

ANNUAL REPORT
OF THE
FEDERAL
TRADE COMMISSION

FOR THE
FISCAL YEAR ENDED JUNE 30, 1926

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FEDERAL TRADE COMMISSION

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ANNUAL REPORT OF THE FEDERAL TRADE COMMISSION FOR THE FISCAL YEAR ENDED JUNE 30, 1926

INTRODUCTION

To the Senate and House of Representatives:

Pursuant to statute the Federal Trade Commission herewith submits to the Congress its annual report for the fiscal year July 1, 1925, to June 30, 1926. The commission was Created by an act of Congress approved September 26, 1914, and was organized March 16, 1915. The present is the twelfth annual report.

On June 30, 1926, the commission consisted of John F. Nugent, of Idaho, chairman; Charles W. Hunt, of Iowa, vice chairman; Huston Thompson, of Colorado; William E. Humphrey, of Washington; and Vernon W. Van Fleet, of Indiana.

Mr. Van Fleet tendered his resignation July 31, 1926, and was succeeded by Mr. Abram F. Myers, of Iowa, who was given a recess appointment by the President, and took oath of office thereunder on August 2, 1926.

Gratifying progress was made during the last fiscal year in discharging the duties confided to the commission. By pursuing a consistent policy the commission is gradually working out a high code of business ethics for the protection of the public and the guidance of industry. The value of this work is coming more and more to be appreciated, as is attested by the increasing degree of cooperation on the part of industry in carrying out the principles of fair competition and sound practice fostered by the commission. This cooperation is particularly manifested in the trade practice conferences.

The powers of the commission in obtaining information in connection with investigations prosecuted under section 6 of the Federal Trade Commission act are involved in several pending cases. Failure to obtain an authoritative ruling as to the commission's powers in this particular has somewhat hampered the work under certain resolutions of Congress, although excellent progress has been made as shown by the report of the economic division.

After the close of the fiscal year and before the submission of this report the Supreme Court handed down its decisions in the cases of

Federal Trade Commission *v.* Western Meat Co., No.96; Thatcher Mfg. Co. *v.* Federal Trade Commission, No.213; and Swift & Co. *v.* Federal Trade Commission, No.231, under section 7 of the Clayton Act. The propositions laid down in these decisions may be summarized as follows:

(1) That if there has been an acquisition by one competitor of the stock of another, and the commission files a complaint under section '7 of the Clayton Act, and the holding company thereafter causes the assets of the controlled company to be transferred to it, the commission may issue an order requiring divestiture of both the stock and the assets.

(2) That if there has been an acquisition by one competitor of the stock of another, and the holding company causes the assets of the controlled company to be transferred to it, and the commission thereafter files a complaint, the commission exceeds its power if it attempts to order a divestiture of the assets.

The commission has been hampered in its work by being quartered in one of the temporary war-time buildings, subject to extremes of heat and cold. Since June 1, 1925, 39 ½ working hours have been lost by necessary suspension of work on account of extremely high or low temperature. The average number of employees on duty being 225, it results that practically 1,270 working days, or the equivalent of the full working time of four employees for a year, was lost to the Government during that period.

The commission here reports in detail concerning its administration of the Federal Trade Commission act, approved September 26, 1914 (38 Stat. 717); delegated sections of the Clayton Act, approved October 15, 1914 (88 Stat. 730); and the export trade act, approved April 10, 1918 (48 Stat. 516). The administration of these acts by the commission falls under four major subjects, i.e., legal, economic, export trade, and administration, and the work of the year is reported under these captions in the order given.

REPORT BY DIVISIONS OF WORK

LEGAL DIVISIONS

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

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

STATISTICS AND PROCEDURE ON LEGAL WORK

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

Details of the procedure upon legal matters are set out in the following pages, being arranged in natural sequence from the initiation of a case to its final determination by the commission and review by the courts. This has been done under headings: (a) Legal investigating division, (b) board of review, (c) trial examiner, (d) chief counsel, (e) court cases, and (f) trade-practice conferences. In addition, a list has been prepared of the methods of competition heretofore condemned by the commission. This list is on page 50.

LEGAL INVESTIGATING DIVISION

OUTLINE OF PROCEDURE

The work of the chief examiner's division is divided into two classes: (1) Special legal investigations by direction of the President, the commission, or by Congress, and (2) investigations preliminary to the possible issuance of complaints of law violations.

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

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

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

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

If the material examined is not within the jurisdiction of the commission or is without merit, or if the matter is satisfactorily disposed of by conference or correspondence, the file is closed as an "Undocketed application." If the matter is within the commission's jurisdiction, is well founded, and can not be satisfactorily disposed of by informal consultation or correspondence, it is docketed as an "Application for the issuance of complaint."

Each docketed application is assigned by the chief examiner to an examining attorney, whose duty it is to gather all facts. Without identifying the applicant, the party complained against is presented with a complete statement of the matter and requested to submit such statements, evidence, documents, etc., in defense or explanation of his position, as he may desire brought to the attention of the commission. The examining attorney makes such other investigation as may be necessary for full development of all facts, and thereafter summarizes his work in a final report which is submitted, with the record, to the chief examiner.

The chief examiner passes upon the examining attorney's report and indicates his approval or disapproval. If the examining attorney and chief examiner agree in their opinion that the application should be dismissed, the case passes to the full commission for its im-

mediate consideration. If the chief examiner believes that the matter can be settled by stipulation, the case passes to the chief trial examiner for negotiation. If the examining attorney and the chief examiner differ in their opinion that the complaint should issue, the case passes to the board of review for its consideration.

The chief examiner also conducts, by direction of the commission or upon requests of other units, supplemental investigation of applications for complaints, of docketed complaints, or suspected violations of the commission's orders to cease and desist.

SUMMARY OF WORK, 1926

In addition to the work of the chief examiner's office reflected by Tables 1 and 2, on page 78, an investigation of the activities of the American Tobacco Co. and the Imperial Tobacco Co. (Ltd.) was made pursuant to Senate Resolution 329 (68th Cong., 2d sess.). The inquiry covered (1) the present degree of concentration and relationship between the two companies involved, and (2) the methods employed by these companies with respect to cooperative marketing associations. A report including the facts disclosed by the inquiry was made to the President, December 23, 1925, and published, the report having been delayed because of supplemental investigations requested by the cooperative associations.

During the year the chief examiner commenced and made some progress on the work under Senate Resolution 34 (69th Cong., special sess.), which directs the Federal Trade Commission to make an inquiry (d) into the growth and importance of cooperative associations, including particularly the costs of marketing and distribution of such cooperatives as compared with corresponding costs of other types of distributors; (b) into the extent and importance of the interferences with and obstructions to the formation and operation of cooperative organizations of producers, distributors, and consumers by any corporation or trade association in alleged violation of the antitrust laws; and (c) to report thereon, with recommendations for legislation, if necessary.

A preliminary study of the problem was made, many facts and figures collected, and a questionnaire calling for information chiefly of a statistical nature sent out. Near the end of the year a few men were sent into the field to interview officers of the larger associations, and preparations made for the collection of the special information called for by the resolution on a comprehensive scale.

The chief examiner's office has been greatly hampered by a lack of funds sufficient to carry on this work with the vigor that it deserved. Everything possible has been done to press the work with the small sum left after taking care of the regular assignments, but this has been insufficient and it is being unavoidably delayed.

BOARD OF REVIEW

OUTLINE OF PROCEDURE

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

The statements of all witnesses interviewed by the commission's investigators and all documentary evidence and exhibits secured are carefully considered by the board, and, when necessary, the board may require that further information be secured.

If the board believes that complaint should issue, before finally making that recommendation it is its duty to accord to the proposed respondent or respondents the privilege of appearing before the board at an informal hearing for the purpose of submitting any facts or considerations with a view to avoiding issuance of complaint. Before such hearings are held the board causes a formal notice of time and place of hearing to be served upon the respondents with a brief statement of the nature of the charges. At such hearing the proposed respondents may appear in person or by counsel and may submit any statement in writing or documentary evidence, all of which is carefully considered. by the members of the board before determining its final recommendation.

After reaching its decision the board prepares its report to the commission, consisting of (1) a detailed summary of all facts developed, (2) a full opinion based upon the facts and the law, and (3) the board's recommendation.

Applications in which the board recommends complaint or dismissal are forwarded to individual commissioners in rotation. After study by the commissioner, the case, with his memorandum embodying his recommendation, is presented by him to the full commission for its consideration.

If the board, notwithstanding previous recommendations, or as the result of its further inquiry or hearings, believes that the matter can be settled by stipulation, it forwards the files, with its report and recommendations, to the chief trial examiner for negotiation of stipulation.

SUMMARY OF WORK, 1926

The work of the board of review upon applications for complaint is, of course, included in the statistical tables presented on page 78. During the current year the board was called upon to

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

TRIAL EXAMINERS' DIVISION

OUTLINE OF PROCEDURE

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

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

The stipulation rule, as contrasted to the complaint procedure, has resulted in a substantial saving in time and money to the Government and also to the prospective respondents, and at the same time has eliminated unfair methods and practices from the channels of interstate trade. From an estimate made by the commission it was determined that the average case disposed of by complaint procedure, including the taking of testimony, reporting, and trial, costs about \$2,500, while the cost of settling an application for complaint by stipulation, thus avoiding a complaint, costs less than \$500 per case. The proportion of saving of time is even greater and more important than the saving in money.

The stipulation rule, in the opinion of the commission, will result in gradually establishing precedents that will greatly facilitate its procedure. To aid in the establishment of precedents, and for the guidance of the business world and for the information of the public generally, statements of facts covering stipulated cases, including the practices abandoned, have been published from time to time, but without identifying parties to the stipulation.

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

SUMMARY OF WORK, 1926

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

CHIEF COUNSEL

OUTLINE OF PROCEDURE

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

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

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

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

after. After answer is filed, and upon due notice to all parties respondent, the case is set down for the taking of testimony before a trial examiner. After the taking of testimony and the submission of evidence on behalf of the commission in support of its complaint, and on behalf of the respondent, the trial examiner prepares a report of the facts for the information of the commission, counsel for the commission, and counsel for the respondent. Exceptions to the trial examiner's report may be made by either counsel for the commission or counsel for the respondent. The next step is the filing of briefs, and thereafter the case comes on for final argument before the full commission upon the complaint, the answer, the testimony and exhibits, the trial examiner's report, exceptions thereto, and briefs by opposing counsel. The case is heard and taken under advisement, and thereafter the commission reaches a decision either sustaining the charges in the complaint or dismissing the complaint. If the complaint be sustained, an order is issued requiring the respondent to cease and desist from the practices proven under the complaint. If the complaint be dismissed, an order of dismissal is issued.

In noncontested cases an admission of the matters alleged in the complaint may be made by respondent and a stipulation in lieu of testimony entered into between the commission and the respondent, upon which the commission makes its findings of facts, which are the basis of an order to cease and desist. The stipulation, of course, obviates the necessity for the taking of testimony and the briefing and argument of the case unless the respondent desires to be heard. Stipulations in connection with complaints are negotiated by the chief counsel.

By the commission's rules respondents against whom orders to cease and desist have been directed are required within a specified time, usually 60 days, to report in writing the manner in which they are complying with the provisions of the commission's order. When the commission shall have found that its order is not being observed it may apply to the United States Circuit Court of Appeals for enforcement of its order. Respondents may likewise apply to the United States Circuit Court of Appeals for review of the commission's orders, and these proceedings may, of course, be carried by either party to the Supreme Court of the United States for final determination.

All court proceedings are supervised by the chief counsel through the assistant chief counsel in charge of appellate work.

SUMMARY OF WORK, 1926

The volume of work of the legal division is concisely expressed in the statistical tables to be found on pages 78 to 81 of this report.

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

CHARACTER OF COMPLAINTS

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

All but 1 of the 62 complaints issued during the year charged unfair methods of competition. Violation of section 7 of the Clayton Act by acquisition of stock of competing concerns was charged in only one complaint, namely, the Continental Baking Corporation complaint. There was also only one complaint charging violation of section 2 of the Clayton Act, which complaint is the one filed against the Aluminum Co. of America. This complaint also included a charge of violation of section 5 of the Federal Trade Commission act. No complaints charging violation of section 3 (tying contracts) or section 8 (interlocking directorates) of the Clayton Act were issued during the fiscal year here reported on.

Herewith are presented brief summaries of the charges contained in a few of the complaints issued by the commission during the past fiscal year. These complaints are fairly representative cases.

Attention is especially invited to the fact that all of these complaints, except the Continental Baking Corporation complaint, are pending, and consequently the commission has reached no determination as to whether or not the law has been violated. The allegations of the complaints set forth the commission's reason to believe that the law has been violated. As provided by law, the respondents have opportunity to make answer and introduce evidence in denial of the allegations. In most of the cases the respondents have filed their answers denying the allegations of the complaints. The cases will be determined only after evidence has been taken and hearing before the commission.

