senate (a) the extent to which the chain-store movement has tended to create a monopoly or concentration of control in the distribution of any commodity either locally or nationally; (b) evidences indicating the existence of unfair methods of competition in commerce or of agreements, conspiracies, or combinations in restraint of trade involving chain-store distribution; (c) the advantages or disadvantages of chain-store distribution in comparison with those of other types of distribution as shown by prices, costs, profits, and margins, quality of goods, and services rendered by chain stores and other distributors or resulting from integration, managerial efficiency, low overhead, or other similar causes; (d) how far the rapid increase in the chain-store system of distribution is based upon actual savings in costs of management and operation and how far upon quantity prices available only to chain-store distributors or any class of them; (e) whether or not such quantity prices constitute a violation of either the Federal Trade Commission act, the Clayton Act, or any other statute; and (f) what legislation, if any, should be enacted with reference to such quantity prices.

### RESALE-PRICE MAINTENANCE <sup>3</sup>

[Resolution of the Federal Trade Commission, July 25, 1927]

Whereas several bills providing for resale-price maintenance have been introduced in Congress since 1920, including the Merritt bill, Kelly bill, the Wyant bill, and the Williams bill; and

Whereas in 1916, on a referendum of the Chamber of Commerce of the United States, about 74 per cent of the votes cast were in favor of legislation permitting resale-price maintenance; and

Whereas in 1926, on a similar referendum, about 54 per cent of the votes were in favor; and

Whereas this commission many years ago recommended that Congress enact legislation permitting resale-price maintenance under certain conditions of governmental control; and

Whereas it seems probable that agitation for some legislation of this character will continue; and

Whereas there has been no thorough and comprehensive investigation of the economic advantages and disadvantages of such legislation: Therefore be it

<sup>3</sup> Final report completed during fiscal year and transmitted to Congress, June 22, 1931.

*Resolved*, That the chief economist of the commission be directed to inquire into the question of the maintenance of manufacturers' resale prices, both at wholesale and retail, and to report to the commission-

1. The advantages and disadvantages of resale-price maintenance (a) to competing manufacturers employing it and to other competing manufacturers, (b) to competing wholesalers and retailers employing it and to other competing wholesalers and retailers, (c) to the ultimate purchaser.

2. The costs, profits, and margins of manufacturers and distributors and the prices to consumers on competing price maintained and nonprice maintained goods and particularly the relation of advertising expenses to such costs, profits, margins, and prices.

3. The causes and motives for price cutting by distributors (a) in general; (b) below the total cost of the distributor; (c) below the purchase price paid by the distributor of goods; the justification for such price cutting, if any; the effect of price cutting on manufacturers, distributors, and consumers particularly with reference to: (a) How far, if at all, price cutting increases volume of business for a distributor and offsets the decreased profit per unit; (b) how far, if at all price cutting has eliminated manufacturers and distributors from business; (c) the effect of price cutting by distributors on the prices, profits, and margins



Whereas there are various systems and theories on which such prices are made and marked differences of opinion as to their expediency and fairness; and

Whereas some distributors are employing the policy of national distribution with prices, particularly in different consuming territories, that make no allowance for difference in transportation costs, while others allege that there should be a delimitation of markets having respect to transportation expense: Now, therefore, be it

*Resolved*, That the chief economist of the Federal Trade Commission is hereby directed to inquire into and report upon (1) the factory-base method, the basing-point method, and the delivered-price method of quoting and charging prices (including their respective variations), together with any other method of differentiating prices with respect to location; (2) the causes for the adoption of the several methods employed and the purposes intended to be served by them; (8) their actual and potential effects upon prices and competitive conditions; and (4) any constructive measures which might be employed to promote greater efficiency, economy, or fairness in the methods of quoting or charging prices.

### CEMENT INDUSTRY

[S. Res. 448, Seventy-first Congress, third session, February 16, 1931]

*Resolved*, That the Federal Trade Commission be, and it is hereby, directed to investigate competitive conditions in the cement industry and report to the Senate of the United States:

1. The facts with respect to the sale of cement whether of foreign or domestic manufacture and especially the price activities of trade associations composed of either manufacturers of cement or dealers in cement, or both.
2. The facts with respect to the distribution of cement, including a survey of the practices of manufacturers or dealers used in connection with the distribution of cement.
3. Whether the activities in the cement industry on the part of trade associations, manufacturers of cement, or dealers in cement constitute a violation of the antitrust laws of the United States and whether such activities constitute unfair trade practices.

