ADDRESS OF
HON. ROBERT E. FREER, COMMISSIONER,
FEDERAL TRADE COMMISSION.

[redacted]

Commission's staff are often given access to the books of account, and [redacted]

No one of these discounts is inherently either lawful or unlawful. Any of them may be unlawful if it is granted under circumstances in which competition is injured and if none of the defenses set up in the act are available. Any of them are lawful if no injury results from its granting or if savings in cost properly attributable to the purchases which receive the discount are sufficient to justify it.

I emphasize this point because it is frequently misapprehended. Recently

among others, the following tests. Discount classes must not be unduly large and too few in number. The boundaries between classes must be reasonably placed. No class must receive a discount which is excessive as compared with those granted to other classes.

preparing to justify their discounts under the act they have set out for the first time to discover the relative expense of packing full and broken cases, the expense attributable to paper work in placing and filling an order, the number of calls made per sale in serving different groups of customers, and the average cost attributable to each call by a salesman.

determine whether the cost differences which prevailed some time ago still represent the current situation. To avoid such reiterated studies, thoughtful