Aluminum Co. of America (sec. 2 of Clayton Act and sec. 5 of the Federal Trade Commission act).--In charging violations of section 2 of the Clayton Act and section 5 of the Federal Trade Commission act, the complaint in this case sets forth that the Aluminum Co. owned or controlled extensive bauxite deposits from which aluminum ore is produced in this country and in foreign countries; various refining and reduction works and fabricating plants and rolling mills in Arkansas, Illinois, New York, Tennessee, North Carolina, Penn-

sylvania, and New Jersey, and that the respondent is the sole producer of virgin aluminum ingots in the United States, and that it produces 95 per cent of the virgin sheet aluminum in this country; also that respondent and the Aluminum Goods Manufacturing Co., of whose stock respondent owns 36 per cent, are the principal producers of aluminum cooking utensils in the United States; that respondent owns or has a large interest in other companies fabricating aluminum, and that it owns 50 per cent of the stock of the Norsk Aluminum Co. of Norway, one-third of the stock of the Norsk-Nitrid Co. of Norway, and is the sole owner of the Northern Aluminum Co. (Ltd.) of Canada, the only other manufacturer of virgin aluminum ingots in the Western Hemisphere.

The respondent is charged with entering into contracts, agreements, conditions, and understandings to substantially lessen competition and tend to create a monopoly by selling virgin sheet aluminum at a lesser price to manufacturing foundries than to jobbing foundries, and, further, by discriminating in the price of aluminum sold to certain manufacturers of automobile bodies, cooking utensils, or other fabricated aluminum products.

The complaint also charges the company with employing a scheme the effect of which is to gain a monopoly of the aluminum sand-castings industry of the United States by (a) arbitrarily fixing price differentials between virgin aluminum ingots and scrap aluminum (b) by paying for scrap aluminum more than it costs to manufacture virgin aluminum ingots; (c) by making concessions to automobile-body manufacturers and other fabricators in order to obtain monopoly of scrap aluminum; (d) by selling below cost to its subsidence and discriminating against competitors of such subsidiaries; (e) by selling aluminum sand castings below cost to drive out competitors; all with the purpose and effect of eliminating the source of supply of independent or competing concerns, and to suppress competition and create a monopoly.

The complaint also charges the company with employing a scheme the purpose and effect of which is to gain and maintain a monopoly of aluminum raw material and aluminum products by arbitrarily refusing to supply aluminum sheet metal or ingots to manufacturers who are in competition with its subsidiaries, or by delivering insufficient quantities or inferior quality of aluminum to competitors, the effect of which is to unfairly suppress competition, tending to create or maintain a monopoly.

Answer to the above complaint was filed by the Aluminum Co. on September 23, 1925. In addition to denying specifically various charges of said complaint and in setting forth various averments in opposition to said charges, the company further states in its answer

that it “denies that any or all of the averments set forth in the complaint disclose any violation of law or that the Same, if true, would justify the making and issuing of any decree by the commission against the respondent. * * *”

Considerable testimony bearing upon issues formed by the complaint and answer has been taken, and at the close of the fiscal year the further taking of testimony was postponed for several months in order that respondent might have an opportunity to produce certain information called for by the commission.

Continental Baking Corporation (sec. 7 of the Clayton Act).--On April 10, 1925, the commission filed a complaint against the Continental Baking Corporation charging it with acquiring, owning, and holding the stock or other share capital of 14 corporations severally engaged in the manufacture and sale in commerce of bread and other food products, in violation of section 7 of the Clayton Act. Subsequent to the filing of this complaint it became known to the commission that the Continental Baking Corporation had acquired the stock or other share capital of nine or more additional corporations; and it appearing to the commission that the subsequent acquisitions of stock should be included in its complaint, the commission, on December 19, 1925, dismissed its complaint against the Continental Baking Corporation without prejudice, and on the same day issued a new complaint against said corporation including the acquisitions of the stock of additional corporations. On the 8th day of February, 1926, the United States filed a petition in equity, No. 1073, in the District Court of the United States for the District of Maryland, charging defendants Ward Food Products Corporation, the Ward Baking Corporation, Ward Baking Co., the General Baking Corporation, the General Baking Co., the Continental Baking Corporation, United Bakeries Corporation, William B. Ward, Howard B. Ward, William Deininger, Paul H. Helms, J. W. Rumbough, R. E. Peterson, George G. Barber, and George B. Smith with violation of the act of Congress of July 2, 1890, entitled “An act to protect trade and commerce against unlawful restraints and monopolies,” known as the Sherman Antitrust Act; and a violation of section 7 of the Clayton Act. On April 3, 1926, upon the petition of the United States for an injunction and for other relief, and upon consent of the defendants, the court entered a decree. The decree completely dissolved the Ward Food Products Corporation and called for a surrender of its charter to the State of Maryland. The individual defendants and the corporate defendants are, among ‘other things, perpetually restrained and enjoined from directly or indirectly doing any act or thing in furtherance of any plan for bringing the several corporate defendants under common control and from forming or joining any plan for restraining or monopolizing inter-

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

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

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

In carrying out such merchandising system and preventing the dealers from selling below the resale price fixed by the company, it is alleged that the respondent employs such means as refusing to sell to price cutters and using cooperative methods to enforce its system of uniform resale prices by, among other things, securing reports of price-cutting dealers from their competitors, investigating reports of price cutting, and using coercion to force price cutters to adhere to respondent's uniform prices.

Answer to this complaint was filed on December 12, 1925, under the name of the Gotham Industrial Corporation, to which name, it is averred, the Gotham Silk Hosiery Co. (Inc.) was changed on the day before the complaint was issued. It is admitted in the

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

False claim of being "Manufacturer" or "Mills."--Several complaints were issued during the fiscal year against various concerns who deal in knitted or woven clothing or fabric charging them with the use of unfair methods of competition, in violation of section 5 of the Federal Trade Commission act, in that they falsely represent and hold themselves out to the public as being manufacturers of, or owners and operators of mills producing, their merchandise, and as selling at factory prices direct to consumers or other purchasers, thereby tending to mislead and deceive the public into erroneously believing that the purchaser from such concerns is buying direct from the manufacturer, and thereby saving and eliminating the charges and profits of middlemen. Among the methods employed in making such misrepresentations is the use of such words as "Mills" and "Manufacturer" in their trade or corporate name and in their advertising matter.

Misbranding of fur.--The commission issued a number of complaints against dyers and dealers of furs located in Boston, New York, Newark, Chicago, and Los Angeles, charging such concerns with using unfair methods of competition in violation of section 5 of the Federal Trade Commission act, by falsely branding and misrepresenting furs through the use of such terms as the following: "Golden Seal," "Genuine Northern Seal," "Northern Bevre," "Northern Nutriette," "Northern Seal," "Iceland Seal," "Iceland Beaver," "Superior Seal," "Baltic Seal," "Baltic Beaver," and "Bay Seal" for dyed rabbit fur; "Hollander Seal" for dyed muskrat; "Manchurian Lynx" for inferior fur not of the lynx; "Manchurian Wolf" for inferior fur not of the wolf.

Wholesale Grocers' Association of New Orleans.--The complaint in this case was issued against the Wholesale Grocers' Association of New Orleans, its officers and members, and 28 specifically named respondents engaged in the wholesale grocery business. They are charged in the complaint with having cooperated and confederated together to confine the distribution of groceries and allied products

throughout their territory through the channel from manufacturer to wholesaler to retailer to consumer, and to prevent dealers from obtaining groceries and allied products direct from the manufacturer to producer, thereby suppressing competition, hindering and obstructing the natural flow thereof in the sale and distribution of groceries and allied products, all in violation of section 5 of the Federal Trade Commission act.

Among the acts recited in the complaint as being used by respondents to carry into effect the alleged unlawful combination are the following: (a) Agreeing to and making threats of boycott and boycotting, intimidating, and coercing manufacturers and producers to refrain from selling direct to retailers or consumers; (b) by inducing and compelling manufacturers to cease dealing with dealers who are offensive to respondents; (c) by practicing a system of espionage against competing dealers--all with the effect of hindering and suppressing competition by forcing retailers to buy through wholesale channels instead of direct from manufacturers.

The respondents filed their answer to this complaint on October 21, 1925, in which the charges of violation of law set forth in the complaint are generally and specifically denied. At the close of the fiscal year the matter was awaiting further proceeding on complaint and answer.

Fictitious prices--Eclipse Fountain Pen & Pencil Co. et al.--These respondents are engaged in the manufacture and sale of fountain pens and pencils, and they are charged in the complaint with using unfair methods of competition in violation of section 5 of the Federal Trade Commission act by labeling and marking their products with fictitious and exaggerated retail prices, thereby misleading and deceiving the consuming public as to the value of their pens and pencils.

Answer was filed by the respondents on April 17, 1926, denying that the prices marked on their products are fictitious or exaggerated or that they are misleading and deceptive. The testimony has been taken, and at the close of the fiscal year the case was pending the filing of the trial examiner's report upon the facts and final hearing before the commission.

Furniture cases--Misbranding and misrepresentation.--During the fiscal year reported on the commission issued a number of complaints against certain furniture dealers of New York City and Lancaster, Pa., in which respondents were charged with using unfair methods of competition in violation of section 5 of the Federal Trade Commission act in that they falsely advertised, described, and sold (a) as "Mahogany," "Combination mahogany," "Genuine mahogany," "Finished in mahogany" furniture which consisted in whole or in part of woods other than mahogany; (b) as "Combination Golden Oak" furniture which was composed wholly of woods other

than oak; (c) as "Combination walnut," "Two-toned walnut" furniture made in whole or in part of woods other than walnut; (d) as "French walnut finish," "French walnut combination" furniture composed wholly of wood other than walnut grown in France.

ORDERS TO CEASE AND DESIST

The final expression of the commission in a case is an order upon the respondent to cease and desist a particular practice or practices charged in the complaint. As shown by the following table, the commission, during the year here reported upon, issued 44 separate orders to cease and desist. All of the 44 orders covered violations of section 5 of the Federal Trade Commission act relating to unfair methods of competition, except one, namely, the order entered against the International Shoe Co., in which violation of section 7 of the Clayton Act (corporate stock acquisitions) was enjoined. As in past years, the respondents upon whom the orders were issued have in a great many cases accepted the orders and filed reports with the commission signifying their compliance with the terms of the orders.

Orders to cease and desist were issued during the year as follows:

Respondent	Location	Product
American Specialty Co. et al	Lancaster, Pa	Seeds.
Arkansas Wholesale Grocers' Association et al	Little Rock, Ark	Groceries.
Ayer (Inc.). Harriet Hubbard	New York, N.Y.	Toilet preparations.
Baltimore Paint & Color Works (Inc.)	Baltimore, Md	Paints.
Bardwil Bros	New York, N.Y.	Lace.
Beacon Knitting Mills	do	Knit goods.
Brooks Oil Co. et al	Cleveland, Ohio	Paints.
California Retail Fuel Dealers' Association et al	Oakland, Calif	Coal.
Calumet Baking Powder Co	Chicago, Ill	Baking powder.
Chero-Cola Co	Columbus, Ga	Beverages.
Cohn-Hall-Marx Co	New York, N.Y.	Cotton goods.
Cooke et al., B.W.	Chicago, Ill	Drafting and mechanical schools.
Dubiner & Sommerfeld	New York, N.Y.	Cigars.
Edison Fixture Co. (Inc.)	do	Electrical appliances.
Factory-To-You Furniture Store	Philadelphia, Pa	Furniture.
Federal Mail Order Co	Chicago, Ill	Clothing.
Franklin Coal Co	St. Louis, Mo	Coal.
Furniture Manufacturers' Show Rooms (Inc.)	Philadelphia, Pa	Furniture.
Good Grape Co	Chattanooga, Tenn	Beverages.
Grand Rapids Furniture Manufacturing Association (Inc.) et al.	New York, N. Y	Furniture.
Hagen Import Co. of Pennsylvania	Philadelphia, Pa	Malt extract.
Hanes Knitting Co. P.H.	Winston-Salem, N.C.	Underwear.
Houbigant (Inc.)	New York, N. Y	Toilet preparations.
International Shoe Co	St. Louis, Mo	Shoes.
Kohl Co., J.	Seattle, Wash	Toilet preparations.
Lauer & Suter Co	Baltimore, Md	Candy.
Lexington Storage Warehouse Co. et al	New York, N. Y	Furniture.
Long-Koch Co	Newark, N.J.	Knives.
Minneapolis Woolen Mills Co. (Inc.)	Minneapolis, Minn	Knit goods.
Missouri State Retail Coal Merchants' Association et al	St. Louis, Mo	Coal.
National Furniture Distributing Corporation	New York, N. Y	Furniture.
North Dakota Wholesale Grocers' Association et al	Grand Forks, N.Dak.	Groceries.
Ohio Shellac Co	Cleveland, Ohio	Shellacs and varnishes.
Ostermoor & Co. et al	New York, N. Y	Mattresses.
Reinhart & Newton Co	Cincinnati, Ohio.	Candy.
Rosenbush & Solomon Co	Chicago, Ill	Shellacs and varnishes
Shapiro & Sons	Baltimore, Md	Men's clothing.