### BUILDING MATERIALS INDUSTRY BUILDING MATERIALS INDUSTRY

[S. Res. 493, Seventy-first Congress, third session, March 8, 1931]

*Resolved*, That the Federal Trade Commission is requested to conduct an immediate and thorough investigation of all facts relating to the letting of contracts for the construction of Government buildings, particularly with a view to determining (a) whether or not there are or have been any price fixing or other agreements, understandings, or combinations of interests among indivi



bread, including by-products, and report its findings in full to the Senate, showing the costs, prices, and profits at each stage of the process of production and distribution, from the time the wheat leaves the farm until the bread is delivered to the consumer; the extent and methods of price fixing price maintenance, and price discrimination; the developments in the direction of monopoly and concentration of control in the milling and baking industries, and all evidence indicating the existence of agreements, conspiracies, or combinations in restraint of trade.

## **INVESTIGATIONS, 1913-1931**

**Anthracite Coal** (S. Res. 217, 64th Cong., 1st

led to this inquiry from which it appeared that the cause was due to the sudden increase in demand rather than to any restraints of trade. Report transmitted March 3, 1923.

**Cement Industry** (S. Res. 448, 71st Cong., 3d sess., February 16, 1931).--This is an investigation of competitive conditions in the cement industry. The resolution calls for investigation and report as to whether activities in the cement industry on the part of trade associations, manufacturers of cement or dealers in cement, constitute a violation of the antitrust laws.

**Chain Stores** (S. Res. 224, 70th Cong., 1st sess., May 12, 1928).--Pursuant to this resolution the commission initiated a<sup>aw</sup>

part

**Cotton Trade** (S. Res. 262, 67th Cong., 2d sess., March 16, 1922).--The inquiry into cotton trade originated by this resolution was covered in part by a preliminary report issued in February, 1923, which discussed especially the causes of the decline in cotton prices in 1922 and left the consideration of the other topics indicated to be treated in connection with an additional and related inquiry called for by the Senate at that time. Reports transmitted February 26, 1923, and April 28, 1924.

**Cotton Trade** (S. Res. 429, 67th Cong., 4th sess., January 31, 1923).--The inquiry in response to this second resolution on the cotton trade was combined ~~in~~ called

**Fertilizer** (S. Res. 487, 62d Cong., 3d sess., March 1, 1913).--The inquiry, begun by the Bureau of Corporations, disclosed the extensive use of bogus independent fertilizer companies used for purposes of competition, but through conferences with the principal manufacturers agreements were reached for the abolition of such unfair competition. Report transmitted August 19, 1916.

**Fertilizer** (S. Res, 807, 67th Cong., 807, f807,





large shipments, to the detriment of the numerous small producers. Transmitted February 28, 1916.

**Price Bases** (on motion of the commission, July 27, 1927).--An inquiry ordered by the commission into the various



**Tobacco Prices** (H. Res. 533, 66th Cong., 2d sess., June 3, 1920).--All inquiry into the prices of leaf tobacco and the selling prices of tobacco products. The unfavorable relationship between them was reported to be due in part

**PUBLICATIONS, 1915-1931**

High Cost of Living, April 30-May 1, 1917; House Furnishings, volume 1 (Household Furniture), January 17, 1923; volume 2 (Stoves), October 11, 1923; volume 3 (Kitchen Equipment and Domestic Appliances), October 6, 1924.

Index Digest of Decisions, volumes 1, 2, and 3.

Interstate Movement of Electric Energy during 1929, December 20, 1930.

Leather and Shoe Industries, August 21, 1919; Lumber-Southern Pine Companies, May 1, 1922; Lumber Manufacturers' Trade Associations, March 29, 1922.

Meat Packing Industry, Maximum Profit Limitations on, September 25, 1919; Summary and part 1, June 24, 1919; part 2, November 25, 1918; part 3, June 28, 1919; part 4, June 30, 1919; part 5, June 28, 1919; part 6, June 30, 1919; Milk and Milk Products, June 6, 1921. Merger of Steel and Iron Companies, June 5, 1922.

National Wealth and Income, May 25, 1926; Newsprint Paper Industry, June 13, 1917; Newsprint Paper Industry, June 30, 1930; Northern Hemlock and Hardwood Manufacturers, May 7, 1923.

Open-Price Trade Associations, February 13, 1929.

Packer Consent Decree, December 8, 1924; Petroleum Industry, Foreign Ownership in, February 12 1923; Pacific Coast, part 1, April 7, 1921; part 2, November 28, 1921; Prices, Profits, and Competition, December 12, 1927; Petroleum Industry of Wyoming, January 3, 1921; Petroleum Panhandle Crude, February 3, 1928; Petroleum, Pipe Line Transportation of February 28, 1916; Petroleum Products, Advance in Prices of, June 1, 1920; Petroleum Trade in Wyoming and Montana, July 13, 1922; Price Associations, Letter to President, 1921; Private Car Lines, June 27, 1919; Profiteering, June 29, 1918.

Radio Industry, December 1, 1923; Resale Price 27, R Radio 27, Radio Indus Indus Price

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