Standard Fountain Pen Co
Standard Oil Co. of Kentucky
Stetson Co., John B
Summy Co., Clayton F
U. S. Oil Co. (Inc.) et al
Watson Co., George E
Western Woolen Mills Co
Zorn & Co., S

Los Angeles, Calif
Louisville, Ky
Philadelphia, Pa
Chicago, Ill
Providence, R. I
Chicago, Ill
Minneapolis, Minn
Louisville, Ky

Fountain pens.
Stoves.
Hats.
Sheet music.
Oils.
Paints.
Knit goods.
Oats.

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

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

In the order to Cease and desist, entered by the commission on February 8, 1926, the respondent was prohibited from directly or indirectly (1) employing professional or other writers publicly to disparage the wholesomeness of self-rising flour and circulating or causing to be circulated such disparaging articles or statements among the trade and consuming public under the name of the writer or writers so employed, and withholding or concealing from the trade and consuming public the fact of such employment; (2) preparing and circulating or causing to be prepared and circulated among the trade and consuming public articles of anonymous authorship disparaging the wholesomeness of self-rising flour or the use thereof.

Acquisition of corporate stock in violation of section 7, Clayton Act--International Shoe Co. case.--This company was charged in the complaint with acquiring substantially ail of the capital stock of its competitor, W. H. McElwain Co., a large shoe-manufacturing concern, thereby tending to lessen competition, restrain commerce, and create a monopoly. The commission entered its order in the matter on November 25, 1925, requiring the International Shoe Co. to (1) divest itself of all stock or share capital of W. H. McElwain Co., a corporation, which it may hold, directly or indirectly, together with all right, title, interest, and claim in and to such stock or share capital, substantially all the stock or share capital of W. H. McElwain Co. being found and declared to have been acquired and to have been held, owned, and used by International Shoe Co. in violation of section 7 of said act of Congress; (2) cease and desist from the ownership, operation, management, and control of the assets, properties, rights, and privileges acquired by it from W. H. McElwain Co. subsequent to the acquisition by it of the stock or share capital of W. H. McElwain Co., together with all improvements and additions thereto, which assets, properties, rights, and privileges are found and declared to have been acquired and to be now held by International Shoe Co. as the result of the acquisition by International Shoe Co. of the stock or share capital of W. H. McElwain Co. in violation of section 7 of said act of Congress; (3) divest itself

of all assets, properties, rights, and privileges acquired by it from W. H. McElwain Co. subsequent to the acquisition by it of the stock or share capital of W. H. McElwain Co., together with all improvements and additions, thereto, which assets, properties, rights, and privileges are found and declared to have been acquired and to be now held by International Shoe Co. as the result of the acquisition by International Shoe Co. of the stock or share capital of W. H. McElwain Co. in violation of section 7 of said act of Congress. On March 24, 1926, respondent, International Shoe Co., filed a motion to suspend operation of the order until the Supreme Court of the United States shall have announced its decision in the case of the Federal Trade Commission v. Thatcher Manufacturing Co., decided April 16, 1925, by the Circuit Court of Appeals for the Third Circuit, review of which writ of certiorari was granted in October, 1925, the respondent showing that (1) the Thatcher case presented for decision by the Supreme Court for the first time the construction and meaning of a portion of section 7 of the Clayton Act relied upon by the commission in the instant case; (2) the Thatcher case, as respects one of four stock acquisitions there dealt with, involves facts somewhat similar and in part analogous to the facts shown on this record, so that the decision there might well be determinative of the issue here. The commission, on consideration of respondent's motion, on June 2, 1926, ordered that the enforcement of the commission's order be suspended until the matter of Thatcher Manufacturing Co., docket 738, Swift & Co., docket 435, and Western Meat Co., docket 456, now pending in the Supreme Court of the United States, are decided.

Adulteration of grain.--The respondents in this case were Garnett S. Zorn and H. Boltze, who carried on the business of selling grain under the trade name of S. Zorn & Co. They were charged in the commission's complaint with unfair methods of competition in the misrepresentation and adulteration of oats and were directed by order of the commission, dated October 31, 1925, to cease and desist from using the word "oats" in descriptions or designations in connection with the sale of "screenings," "wild oats," or "mill oats" artificially mixed with cultivated oats unless the word "oats" is accompanied by a word or words plainly designating that such is an artificial mixture of "Screenings," "wild oats," or "mill oats" with cultivated oats and not a natural mixture from the field where the oats were cultivated.

North Dakota Wholesale Grocers Association.--This association and its members, composed of wholesale grocers, serving the public throughout North Dakota and parts of Montana, Minnesota, and South Dakota, were named respondents in this case. They were,

charged with, and in the order of the commission entered July 20, 1925, were required to cease and desist from conspiring, confederating, or cooperating among themselves or with others, in the following practices: (1) Adopting and maintaining or endeavoring to adopt and maintain uniform selling prices on grocery products sold by respondent members; (2) arranging or attending meetings of competing jobbers or circulating information among competing jobbers for the purpose of causing them to adopt or adhere to uniform selling prices in their competition with each other; (3) agreeing among themselves or with other competing jobbers to maintain manufacturers' list prices as the jobbers' resale prices and to make no indirect concessions therefrom, such as prepayment of freight or giving the buyer the benefit of the saving in handling costs on shipments made direct from the manufacturers ; (4) inducing and procuring competing jobbers to adopt and adhere to the manufacturers' list prices as the jobbers' selling prices on various commodities, inducing manufacturers to increase their list prices and discounts to the jobber for the purpose of increasing the jobbers' gross margins and selling prices and making them uniform, and reporting or threatening to report to manufacturers such jobbers as failed or refused to adopt the manufacturers' list prices and adhere to them as their selling prices in competition with respondent members ; (5) preventing or attempting to prevent competitors who undersell respondent members from securing goods from manufacturers on equal terms with respondent members through concerted objections lodged with manufacturers and through concerted refusals or threatened refusals to buy from manufacturers if they sell such competitors of respondent members ; (6) recommending or procuring the circulation of scurrilous and defamatory attacks on competitors who undersell respondent members among the customers or prospective customers of such competitors; (7) circulating among respondent members favorable comment concerning such manufacturers as refuse to sell certain competitors of respondent members and urging respondent members to give increased support and cooperation to such manufacturers; (8) reporting to officers of respondent association the names of manufacturers who have sold direct to retailers for the purpose of enabling the officers to use the power and influence of respondent association to induce such manufacturers to remain completely loyal to respondent jobbers as their exclusive channel of distribution in respondent's territory, and by reporting to respondent members the failure of such efforts with suggestions that the members refuse to handle the goods of such manufacturers ; (9) concerted withdrawal or seeking pledges of concerted withdrawal of patronage from manufacturers who sell or attempt to sell jobbers and retailers indiscriminately and concertedly concentrating their sales efforts on the goods of so-called

loyal manufacturers ; (10) recommending or procuring the circulation of scurrilous trade papers and/or defamatory attacks on manufacturers selling indiscriminately to jobbers and retailers among the retail customers or prospective retail customers of such manufacturer ; (11) cooperating with nonmember wholesale grocers or with associations of wholesale grocers in other parts of the United States to further any of the practices prohibited in the foregoing portions of this order.

Resale price maintenance--Standard Oil Co. of Kentucky.--A typical order on the subject of resale price maintenance is the one entered by the commission on November 28, 1925, against the Standard Oil Co. of Kentucky in connection with the sale of oil stoves and heaters manufactured by the Cleveland Metal Products Co. The respondent was charged with following the practice of, and required by Order of the commission to cease and desist from, (1) entering into contracts, agreements, or understandings with its dealers or prospective dealers to the effect that respondents' stoves and heaters, manufactured by the Cleveland Metal Products Co., are to be resold by them at prices specified or fixed by respondent; (2) procuring from its dealers or prospective dealers any promises or assurances that its said stoves or heaters are to be resold by them at prices specified or fixed by respondent; (3) inviting or requesting its dealers to report the names of dealers who do not maintain respondent's specified resale prices on said products or wholesale suspected of not maintaining the same; (4) acting upon reports or communications from its dealers concerning price cutting on said products by other dealers, or manifesting to its dealers any intention to act thereon; (5) requesting the cooperation of its dealers in the ascertainment of the source of supply of said products on the part of a price cutter or suspected price cutter, or in any other manner seeking the cooperation of dealers in the maintenance of prices specified or fixed by respondent on said products.

Misrepresentations--Furniture cases.--A number of orders were issued by the commission during the fiscal year against various furniture dealers requiring them to cease and desist from falsely representing themselves as furniture manufacturers by use of such trade names and slogans as "Factory-to-You Furniture," "Factory-to-You Furniture Store," "Direct from the Factory," "Factory Manufacturers Show Rooms (Inc.)," "Associated Furniture Manufacturers warehouse Co.," "Grand Rapids Furniture Manufacturers Association. (Inc.)." Several of the concerns involved in these cases were also directed to cease and desist from applying the words "Grand Rapids" to furniture manufactured elsewhere than in the well and favorably known furniture manufacturing center of Grand Rapids, Mich.

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

Commercial bribery.--In this case the United States Oil Co. (Inc.), and seven individuals engaged in the sale of textile oils and allied products to mills and factories were charged in the complaint with paying secret bribes to employees of customers and prospective customers as an inducement to such employees to recommend and secure the purchase of respondent's products by such employees and principals in preference to similar products of respondents' competitors. In the order entered by the commission on April 28, 1926, the respondent company and four individuals connected therewith were required to cease and desist from giving, paying, offering, or agreeing to give, or pay, to an employee or employees of purchasers or prospective purchasers, without their knowledge or consent, money or other valuable consideration as inducement to such employee or employees to recommend or procure the purchase by their respective employer of employers in commerce between States of the United States, of fulling and scouring oil or other textile oil or oils or allied commodities or any of them offered for sale or sold by said respondents.

Misrepresentation of coal--Franklin Coal Co.--Respondent, a shipper of coal throughout the State of Illinois and adjoining States, was charged in the complaint with misrepresenting and selling coal produced from mines in Bond and Clinton Counties, Ill., as "Mount Olive coal" and "Mount Olive district coal," thereby tending to mislead the public to believe that it is of the well-known high-quality coal which has for many years been mined at Mount Olive, Ill., and in a small coal-producing district immediately contiguous thereto and known as the "Mount Olive district." The order entered by the commission directed the respondent to cease and desist (1) from using in advertisements, or by or through any other

means whatsoever, in connection with the sale or offering for sale in interstate commerce of coal produced at Pocahontas, Bond County, Ill., and/or Breese and Beckemeyer, Clinton County, Ill., the words or phrases "Mt. Olive," and "Mt. Olive district" as trade names for, or as descriptive of said coal ; (2) from using the words or phrases "Mt. Olive" and "Mt. Olive district" as trade names for, or as descriptive of, any coal marketed by respondent in interstate commerce, unless' said coal has been v produced at Mount Olive, Ill., Or in the small geographical section contiguous to said Mount Olive, including Staunton, in said State.

Misbranding of penknives--The Long-Koch Co.--This company, a manufacturing jeweler, was charged in the complaint of the commission with unfair methods of competition in that it mounted with gold and base metal large quantities of penknives on which were branded- the marks "10 K" and "14 K," thereby tending to mislead the public to believe that the entire mounting of the knives were made of 10-karat or 14-karat gold, when in fact said mounting consisted of base metal covered, faced, or veneered with a thin layer of gold. The order entered by the commission on May 4, 1926, required respondent to cease and desist from using the marks, symbols, or brands "10 K" and "14 K" (1) upon or in connection with any gold-mounted knife when the karat fineness of the entire mounting of such knife is less than the number of karats indicated by the number in such respective mark, symbol, or brand used ; (2) upon or in connection with any knife when the mounting thereof contains any base metal, covered, faced, veneered, or otherwise concealed with gold unless such marks, symbols, or brands be accompanied by words or other marks clearly indicating and showing the quantity of gold of such karat fineness represented by said marks, symbols, or brands which is actually used in said mounting.

Beacon Knitting Mills (Inc.).--Orders in a number of cases prohibiting the misuse of the word "Mills" were entered by the commission, typical of which cases is the proceeding had against the Beacon Knitting Mills (Inc.). This concern was engaged in the business of wholesaling machine-made and handmade knit garments. The machine-made garments were produced for it under contracts by other concerns who operated knitting mills. The handmade garments were produced by a large number of home knitters or persons engaged in knitting garments in their homes. The complaint charged the respondent with an unfair method of competition in the use of the words "Knitting Mills" in its corporate name and advertising statements of similar import which tended to mislead purchasers into the alleged false belief that respondent is the operator of knitting mills and the manufacturer of its garments selling direct to purchasers to the exclusion of middlemen. All order was entered in the

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

DISMISSAL OF COMPLAINTS

Up to June 30, 1926, the commission had dismissed 487 complaints. While the commission in many instances does not include its reasons in an order of dismissal, a study of the records indicates the following elements were given weight:

Controlling court decisions	71
Dismissed without prejudice	63
Respondent out of business	43
Practice discontinued	43
Practice discontinued by stipulation	13
Practice as used by respondent not unfair	43
No public interest	32
No jurisdiction	31
Disposed of by civil litigation	8
Lack of proof	61
Faulty pleadings	2
Miscellaneous	21

Seventy-one cases are listed as being dismissed because of controlling decisions. Of this number, 39 were cases held in abeyance until the decision of the Supreme Court in the Beech-Nut Packing Co. case, 257 U.S. 441. There was reason to believe that the respondents in these cases had violated the law, but the respondents contended that, as the decision of the Supreme Court constituted in reality new law on the subject, they should be given an opportunity to conform their practices in accordance with that courts decision. Complying with this request, these cases were dismissed after the Beech-Nut case, with notice that the commission would cause new

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

Those complaints dismissed without prejudice were cases in which it was generally found that because of the age of the case or the fact that the practice was not employed extensively or had been discontinued it was thought best to dismiss without prejudice with the right to renew the action in the event the respondent continued the acts complained of. Forty-three cases were dismissed because upon final hearing the respondents either could not be found or had gone out of business. In this class of cases evidence was usually available to sustain the charges of the complaint. In 43 cases the complaints were dismissed because the practice condemned had been discontinued and in 32 cases because of lack of public interest. These were the less important cases and were dismissed because of the age of the cases and the lack of funds with which to reinvestigate the more or less minor matters involved for the purpose of ascertaining conditions prevailing at the time of dismissal, and it was decided that to proceed further would not be in the public interest. Thirty-one cases have been dismissed for lack of jurisdiction because it could not be proved that the acts complained of were done in interstate commerce, thus leaving the commission without jurisdiction. Those disposed of because of civil litigation are cases in which the respondent had already been proceeded against in the courts prior to the commission reaching these cases, but not prior to the institution of the commission case. In these eight cases the respondents were successfully proceeded against in the courts.

The foregoing indicates that only a small percentage of complaints have been dismissed because the respondents were not found to have violated the law as charged. In some of those cases noted as being dismissed for lack of proof the commission was unable to proceed with trial within a reasonable time after the original investigation. Later, when these cases were taken up for trial, it was found that the facts disclosed by the original investigation could not be substantiated, oftentimes by reason of the disappearance, of witnesses. The number listed as being dismissed for lack of proof are those in which public announcement was made of the fact.

COURT CASES

Appeal may be made to the United States Circuit Courts of Appeals, either by the commission to enforce its order or by the respondent to have the order set aside. The number of court proceedings in which the commission has been involved during the year, as well as a cumulative showing of this work throughout the com-

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

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

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

CASES IN UNITED STATES SUPREME COURT

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

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

The commission appealed to the Court of Appeals of the District of Columbia, which affirmed the decree: of the lower court. The commission then took the case to the Supreme Court of the United States, where it was argued on December 6, 1923.

On April 20, 1925, the Supreme Court directed reargument, which was had on November 24, 1925, and at the close of the fiscal year the case was awaiting the decision of the court.

*The Swift case--Acquisition of stock in violation of section 7 of the Clayton Act.--*The commission in instituting its proceeding against Swift & Co. charged that the respondent, by taking over the Moultrie Packing Co. and the Andalusia Packing Co. in the

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

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

Swift & Co. appealed to the United States Circuit Court of Appeals for the Seventh Circuit, and as a basis for its appeal contended that the statute (sec. 7 of the Clayton Act) was unconstitutional unless the court should read into it certain additional requirements, to wit, that the competition between the absorbing and absorbed companies prior to consolidation was substantial and that the effect of the acquisition was injurious to the public. The court sustained the commission's order in every particular. The case was taken to the Supreme Court of the United States on writ of certiorari granted November 23, 1925, on unopposed petition of Swift & Co., where the matter is now awaiting the filing of briefs and oral argument, and will be heard October 25, 1926.

*The Western Meat Co. case--Another instance of stock acquisition in violation of section 1 of the Clayton Act.--*This is another packing-house proceeding. The charge is similar to that in the Swift and Armour cases, referred to in this report, namely, alleged violation of section 7 of the Clayton Act--the company acquired in this instance being the Nevada Packing Co.--and the consequent lessening of competition and tendency to create a monopoly in the sale in interstate commerce of meats and the products and by-products arising out of the slaughtering of livestock.

The commission ordered respondent to divest itself of stock and properties of the Nevada Packing Co. Respondent filed its petition for review with the United States Circuit Court of Appeals for the Ninth Circuit. The case was argued on May 15, 1924, and decided September 2, 1924, the commission's contentions being upheld.

Subsequently the Western Meat Co. petitioned for rehearing of the case. The petition was allowed, briefs filed, and the case reargued on February 2, 1925.

On February 17, 1925, the court rendered its decision modifying the order of the commission. In the rehearing the court directed its attention to that portion of the order providing "that in such divestment no stock or property above mentioned to be so divested shall be sold and transferred directly or indirectly to any stockholder, officer,

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

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

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

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

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

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

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

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

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

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

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

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

After hearings, the commission made findings and entered an order on April 18, 1924, directing respondents to cease and desist from conspiring, combining, confederating, agreeing, and cooperating between or among themselves to hinder and restrain competition in the manufacture and sale of film or to maintain and extend the monopoly of the Eastman Co. in the distribution and sale of positive film by, among others, the use of agreements not to use foreign-made film. It was further ordered that the Eastman Co. should with all due diligence dispose of the Paragon, G. M., and Sen Jacq laboratories in order to restore competitive freedom in the distribution and sale of film because the commission found that the Eastman Co. did not operate these laboratories but acquired and held them for the purpose of threatening and coercing the film laboratories of the United States into refraining from buying foreign-made film and to use only American-made film of which the Eastman Co. has a monopoly.

Shortly thereafter, petitions for review of the commission's order were filed in the United States Circuit Court of Appeals, Second Circuit, by the Eastman Co. and 5 of the other 17 respondents. In a decision rendered on May 18, 1925, the court affirmed the order of the commission, except that part which directed the Eastman Co.

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

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

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

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

Seattle-Tacoma Paper Trade Conference.

Spokane Paper Dealers.

Portland Paper Trade Association.

Paper Trade Conference of San Francisco.

Los Angeles Wholesale Paper Jobbers' Association.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CASES IN UNITED STATES CIRCUIT COURTS OF APPEAL

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

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

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

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

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

Subsequent to the filing of transcript, the court ordered the petitioners to prepare and serve a condensed narrative of the transcript. Counsel for petitioners (Utah-Idaho Sugar Co.) sought (by motion) a modification of the order concerning the preparation and service of the condensed narrative. This was opposed by the commission, and the motion was denied. In compliance with the court's order all the petitioners except Wooley prepared and served on the commission a condensed narrative of the record. This condensed narrative consists of four bound volumes, a total of 1,433 pages.

Petitioner Wooley having failed to prepare and serve a condensed narrative, the commission filed a motion within the time specified by the court to dismiss his petition for review. Wooley opposed this motion, briefs were filed, and the question arising upon the motion was argued. This motion was denied by the court, which at the same time granted Wooley leave to adopt as his abstract of record the abstract prepared by the Utah-Idaho Sugar Co. Subsequently, on September 14, 1925, the case was called by the court and continued to the September term, 1926, and thereafter by stipulation continued to the December, 1926, term at St. Louis. The case is therefore in that court awaiting briefs and argument

Minneapolis Chamber of Commerce case.--In this case respondents were charged with engaging in a confederation and conspiracy to maintain a monopoly of the grain trade at Minneapolis and the immediate surrounding territory ; and that, in order to carry out the monopoly and destroy the business of its competitors, the chamber of commerce and its organization were used as a medium through which the unfair methods of competition were accomplished by its members in violation of section 5 of the Federal Trade Commission act.

After hearing, the commission entered its order on December 28, 1923, directing the Chamber of Commerce of Minneapolis and the other respondents to cease and desist from combining and conspiring among themselves or with others, directly or indirectly, to interfere with, or injure, or destroy the business or the reputation of the St. Paul Grain Exchange, or its officers and members, or the Equity Cooperative Exchange, or its officers and stockholders (or

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

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

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

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

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

(d) Denying to any duly accredited representatives of any organization or association of farmer grain growers or shippers admission to membership in said respondent chamber, with full and equal privileges enjoyed by any or all of its members or by any or all concerns represented by membership in said respondent Chamber of Commerce, because of the plan or purpose on the part of such organization or association to pay or purpose to pay patronage dividends or to operate or purpose to operate according to the cooperative plan of marketing grain, namely, the plan of returning any portion or

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

(e) Passing or enforcing any rule or regulation, or enforcing any usage or custom, that compels shippers of grain to Minneapolis; Minn., from country points or from St. Paul, Minn., to pay commission or other charges, unless and until like commissions and charges are paid by shippers of grain to Minneapolis from Omaha, Nebr., or from Kansas City, Mo., or other such favored markets.

(f) Passing or enforcing any rule or regulation, or enforcing any usage or custom, that prohibits members of the respondent chamber, when buying grain on track at country points from paying therefor more than the market price of similar grain prevailing at that time in the exchange room of the respondent chamber, less freight, commissions, and other charges.

(g) Promulgating, interpreting, or enforcing any rule, custom, regulation, or usage in such a manner as to require any member of respondent chamber to pay to the farmer, or country shipper, or other person, a price for grain limited to a price equivalent to or identical with the Minneapolis market price, or otherwise limit the exercise of free will and individual independent judgment of any such member as to the price which he shall pay, or which he desires to pay, farmers, country shippers, or others for grain on track at country points.

Petition for review and vacation of the commission's order was filed by respondents in the United States Circuit Court of Appeals for the Eighth Circuit. The case was argued and submitted on May 25, 1925, and was still awaiting the decision of the court at the close of the fiscal year. (However, shortly after the close of the year, on July 13, 1926, the court rendered its decision sustaining the commission's order with the exception of the above paragraphs marked (b), (c), (d), (e), (f), and (g), which were set aside.)

Pure Silk Hosiery Mills case--False advertising--False representations in sale of hosiery.--The Pure Silk Hosiery Mills sold hosiery to the consuming public generally throughout the United States. Although it neither owned nor operated any factory, it represented by a great variety of means that the hosiery it offered for sale and sold was manufactured in mills owned and operated by it; that customers in purchasing from it obtained hosiery at whole-sale or mill prices; that in buying from it purchasers eliminated middlemen's profits and derived many advantages (in price and otherwise) which they could not obtain if they purchased hosiery in the regular channels. The commission's complaint alleged that the use by respondent company of the word "Mills" in its name, when it neither owned nor operated any hosiery mill, was in violation of

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

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

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

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

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

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

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

engaged in the business of enlarging photographs into portraits. During the course of this business it obtained orders for such portraits by means of drawings for so-called "Lucky envelopes" or by giving trade checks for one-half the pretended purchase price, thereby deceiving the prospective purchaser into believing that he was obtaining the portraits in question at prices substantially below their usual selling prices. Furthermore, the respondent misrepresented its portraits to be hand paintings. Another allegation of the complaint was that the company induced the purchasing public to sign contracts for the reproduction of photographs by falsely representing the contracts to be receipts for the photographs obtained from the customers, whereas, as a matter of fact, the contracts in question contained numerous provisions of a binding nature on the customer, which were neither explained to nor understood by the customers, and which served to nullify verbal agreements previously made.

The commission entered an order to cease and desist, and the Chicago Portrait Co. filed petition for review with the Circuit Court of Appeals for the Seventh Circuit. On December 23, 1924, the court vacated the order of the commission. It conceded that the practices of the Chicago Portrait Co. were reprehensible, and that the public was deceived, but held that no injury to either customers or competitors resulted.

The commission's petition for rehearing was denied. Petition for certiorari was filed in the United States Supreme Court on May 27, 1925, and on October 12, 1925, denied.

Toledo Pipe Threading Machine Co. case--Regale price maintenance--Tolls.--The commission charged the Toledo Pipe Threading Machine Co. with maintaining and enforcing a resale price-maintenance plan and policy.

After hearing, the commission issued its order requiring the Toledo Pipe -Threading Machine Co. to cease and desist from maintaining its suggested resale prices by various means and methods enumerated in the order.

The company, on March 4, 1925, filed in the Circuit Court of Appeals for the Sixth Circuit a petition for review. Decision was rendered by the court on March 12, 1926, affirming three paragraphs of the commission's order and vacating the fourth and last paragraph.

The order affirmed requires the respondent to cease and desist from maintaining its suggested resale discounts by (1) requiring from dealers assurances that they will be governed by the suggested resale discounts in the disposal of stocks previously purchased, as a condition precedent to subsequent sales to them by respondent; (2) requiring from dealers placing orders assurances that the commodities so ordered will be resold at the suggested resale discounts as a condition

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

The case now stands closed.

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

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

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

(3) Requesting dealers to report competitors who do not observe the resale price suggested by respondent, or acting on reports so obtained by refusing or threatening to refuse sales to dealers so reported.

(4) Requesting or employing salesmen or agents to assist in such policy by reporting dealers who do not observe the suggested resale price, or acting on reports so obtained by refusing or threatening to refuse sales to dealers so reported.

(5) Requiring from dealers previously cut off promises or assurances of the maintenance of respondent's resale prices as a condition of reinstatement.

(6) Utilizing any other equivalent cooperative means of accomplishing the maintenance of uniform resale prices fixed by the respondent.

The order also required respondent to cease and desist from entering into contracts, agreements, or understandings with its dealers binding them not to deal in the products of respondent's competitors.

Respondent filed in the United States Circuit Court of Appeals for the Seventh Circuit its petition for review. This was denied on April 9, 1926.

*The Armour case--Acquisition o/ stock in violation of section 7 of the Clayton Act.--*The commission's complaint in this case charged the respondent, Armour & Co., meat packers, with violation of section 7 of the Clayton Act in acquiring a large part of the capital stock of the E. H. Stanton Co., of Spokane, Wash.

Prior to the acquisition of its stock by Armour & Co., the Stanton concern was engaged in a similar line of business in active competi-

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

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

The Armour Co. filed its petition for review with the United States Circuit Court of Appeals for the Seventh Circuit. Subsequently the case was reopened before the commission by order of the court. Additional testimony was taken and argument before the commission had on the additional evidence so submitted. A supplemental transcript of the record was filed with the court on December 31, 1924, and further proceeding in the matter is pending the decision in the Swift case, referred to hereinabove.

Hills Bros. case--Resale price maintenance--Coffee.--Hills Bros., a corporation, is engaged, among other things, in the business of roasting and selling coffee in interstate commerce, the sale of two brands having approximated 25,000,000 pounds per annum. The commission charged the corporation with maintaining an effective resale price maintenance plan and policy by means of which it compelled dealers to maintain the resale prices fixed by it. The complaint contained 12 paragraphs devoted to the means used by Hills Bros. in inducing or compelling dealers to abide by the arbitrary resale prices so fixed by the concern.

Hills Bros., in answering said complaint, admitted the existence of a minimum resale price plan for the sale of its coffee, but contended that the means used to carry such plan or policy into effect were lawful means and that its resale price maintenance policy was beneficial to the public and was not in violation of section 5 of the Federal Trade Commission act.

After hearing the case, the commission issued its order requiring the corporation to cease and desist from carrying into effect by cooperative methods its system of minimum resale prices.

On February 17, 1925, Hills Bros. filed a petition for review in the Circuit Court of Appeals, Ninth Circuit. The contentions in this petition were substantially the same as those previously made in the answer to the commission's complaint. On January 4, 1926, the court rendered its decision affirming the order of the commission in its entirety.

Hills Bros. petitioned the Supreme Court of the United States for certiorari. This was denied, as was a subsequent petition for rehearing.

Chase & Sanborn case--Resale price maintenance--Coffee, etc.--This case involves the adoption and use by the above company of a

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

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

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

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

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

without prejudice to the commission's right to enter a new order in the case, to harmonize it with the decision of that court in the Kinney-Rome Co. case (275 Fed. 665), handed down subsequent to the entering by the commission of the above-mentioned order to cease and desist. Petition for rehearing filed by the commission was denied on March 9, 1926. Subsequently the commission modified its order to conform to the decision of the court.

At the close of the fiscal year the case stands closed.

Ostermoor & Co. (Inc.) et al.--Misrepresentation--Mattresses.--This corporation and one Edwin A. Ames, engaged in the business of manufacturing and selling bed mattresses, were directed by the commission on February 15, 1926, after complaint and hearings, to cease and desist from falsely representing pictorially and in advertising matter that their mattresses contain a greater number of superimposed layers of cotton or felt and with a greater expansion or buoyancy than in fact is true. The respondents petitioned the United States Circuit Court of Appeals, Second Circuit, for review of the order to cease and desist.

At the close of the fiscal year the case was pending in that court.

Ajax Rope Co. (Inc.)--Misrepresentations--Rope.--This concern is engaged in the purchase of rope and sale thereof to jobbers and dealers throughout the United States. It was directed by the commission on October 30, 1923, to cease and desist from misrepresenting that it is the maker or manufacturer of the rope in which it deals. It appearing that this company was continuing to conduct its business in violation of said order, an application for enforcement of same was filed by the commission on March 27, 1926, in the United States Circuit Court of Appeals, Second Circuit, where, at the close of the fiscal year, the case was pending, awaiting briefs and argument. (The company having changed its form of advertising so as to eliminate objections thereto, and having agreed in future to adhere strictly to the terms of the order, the commission, on September 20, 1926, approved a stipulation dismissing the application for enforcement, without prejudice to a future proceeding, should the company, contrary to the terms of the stipulation, violate the terms of the order. The matter will be presented formally to the Court of Appeals on October 4, 1926.)

Standard Education Society case--Misrepresentations--Books.--This is a Minnesota corporation, with headquarters at Chicago and engaged in the production and sale of sets of books known as "The Standard Reference Work," and also a loose-leaf service called "The Standard Loose-Leaf Extension Service." This concern was directed by an order entered by the commission on November 10, 1923, to cease and desist from (1) falsely representing and exaggerating the regular prices of said books, from which it purported to give reduc-

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

It appearing that respondent persisted in its course of action prohibited by the order, the commission, on May 27, 1926, filed in the United States Circuit Court of Appeals, Seventh Circuit, its application for enforcement of the order to cease and desist.

The case was pending in that court at the close of the fiscal year, awaiting respondent's brief and argument.

Franklin Coal Co. case--Misrepresentations.--The Franklin Coal Co., a Missouri corporation, is a distributor of coal in wholesale quantities to dealers, industrial plants, and carload consumers throughout Illinois, Missouri, Arkansas, Iowa, and Wisconsin. It was directed by the commission to cease and desist from designating and selling coal produced from mines at certain points in Bond and Clinton Counties, Ill., as "Mount Olive" coal and "Mount Olive district" coal, which phrases, according to the findings of the commission, tend to mislead and deceive the public into the erroneous belief that the coal was the well-known, high-quality coal produced for many years at Mount Olive, Ill., and in a small district immediately contiguous thereto generally known as the "Mount Olive district."

The company, on March 23, 1926, petitioned the United States Circuit Court of Appeals, Eighth Circuit, for a review of the commission's order.

At the close of the fiscal year, the matter awaits the filing of briefs and argument.

Harriet Hubbard Ayer (Inc.) case--Resale price maintenance.--This corporation is a manufacturer of cosmetics, against which, on October 7, 1925, the commission issued an order requiring it to cease and desist from maintaining or carrying into effect its policy of securing, on the part of its distributors and retailers, observance of resale prices for its products by agreement, coercion, and cooperation in the fixing of resale prices. On November 12, 1925, the respondent filed its petition in the United States Circuit Court of Appeals, Second Circuit, for a review of the order to cease and desist. The commission, on February 1, 1926, moved the court to direct that the petition be made more definite and certain. After argument, this motion was granted, in part, and thereafter, on February 18, 1926, an amended petition for review was filed by the corporation.

At the close of the fiscal year the case awaits the filing of briefs and argument before the Court of Appeals.

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

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

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

(3) By notifying other customers, in case of refusal by respondent of further sales to price cutters, of such refusal and requiring them not to sell such price cutters on pain of themselves being refused further sales

(4) By employing its sales agents to assist in such plan by reporting dealers who have failed to observe its resale prices, and to secure adherence thereto from customers or prospective customers, and furnishing said agents the names of customers to whom it has refused further sales because of price cutting, and instructing them not to sell to such customers.

(5) By requiring an extra price for its product from price cutters in order to secure from them assurance of their future observance of its resale prices as a condition of reinstatement on the regular basis; or

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

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

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

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

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

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

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

CASES IN COURTS OF DISTRICT OF COLUMBIA

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

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

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

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

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

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

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

On the day prior to the hearing set for Chicago, Ill., the Millers National Federation, on behalf of its members, filed a petition in the Supreme Court of the District of Columbia, praying for a temporary restraining order and a temporary injunction restraining the com-

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

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

DIVISION OF TRADE PRACTICE CONFERENCES

OUTLINE OF PROCEDURE

Outstanding among the activities of the commission during the year is the creation of the division of trade practice conferences.

This division has taken over the trade practice conference work which heretofore has been scattered among several divisions and has coordinated, expedited, and facilitated the holding of such conferences with a view to encouraging closer cooperation between business as a whole and the commission in serving the public, particularly by extending the scope of this work within its proper sphere, by providing facilities for prompter action than was heretofore attainable, and by supplying a means through which immediate action may be taken in cases of alleged violation of rules adopted by industries at trade practice conferences.

A trade practice conference, formerly known as a trade practice submittal, provides a method of procedure whereby those engaged in an industry or business may formulate, under the direction or sanction of the commission, their own rules of business conduct. The origin of this procedure is found in an effort made several years ago to eliminate simultaneously and by consent of those engaged in a given industry practices which, in the opinion of the industry as a whole, were harmful, wasteful, or unfair.

Prior to the beginning of the present fiscal year a number of successful conferences have been held in the creamery, furniture, knit goods, typewriter, oil, jewelry, music, book, printing, cotton, and other industries, and a pamphlet covering these has been published and is available for public distribution.

This procedure has proven an expeditious and economical means of eliminating the use of unfair methods of competition from in conference representatives of a given industry who under the direction of the commission define and on a given date voluntarily and simultaneously abandon the use of a such methods, thereby a putting all competitors on an equal footing. In addition it induces moral support and actual assistance from the industry in the enforcement of the rules which the industry adopts and accomplishes at a minimum of cost and time one of the chief purposes for which the commission was created.

Since the benefits of the trade practice conference procedure have become better understood their development and growth made inevitable the formation of this new division, and on April 19 last the following order was passed and made immediately effective:

Ordered, That there be, and hereby is, created a division to be called the division of trade practice conferences, the head of this division to be called the director of trade practice conferences. There shall also be an assistant head called the assistant director, who shall assist in the performance of the duties of the director, and who, in the absence of the director, shall function as acting director. He shall have such other assistance as may be assigned him by the commission.

The work of this division and the duties of the director shall be such as hereinafter are set forth and as may be involved in the following modification of the procedure regarding trade practice submittals or conferences:

1. Whenever the commission shall conclude that a trade practice submittal or conference is desirable, or whenever an application for a trade practice submittal or conference shall come to the commission, the same shall be referred to this division. Further, whenever it shall come to the attention of, the chief counsel, the board of review, the chief examiner, or the chief trial examiner that a trade practice, deemed to be unfair to competitors and/or prejudicial to the public is prevalent in an industry, report of such fact shall be made forthwith to the commission and be referred to this division.

2. Upon such reference the director shall make an investigation for the purpose of ascertaining the extent of the practice in the industry and make a report direct to the commission together with a recommendation as to the advisability of holding a conference or submittal.

3. Upon receipt of such report from the director, the commission shall determine whether a trade practice conference (or submittal) shall be held and when a conference is to be held, shall order the director to arrange therefor.

4. Thereupon the director shall call such conference at a time and place to be determined upon by him, shall give notice thereof to members of the industry, and shall preside over and conduct such conference unless a commissioner shall be designated to so preside.

5. The director shall make a report to the commission of the action taken at any such conference with his recommendation for action of the commission thereof.

6. In addition, the director shall communicate or confer with as many members of the industry as possible who were not represented at or who did not participate in such conference and endeavor to procure their assent to and compliance with, the action taken by the conference and approved by the commission.

7. The director shall, so far as practicable, keep informed as to how the action taken at the conference and approved by the commission is being conformed to by the members of the industry. He shall promptly investigate and report directly to the commission any violation thereof, irrespective of whether the person violating the rules had subscribed thereto. The report of the director showing such violation shall be the basis upon which the commission may issue its complaint.

8. The chief counsel, the board of review, the chief examiner, the docket section, and the secretary to the commission shall, as promptly as practicable, convey to the commission all information they may now have of the character covered by paragraph 1 hereof, to the end that all applications for a trade practice conference (or submittal) now pending and all such information as to matters pending before the commission may be referred to this division for the procedure hereinabove outlined.

9. When the commission shall have determined its action in the matter of the conference or submittal, the secretary shall notify the industry of the commission's action, and also give the action taken the widest publicity.

10. The secretary shall cause to be established and maintained in the docket section such records and files as may be necessary in connection with this resolution.

11. At the conclusion of each such conference the heads of the several divisions shall report to the commission the application of such conference to any matter in their charge together with a recommendation.

The first trade practice conference was held in 1919. From that time to the beginning of the present fiscal year 20 conferences have been held, or an average of approximately three a year. The necessity for a more expeditious handling of this work is illustrated by the fact that during its short existence applications for conferences have reached this new division from 23 industries or lines of business, and, although not yet fully organized, the status of these applications, as this report goes to press, is as follows:

Conferences have been held for the watchcase, butter, eggs and poultry, and cheese industries. An application for a conference with correspondence schools has been disposed of by withdrawal. Preliminary investigation disclosed that conferences for direct-selling companies, and master bookbinders and paper rulers are not feasible at this time. Conferences for the fur industry and blanket industry have been ordered. Actions on applications for conferences for the jewelry catalogue houses, steel, textile, and lumber companies, manufacturers of mops, manufacturers of hat frames, cigars, platinum alloys, wicker furniture, toys, drugs, and zinc product industries are awaiting preliminary inquiry and report.

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

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

SUMMARY OF WORK, 192 6

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

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

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

METHODS OF COMPETITION CONDEMNED

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

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

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

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

Making unduly large contributions of money to associations of customers.

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

Procuring breach of competitors' contracts for the sale of products by misrepresentation or by other 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 them in business.

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

The use of false or misleading advertisements.

Making vague and indefinite threats of patent-infringement suits against the trade generally, the threats being couched in such general language as not to convey a clear idea of the rights alleged to be infringed, but nevertheless causing uneasiness and fear in the trade.

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.

False claims to patent, trade-mark, or other rights or misrepresenting the scope thereof; appropriating and using trade-marks wrongfully.

Intimidation for the purpose of accomplishing enforced dealing by falsely charging disloyalty to the Government.

Tampering with and misadjusting the machines sold by competitors for the purpose of discrediting them with purchaser.

Trade boycotts or combinations of traders to prevent certain wholesale or retail dealers or certain classes of such dealers from procuring goods or 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 of products, facilities, or business of one manufacturer or dealer for those of another by imitation of product, dress of goods, or by simulation or appropriation of advertising or of corporate or trade names, or of places of business, and passing off by a manufacturer of an inferior product for a superior product theretofore made, advertised, and sold by him.

Unauthorized appropriation of the results of a competitor's ingenuity, labor, and expense, thereby avoiding costs otherwise necessarily involved in production.

Preventing competitors from procuring advertising space in newspapers or periodicals by misrepresenting their standing or other misrepresentation calculated to prejudice advertising mediums against them.

Misrepresentation in the sale of stock of corporations.

Selling rebuilt machines of various descriptions, rebuilt automobile tires, and old motion-picture films slightly changed and renamed as and for new products.

Harassing competitors by requests, not in good faith, for estimates on bills of goods, for catalogues, etc.

Giving away of goods in large quantities to hamper and embarrass small competitors, and selling goods at cost to accomplish the same purpose.

Sales of goods at cost, coupled with statements misleading the public into the belief that they are sold at a profit.

Bidding up the prices of raw materials to a point where the business is unprofitable for the purpose of driving out financially weaker competitors.

The use by monopolistic concerns of concealed subsidiaries for carrying on their business, such concerns being held out as not connected with the controlling company.

Intentional appropriation or converting to one's own use of raw materials of competitors by diverting shipments.

Giving and offering to give premiums of unequal value, the particular premiums received to be determined by lot or chance, thus, in effect, setting up a lottery.

Schemes and devices for compelling wholesalers and retailers to maintain resale prices on products fixed by the manufacturer.

Combinations of competitors to enhance prices, maintain prices, bring about substantial uniformity in prices, or to divide territory or business, or to put a competitor out of business, or to close a market to competitors.

Acquiring stock of another corporation or corporations where the effect may be to substantially lessen competition, restrain commerce, or tend to create a monopoly.

Various schemes to create the impression in the mind of the prospective customer that he is being offered an opportunity to make a purchase under unusually favorable conditions, when such is not the case, such as

(1) Sales plans in which the seller's usual price is falsely represented as a special reduced price made available on some pretext, for a limited time or to a limited class only.

(2) The use of the "free" goods or service device to create the false impression that something is actually being thrown in without charge when, as a matter of fact, fully covered by the amount exacted in the transaction taken as a whole.

(3) Sales of goods in combination lots only with abnormally low figures assigned to staples, the prices of which are well known, and correspondingly highly compensating prices assigned to staples, the cost of which is not well known.

(4) Sale of ordinary commercial merchandise at usual prices and profits, as pretended Government war surplus offered at a bargain.

(5) Use of misleading trade names calculated to create the impression that a dealer is a manufacturer, selling directly to the consumer, with corresponding savings.

(6) Plans ostensibly based on chance, or services to be rendered by the prospective customer, whereby he may be able to secure goods contracted for at particularly low prices, or without completing all the payments undertaken by him, when as a matter of fact such plans are not carried out as represented and are a mere lure to secure his business.

(7) Use of pretended exaggerated retail prices in connection with, or upon the containers of, commodities intended to be sold as bargains at lower figures.

(8) Falsely claiming forced sale of stock, with resulting forced price concessions, when as a matter of fact there is mingled with the customary stock inferior goods, and other methods are employed so that as a matter of fact no such concessions are in fact accorded.

Seeking to cut off and hamper competitors in marketing their products through destroying or removing their sales display and advertising mediums.

Discriminating in price, with the effect of substantially lessening competition. Subsidizing public officials or employees through employing them or their relatives under such circumstances as to enlist their interests in situations in

which they will be called upon by virtue of their official position to act officially, making unauthorized changes in proposed municipal bond issues, corrupting public officials or employees and forging their signatures, and using numerous other grossly fraudulent, coercive, and oppressive practices in dealing with small municipalities.

Suggesting to prospective customers the use of specific, unfair, and dishonorable practices directed at competitors of the seller.

Imitating or using standard containers customarily associated in the mind of the general purchasing public with standard weights of the product therein contained, to sell to said public such commodity in weights less than the aforementioned standard weights.

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 concern, etc.

Misrepresenting in various ways the advantages to the prospective customer of dealing with the seller, 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) False claim of "no extra charge for credit."

(6) Of being manufacturers' representative and outlet for surplus stock sold at a sacrifice, etc.

Tying or exclusive contracts, leases, or dealings, in which, in consideration of the granting of certain rebates or refunds to the customer, or the right to use certain patented equipment, etc., the customer binds himself to deal only in the products of the seller or lessor,

Showing and selling prospective customers articles not conforming to those advertised, in response to inquiries, without so stating.

Direct misrepresentation of the composition, nature, or qualities of the product offered and sold.

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, price lists or guides, exchange of trade information, etc.

Securing business through undertakings not carried out and through dishonest and oppressive devices calculated to entrap and coerce the customer or prospective customer, such as--

(1) Securing prospective customer's signature by deceit to a contract and promissory note represented as simply an order on approval, securing agents to distribute the seller's products through 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, etc.

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

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

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

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

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

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

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

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

ECONOMIC DIVISION

The economic division is organized primarily to conduct general inquiries called for by the President, by either house of Congress, or by the commission, under section 6 of the Federal Trade Commission act. This may be found on page 86 of this report. This was to be the sole function of the commission according to the bill first prepared for this purpose by the Committee on Interstate and Foreign Commerce in 1914, and this bill was passed in that form by the House of Representatives. In other words, the commission as first contemplated was to be a continuation of the Bureau of Corporations and the original bill as well as the final law provided that it should take over the personnel, records, and unfinished work of the said bureau. Hence the economic division is practically a continuation of the Bureau of Corporations and has had similar work, especially general inquiries relating to restraints of trade, monopolies, unfair business practices, business methods, and business organization. The results of these inquiries have been published in printed reports, often with suggestions of remedial legislation or for the constructive self-correction of abuses by the business interests concerned.

During the fiscal year ended June 30, 1926, inquiries were conducted relating to the following subjects:

Grain trade.--Inquiry initiated by the direction of the President and continued by the commission.

National wealth and income.--Inquiry directed by Senate Resolution 451 (67th Cong., 4th sess.), February 28, 1923.

Bread and flour industries.--Inquiry directed by Senate Resolution 163 (68th Cong., 1st sess.), February 16, 1924.

Electric power industry.--Inquiry directed by Senate Resolution 329 (68th Cong., 2d sess.), February 3, 1925.

Open price associations.--Inquiry directed by Senate Resolution 28 (69th Cong., special sess.), March 10, 1925.

Petroleum prices.--Inquiry directed by Senate Resolution 31 (69th Cong., 1st sess.), June 3 1926.

Lumber trade associations.--Inquiry directed by the commission, January 4, 1926.

At the close of the year the first two inquiries had been completed; the report on national wealth and income was submitted to the Senate on May 25, 1926, while the report on the grain trade

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

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

NATIONAL WEALTH AND INCOME

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

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

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

The national wealth is estimated in 1922 at 353 billion dollars and the national income in 1923 at 70 billion dollars. The increase in national wealth from 1912 to 1922, as measured in dollars, is reckoned in the report at about 72 per cent, but if allowance is made for changes in the purchasing power of the dollar the real increase for the 10-year period was nearer 13 per cent as compared with about 15 per cent increase in population. For the year 1922 the report estimates that the national wealth consisted of 122 billions of land values, exclusive of improvements, or 35 per cent of the total; 108 billions is the estimate for improvements on the land, and 123 billions for movable goods of all kinds. Of the total real-estate value of 230 billions, about 42 billions is tax-exempt, and belongs chiefly to the government--Federal, State, and local. The wealth of nonprofit institutions--religious, benevolent, and educational--is estimated in the report at 14.5 billion dollars.

The report also estimates the amount of wealth according to various uses--wealth in agriculture, for example, comprised about 18 per cent of the total, in manufacturing and mining about 14 per cent, and in railroads and other public utilities about 13 per cent. The largest share consists of dwellings and other goods used for personal necessities and enjoyment--reckoned at over one-fourth of the total.

The wealth of corporations is developed in the report on the basis of special statistics obtained from the Treasury Department, and an aggregate amount of 102 billion dollars is shown for book values in 1922. Manufacturing corporations had the largest amount, estimated at nearly 34 billion dollars, among which the producers of various metals and metal products were the most important. The railroad corporations had a greater amount of wealth than any other single industry and much the largest average amount per company. The report states that the ownership of corporations, as shown by the number of shareholders, is generally widely distributed. Returns from 4,367 corporations, with a combined capital stock of more than 9 billion dollars and an aggregate of 1,074,851 holdings of common stock, give an average holding of common stock of \$6,969 and of preferred of \$5,211. Excluding corporations, trustees, brokers, and all foreign holders, over 90 per cent of the common stock was in the 'lands of individuals; corporations had only 1.1 per cent.

The discussion of national income consists of two main parts--first, an estimate of the total national income by branches of economic activity, and second, a special analysis of the income reported under the Federal income tax law. The amount of income reported by the Treasury in its preliminary report on statistics of income for 1923 was 31 billion dollars, based on the returns of those persons

required to make reports. The total amount so reported was considerably less than one-half of the estimated total income of the entire population. The population receiving or participating in the enjoyment of this income was about one-sixth of the total of the country. Three-fourths of this amount of income was reported by persons with less than \$10,000 income, and less than 4 per cent by persons with an income over \$100,000.

The income reported in the income-tax returns is classified into several groups, such as (1) wages and salaries; (2) business and partnership profits; (3) rents, royalties, interest, and dividends; and (4) profits from the sale of real estate, stocks, and bonds, etc. Of these, wages and salaries are the most important for the grand total of income reported and constituted the bulk of income for persons having less than \$10,000 a year in 1920, 1921, and 1922.

The total national income is estimated for the years 1918 to 1923. The amount for 1923 was about 70 billion dollars, as already noted; the lowest amount was about 53 billion dollars in 1921, and the highest amount was about 75 billion dollars in 1920. These marked variations are partly due to the marked fluctuations in prices, showing changes in the value of the dollar. If dollars of more nearly equal purchasing power are taken (using a cost of living index with 1923 as a basis), the 70-billion-dollar income in 1923 should be compared with a 51-billion-dollar income in 1921 and 61 billion dollars in 1920. While there was an increase in national income between 1918 and 1923, on either basis of comparison, of nearly 10 billion dollars, or about 15 per cent, there was also an increase in population of about 6 per cent, which affects the net increase in the income per capita. Of the estimated income in 1923 of 70 billion dollars, 42 per cent is attributed to manufacturing, mining, and construction industries, nearly 14 per cent to agriculture, and about 12 per cent to merchandising. The division of the total national income between labor and capital, before deducting any taxes payable by either of them, is given as 55 per cent in wages and salaries and 45 per cent in profits, rent, and interest for 1923. Labor's proportion was lowest in 1918 and capital's proportion was lowest in 1921. These proportions are also shown for different branches of industry, and varied very widely. Thus in agriculture the share going as wages is quite small because most of the work is done by the farmer and his family, but the share of wages and salaries in the railroad business was nearly 70 per cent in 1923, and in the construction industry it was over 90 per cent.

The report also analyzes the amount of corporation income as disclosed by the income-tax returns from 1916 to 1923, which ranged from over 10 billion dollars profit in 1917 to only a little

more than a billion dollars in 1921. The rate of return of such corporation income, on the "fair value" of the outstanding corporation capital stock as computed by the Treasury, was 7.9 per cent in 1922, but varied widely among the various branches of business.

In preparing this report the commission utilized the extensive and varied data published by the Departments of the Treasury, Agriculture, and Commerce and supplemented their data by such special inquiries as were seemed desirable in order to develop the particular information required. Great care was exercised to prevent any duplication of work.

GRAIN TRADE

The final volume of the commission's report on the grain trade was completed and sent to the Public Printer during the fiscal year.

This volume (Vol. VII) contains conclusions and recommendations referring to the subject matter of the entire report, but especially such as relate to future trading methods and practices. Various uses of the futures markets, especially hedging, are described, and effects on prices of future trading in general, and of various types of such trading, especially possibilities of manipulation, are considered. Facts regarding quantities of future trades made through the several classes of clearing-house members for certain periods and of open trades are presented. Data for a large volume of individual trades are subjected to statistical analysis with reference to the length of time they are held open, the size of per bushel gains and losses, etc. The direct cost of future trading (commissions, etc.) is estimated to amount to \$20,000,000 a year or more for the Chicago Board of Trade alone. Costs incidental to the use of futures markets for gambling are believed to be very much more important.

The recommendations made take largely the form of suggestions intended to be concretely formulated and put into effect by the exchanges, either of their own initiative or through the exercise of the regulatory powers of the Secretary of Agriculture. It is believed that, although it is impossible to prevent all unwise speculation, a duty rests upon the exchanges and upon their members to keep out incompetent speculators so far as possible, as much because of the undesirable effects of their presence upon the market as because of the generally unfortunate consequences of their trading to themselves. Claims made on behalf of future trading that the practice stabilizes prices are not regarded as substantiated. It is suggested that the market will function better, and that especially there will be less meaningless price fluctuation, if the various "technical" factors are reduced in importance through more defi-

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

ELECTRIC POWER

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

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

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

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

By the close of the fiscal year the field investigation was nearly completed and a beginning made in the preparation of a draft report.

BREAD, FLOUR, AND GRAIN

By Senate Resolution 163 (68th Cong., 1st sess.), the commission was directed to investigate the production, distribution, transportation, and sale of flour and bread; to ascertain 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; and to inquire into developments in the direction of monopoly and concentration of control in the milling and baking industries, together with evidence indicating violation of the antitrust laws.

This inquiry was divided into three parts for greater convenience in conducting it. These parts are grain marketing, flour milling and bread baking. A large part of the investigatory work on the various parts of this whole inquiry was completed during the fiscal year ending June 30, 1925. The work was in abeyance, however, from July to November, 1925, awaiting an opinion from the Attorney General of the United States as to whether further expenditures could be made in prosecuting this inquiry in view of the restrictions in the appropriation act for the fiscal year ending June 30, 1926.

Grain marketing.--Great difficulty was experienced in obtaining cooperation from certain grain marketers, namely, the larger line

and terminal grain-elevator companies, most of them refusing to permit agents of the commission to secure the necessary data from their records. However, from the data obtained directly by the commission and from other sources considerable information as to the margins of grain-elevator companies was secured, as well as pertinent data regarding marketing and transportation costs to central markets.

Flour milling.--On the flour-milling portion of the inquiry a preliminary report was prepared in March, 1926. This report is incomplete, because certain large milling companies refused to cooperate. In order to secure the information needed, subpoenas were served in April, 1926, upon officers of the Millers' National Federation and of the Washburn-Crosby Co., calling for the production of certain definitely described and specified papers relating to alleged violation of the antitrust acts. The Millers' National Federation secured a restraining order on the commission on April 28, 1926, in the Supreme Court of the District of Columbia. The power of Congress to authorize the commission to use subpoenas in the course of a general investigation was deemed and constitutes the most important issue. Final argument was heard on a motion for a temporary injunction on June 24, 1926. On September 22, 1926, the court granted a permanent restraining order against the commission, with respect to which the commission has noted an appeal to the Court of Appeals of the District of Columbia.

On May 7, 1926, the commission sent the preliminary report on the flour-milling industry to the Senate. The more important findings of the commission in this preliminary report relate to activities to restrict competition but it contains also certain summary data on costs and profits. The activities to restrict competition among flour millers, as described in the report, relate chiefly to the following matters:

- (1) Agreements, understandings, or cooperation to sell at a profit.
- (2) Exchange of information on selling prices in order to prevent competitive price cutting.
- (3) Agreements, understandings, or cooperation to fix the elements of selling prices.
- (4) Agreements, understandings, or cooperation to fix uniform differentials on prices of flour sold in packages of different sizes or for flour in different containers. These lists were prepared by a committee of the Millers' National Federation and changed from time to time.
- (5) Agreements, understandings, or cooperation regarding forward delivery and carrying charges.

The final conclusions of the commission with respect, to the flour industry were reserved in the hope that the important documentary evidence called for by the commission under subpoena, but which

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

Bread.--In respect to bread, the inquiry was directed in part to a study of a pronounced involvement in the consolidating of wholesale baking companies. This movement has been in progress for more than 15 years, but recently it has assumed a much greater significance. Attention was also given to methods of marketing bakery products by wholesale companies and by "house-to-house" retail companies. This is important in connection with the study of the Methods of competition prevailing in the baking industry, which are also a subject of inquiry. Financial results have been compiled for the principal wholesale baking companies for recent years showing average costs and prices per pound and average profits on investment. By the end of the fiscal year the inquiry had been nearly completed and a draft report was partly prepared.

OPEN PRICE ASSOCIATIONS

The inquiry into open price associations was instituted in response to Senate Resolution 28 (69th Cong., special session) of March 11, 1925. On account of doubt as to the commission's authority to proceed under the terms of the appropriation act for the fiscal year 1925-26, the inquiry into open price associations was not begun until November, 1925, following the approval of the Attorney General.

Questionnaires were sent by the commission to several thousand trade associations requesting them to report as to the various branches of activity in which they were engaged and especially to indicate the characteristics of their statistical activities. These schedules are being used as the basis for field work on open price associations. Work on other types of trade associations is limited to what is necessary in order to elucidate the problems indicated in the Senate resolution. The work to be done in the field is extensive, but on account of shortage of funds it was necessary to proceed slowly. An important feature of the inquiry is the study of the statistical work of open price associations, including statistics of prices, production, stocks, etc. This involves the analysis of the effects of open price activities upon prices by statistical methods, including comparisons with other types of trade associations.

LUMBER TRADE ASSOCIATIONS

A few years ago, at the request of the Department of Justice, the commission investigated several lumber trade associations. Reports regarding their activities tending to restrain trade were transmitted to the Department of Justice, which made supplemental investigations and instituted several suits for violation of the antitrust laws against certain of these associations. On account of the decisions of the Supreme Court in the Cement and Maple Flooring causes, these suits were dropped. On January 4, 1926, the commission directed

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

PETROLEUM PRICES

By Senate Resolution 31 (69th Cong., 1st sess.), adopted June 3, 1926, the commission was directed to investigate and report to the Senate at the next session of Congress: "The very material advances recently made in the price of crude oil, gasoline, kerosene, and other petroleum products and whether or not such price increases were arbitrarily made and unwarranted; * * * whether or not there has been any understanding or agreement between various oil companies or manipulations, thereby to raise or depress prices or any conditions of ownership or control of oil properties or of refining and marketing facilities in the industry which prevent effective competition and "the profits of the principal companies engaged in the producing, refining, and marketing of crude oil, gasoline, kerosene, and other petroleum products during the years 1922, 1923, 1924, and 1925, and also such other matters as may have bearing upon the subjects covered by the provisions of the resolution."

Work on this inquiry was started immediately, especially in preparing schedules calling for pertinent statistical and accounting data for producers, refiners, and marketers of petroleum products.

COOPERATION WITH THE LEGAL STAFF

In the conduct of certain inquiries and proceedings in charge of the legal staff, considerable assistance was furnished by the economic division through details of its personnel. Among the more important instances were the Bethlehem-Lackawanna Steel Merger case, the Utah-Idaho Sugar Co. case, the Continental Baking Co. case, the Aluminum Co. of America case, the inquiry into alleged unlawful discriminations against cooperative organizations of tobacco growers, directed by Senate Resolution 329 (68th Cong., 2d sess.), and the general inquiry into cooperative associations directed by Senate Resolution 34 (69th Cong., special session).

COOPERATION WITH OTHER BRANCHES OF THE GOVERNMENT

A few instances members of the staff of the economic division were called upon by other branches of the Government. Thus, a member of the staff was called upon by the Department of Justice for testimony regarding the petroleum industry in *United States v. Standard Oil Co. et al.*, in the Patent Cross-Licensing case. Also, in connection with certain hearings of Senate Committees on the Judiciary and of Interstate Commerce, members of the staff were called and examined.

EXPORT TRADE DIVISION

EXPORT TRADE ACT

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

PROVISIONS OF THE LAW

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

either in the United States or elsewhere, enter into any agreement, understanding, or conspiracy, or do any act which artificially or intentionally enhances or depresses prices within the United States of commodities of the class exported by such association, or which substantially lessens competition within the United States or otherwise restrains trade therein.

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

ASSOCIATIONS FILING PAPERS DURING THE YEAR

Export associations organized during the fiscal year are the Salmon Export Corporation, of Seattle, Wash.; the American Brake Beam Manufacturers' Export Association, of West Nyack, N. Y., and the California Dried Fruit Export Association, of San Francisco, Calif. Several other concerns have such an organization under consideration.

Fifty-one associations filed papers with the commission during the year:

American Brake Beam Manufacturers' Export Association, West Nyack, Rockland County, N. Y.

American Corn Products Export Association, New York City.

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

EXPORTS DURING 1925

Exports during 1925 by associations reporting to the commission totaled about

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

during the previous year, this in spite of the fact that in a good many instances prices were lower in 1925.

Copper, cement, phosphate rock, crude sulphur, soda pulp, and alkali exported by Webb law associations during 1925 totaled about 1,400,000 long tons, valued at \$57,000,000. Machinery, locomotives, railway equipment, pipe fittings, and valves were valued at about \$4,000,000. Lumber (about 890,000 M feet of pine, fir, redwood, gum-wood, oak, walnut, etc.), naval stores, and wood products totaled about \$38,000,000. Foodstuffs, including milk, meat, sugar, corn products, flour, and dried fruit, totaled about 998,000,000 pounds, valued at \$42,000,000. Paper, abrasives, rubber goods, cotton, webbing, furniture, paint and varnish, buttons, clothespins, and general merchandise amounts to about \$24,500,000.

Competition abroad is said to be very keen. The aggressive policy of European manufacturers in increasing their export trade, the ability of German and Belgian manufacturers to undersell in practically all markets, the lower labor costs and increased capacity of mills in Japan and China, and a general tendency by foreign countries to increase tariff rates are cited as handicaps which American exporters are attempting to meet through cooperative selling.

Webb law associations have the advantage of economy in sales expense, standardization of materials, uniformity in methods of packing, stamping, and handling of shipping documents, and centralization of inquiries and orders which is conducive to more prompt deliveries and better all-round service to customers. One association reports that "Foreign business in any volume would be impossible without the association."

Trade promotions carried on through the united efforts of combining exporters. One association reports that \$30,000 was spent during 1925 for exploitation in foreign markets, which expense was apportioned throughout the membership and was therefore not a burden upon any one company.

Restriction of the practice of selling on consignment is said to have been a real accomplishment of inestimable value in some industries. As reported by a lumber company:

If our members were operating separately, they would also probably send consignments, which is the curse of the export business and a wrecker of a stable market.

The quality of American products is being raised by export associations to an increasingly high level. As stated by an association exporting food products:

We are striving to place the quality of goods in foreign markets that is second to none, and the facilities allowed under the Webb Act will thus be directly instrumental in assisting American manufacturers to retain and largely extend their foreign trade, despite heavy competition.

SECTION 6(H) OF THE FEDERAL TRADE COMMISSION ACT

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

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

TRADE LEGISLATION IN FOREIGN COUNTRIES DURING THE LAST YEAR

The Norwegian law regarding the control of competition, restrictions, and abuse of prices, passed by the Parliament on February 26, 1926, was approved by the King on March 12, and will become effective on July 1, 1926. This act takes the place of the provisional law of August 6, 1920, and provides for the establishment of a control bureau and a control council. These authorities are empowered to require reports and evidence regarding mergers of firms, binding or controlling agreements for the purpose of regulating prices, production or marketing conditions, or other information of sufficient importance to influence marketing conditions in Norway. For this purpose, business books and papers may be demanded by the control authorities or confiscated by the police if necessary. Industries are forbidden to fix or accept prices or compensation that may be considered improper. The control council may prohibit the fixing of minimum prices for further sale in cases where such prices can be regarded as causing an increase. A merger restricting competition may be ordered dissolved by the control council if it is established that it exercises a harmful influence on price, production, and marketing conditions in the country, or if its operating methods are considered improper. The law forbids business boycotts which tend to prejudice public interests, cause an unreasonable state of affairs, or appear unjust toward the boycotted firm. It also prohibits contracts granting exclusive or preferential terms which tend to prejudice the public interests or operate unfavorably toward other concerns. Appeal from orders of the control council may be made to a board of appeals appointed by the King, comprising five members, the chairman of which shall have the authority of a supreme court judge.

On April 15, 1926, the German Reichstag passed a law providing for the establishment of a "Committee for the investigation of German industrial and commercial conditions," which shall have very

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

The International Union for the Protection of Industrial Property, formed by a convention signed at Paris in 1883, modified at Brussels in 1900 and at Washington in 1911, held meeting at the Hague on November 6, 1925, and revised the convention, the new draft to be ratified by the signatory countries. The original convention was signed by the United States of America, Germany, Austria-Hungary, Belgium, United States of Brazil, Cuba, Denmark, Dominican Republic, Spain, France, Great Britain, Italy, Japan, United States of Mexico, Norway, Netherlands, Republic of Portugal, Serbia, Sweden, Switzerland, and Tunis. Canada, Greece, Syria, and Lebanon afterwards joined the union. The proposed amendments will include revision of article 10 bis which previously read, "All the contracting parties agree to assure to the members of the union all effective protection against unfair competition" and will now be changed to read as follows:

The contracting countries are bound to assure to nationals of the union an effective protection against unfair competition. Every act of competition contrary to honest practice in industrial or commercial matters constitutes an act of unfair competition. The following particularly are to be forbidden: (1) All acts whatsoever of a nature to create confusion, by no matter what means, with the goods of a competitor; (2) false allegations, in the course of trade, of a nature to discredit the goods of a competitor.

A new merchandise marks (imported goods) bill is pending in the British Parliament which would provide for the marking of goods in such mu way that the consumer can not fail to understand as to whether they are "home produce, empire goods, or foreign merchandise."

In Czechoslovakia an antitrust law has been drafted, which has been given considerable attention within the past year by the Ministry of Justice and the Ministry of Food Supplies. The Ministry of Commerce has also drawn up a bill against illicit competition.

In New Zealand a dairy produce control board, similar to that in Australia, has been established, which shall exercise control of sales of all dairy produce exploited to Great Britain, Europe, and North America, as from August 1, 1926.

An important case was tried in New Zealand during the past year against firms engaged in the manufacture, sale, and distribution of flour and by-products, under the commercial trusts act of 1910. The Crown sought to show that by placing restrictions upon the output of individual mills, by the partial elimination of the choice of brands and qualities of flour available to users, by the production and forced sale at maximum prices of flour of unsatisfactory quality, and by its operations, generally the trust was of a harmful nature. The defense claimed that such activities were in their effect of little detriment, and that compensating benefits must be considered. It was further claimed that the unsatisfactory condition of the industry necessitated some such combined action on the part of producing firms, and that had such action not been taken, the industry would have suffered from ruinous competition. Decision in the lower court was in favor of the defendants, but upon appeal to the supreme court this action was reversed and the flour companies were fined £50 each. An injunction against the continuance of the trust was held over pending an appeal to the privy council.

An amendment has been proposed to the Constitution of Australia which would empower the Parliament to make laws with respect to trusts, combinations, and monopolies and would further provide for the acquisition and operation, under control of the Common wealth, of any business which the Parliament may deem the subject of monopoly.

FOREIGN TRADE COMPLAINTS

In the interest of the foreign commerce of this country, the Federal Trade Commission investigates complaints against American importers and exporters which may be reported by American consulates or trade offices in foreign countries, chambers of commerce and other trade associations, or by private individuals. Such investigations are made informally, without publicity, and the facts ascertained are reported back to the foreign country through representatives of the United States Departments of State and Commerce.

During the fiscal year ending June 30, 1926, 62 such complaints were handled, of which 16 were still pending on July 1. These inquiries involved imports of walnuts from Rumania, sheep sausage casings from India, cotton goods from Switzerland, reed furnishings, china, soldering iron. and rubber goods from Germany; and exports of hardware and umbrella sticks to Canada, picture slides to England, clothing and honey to Sweden, rubber goods and sugar to France; leather, molasses, and musical instruments to Greece; tin boxes to Italy, typewriters to Egypt, clothing to Cuba. oranges to Peru, cartridges to Brazil, pianos to Argentina, toilet articles to

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

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

The following may be illustrative of a complaint against an American importer, investigated during the past year: In December, 1923, a Rumanian shipped to the United States a consignment of shelled walnuts to be sold on a commission basis, according to contract with the American consignee. Shortly afterwards the American concern went out of business and repeated inquiries from Rumania failed to result in reply or a settlement of the account. Upon appeal to the American consulate in Rumania and inquiry by the commission in this country, the bill of sale and other records were located, and it was ascertained that a net amount of about \$200 was due the foreign complainant. Although the American company had retired from business, its former president was located, and the commission's inquiry resulted in a satisfactory agreement between the disputing parties for payment of the balance due. The sum in this case was perhaps too small to warrant litigation, but the respondent's failure to settle or to reply to inquiries would have had a serious effect upon the reputation of American tradesmen in the locality of the foreign complainant.

As an illustration of a complaint against an American exporter may be cited that of a French company that ordered rubber goods to the amount of about \$1,200, for which payment was made in full in July, 1925. The goods, however, were not shipped and the foreign purchaser appealed to the United States Government for an inquiry into the matter, with a somewhat bitter denouncement of the commercial reputation of American traders in general and the respondent company in particular. Upon investigation it was found that the American concern was a small company just beginning business at the time that the order was placed. Further delay was caused by the fact that it was necessary to secure special medallions or dies for making up the merchandise. The complainant's confidence was restored by the Government's report on the facts of the case, and

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

The efforts of the Government along this line have been commended by commercial organizations in this country, and the foreign offices of the United States Department of State report that the work is of great value in preventing ill will abroad and promoting confidence in American goods and tradesmen.

THE LIAISON COMMITTEE

A representative of the Federal Trade Commission attends a bimonthly conference of the liaison committee, composed of members from all offices and departments of the United States Government that are concerned with foreign trade. Reports and discussions serve to keep each office informed, to promote cooperation, and to prevent duplication in the foreign-trade activities of the several departments.

ADMINISTRATIVE DIVISION

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

PERSONNEL

Under presidential commission dated September 18, 1925, Mr. Charles W. Hunt, of Iowa, was given a recess appointment as commissioner, succeeding himself, effective September 26, 1925, under which appointment he took oath of office September 23, 1925. On December 16, 1925, the Senate received the President's nomination of Mr. Hunt as commissioner for a term expiring September 25, 1932. He was confirmed March 10, 1926 (legislative day of March 9, 1926). Under this commission he took oath of office March 16, 1926.

In accordance with the usual practice of selection by rotation, Mr. Nugent became chairman of the commission on December 1, 1925, to serve for one year, succeeding Mr. Van Fleet. At the same time Mr. Hunt was chosen vice chairman.

On June 30, 1926, the total personnel numbered 312—a figure which has been practically stationary for the past six years. Of these 178 were under civil service, and 134 held excepted position. The salary roll totaled \$871,060. The provisions of the retirement law applied to 200 employees. Of the total number of employees 164 were engaged in executive and administrative work, 91 were attorneys, 29 were economists, and 28 were accountants. There were 95 women employees. During the year 38 employees, or 12 per cent, left the service, and 41 new employees entered upon duty.

A statement of the personnel, including commissioners, at the end of each fiscal year since the organization of the commission is given below :

June 30, 1915	143	June 30, 1921	315
June 30, 1916	224	June 30, 1922	318
June 30, 1917	214	June 30, 1923	308
June 30, 1918	663	June 30, 1924	314
June 30, 1919	376	June 30, 1925	314
June 30, 1920	418	June 30, 1926	317

PUBLICATIONS

The following publications, were issued during the year:

Annual Report for the Fiscal Year ended June 30, 1925, December 10, 1925: 257 pages.

Premium Prices of Anthracite, July 6, 1925; 97 pages

Trade Practice Conferences, July 6, 1925; 64 pages.

Report on the degree of concentration in the ownership, etc., by the American Tobacco Co. and the Imperial Tobacco Co.; and also the relation of these companies to tobacco cooperative associations. This report was prepared in response to Senate Resolution 329 (68th Cong., 2d sess.) and is dated December 23, 1925; 129 pages (printed as S. Doc. No.34, 69th Cong., 1st sess.).

Decisions, Findings, and Orders of the Federal Trade Commission, Volume VII (November 5, 1923, to July 20, 1924), June 30, 1926; 641 pages.

Preliminary Report on Flour Milling Industry (in response to S. Res. 163, 68th Cong., 1st sess.), May 7, 1926; 148 pages.

National Wealth and Income (In response to S. Res. 45, 67th Cong., 4th sess., printed as S. Doc. 126), May 25, 1926; 381 pages.

Grain Trade, Volume VII, Effects of Future Trading, June 25, 1926; 419 pages.

Copies of these publications may be purchased from the Superintendent of Documents, Washington, D. C., for nominal sums. During the fiscal year ended June 30, 1925, 3,614 copies of reports of the commission were sold by the Superintendent of Documents for \$1,451.40. The figures for the fiscal year 1926 are not yet available.

DOCKET

In this section are kept the documents and records pertaining to the legal work of the commission. See pages 78 to 81 for statistical tables.

LIBRARY

The library has a collection of over 20,000 books, pamphlets, and bound periodicals, devoted largely to the subjects of law, economics, and industries. In addition are extensive files of clippings, leaflets, etc. The distinctive features of the economic collection are the files relating to corporation and trade-association data and files of trade periodicals for the more important industries. There is a function peculiar to the commission's library in the character of work it performs, and that is in the material it gathers in the form of pamphlets, corporation reports, association records, current financial and statistical services, catalogues, and trade lists, which are not ordinarily found in libraries of even a technical character. The greater amount is furnished gratuitously. This material furnishes a valuable adjunct to the investigatory work and is adapted to furnish leads to examinations rather than to complete and substantive information on the subject matter.

QUARTERS

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

FISCAL AFFAIRS

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

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

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

Appropriations, expenditures, liabilities, and balances

	Amount available	Amount expended	Liabilities	Expendi- tures and liabilities
Balances				
Federal Trade Commission, 1926:				
Salaries, commissioners	\$50,000.00	\$50,000.00		\$50,000.00
Printing and binding	18,000.00	12,678.85	\$5,121.15	18,000.01
All other authorized expenses	940,000.00	906,283.01	20,673.96	926,957.02
\$13,012.98				
Total, fiscal year 1926	1,008,000.00	968,961.91	25,995.11	994,957.02
13,042.98				
Unexpended balances:				
1925	13,519.33	11,714.08		
1,805.25				
1924	33,008.24	Cr. 2.20		
33,010.44				
1923	1,874.08	Cr. 2.25		
1,876.33				
Total	1,056,401.65	980,671.54		
49,735.00				

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

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

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

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

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

between costs and expenditures:

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

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

Year	Appropriations	Expenditures	Balance
1915	\$184,016.23	\$90,442.05	\$93,574.18
1916	430,964.08	379,927.41	51,036.67
1917	567,025.92	472,501.20	94,524.72
1918	1,608,865.92	1,452,187.32	
156,678.60			
1919	1,753,530.75	1,522,331.95	
231,198.80			
1920	1,305,708.82	1,120,301.32	185,407.50
1921	1,032,005.67	938,664.69	93,340.98
1922	1,026,150.54	956,632.01	69,518.53
1923	974,480.32	970,746.28	3,734.04
1924	1,010,000.00	977,018.28	32,981.67
1925	1,010,000.00	1,008,194.75	
1,805.25			
1926	1,008,000.00	994,395.73	13,604.27

TABLES SUMMARIZING WORK OF LEGAL DIVISIONS AND COURT PROCEEDINGS, 1915-1926

TABLE 1.--*Preliminary investigations*

	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926
Pending beginning of year	0	4	12	32	19	29	61	68	182	181	234	186
Request for action from public	119	265	462	611	843	1,107	1,070	1,258	1,313	1,584	1,623	1,535
Total for disposition	119	269	474	643	862	1,136	1,131	1,326	1,495	1,765	1,857	1,721
Dismissed after investigation	3	123	289	292	298	351	500	731	931	1,209	1,215	1,121
Docketed as applications for complaints	112	134	153	332	535	724	563	413	383	322	456	286
Total disposition during year	115	257	442	624	833	1,075	1,063	1,144	1,314	1,531	1,671	1,407
Pending end of year	4	12	32	19	29	61	68	182	181	234	186	314

SUMMARY

Instituted to June 30, 1926 inclusive	11,790
Dismissed after investigation	7,063
Docketed as applications for complaint	4,413
Total disposition to June 30, 1926	11,476
Pending July 1, 1926, inclusive	314

TABLE 2.--*Applications for complaint*

	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926
Pending beginning of year	0	104	130	188	280	389	554	467	458	572	565	488
Docketed during year	112	134	153	332	535	724	426	382	416	377	340	273
Closed for other reasons	0	0	0	0	0	0	0	6	6	5	4	5
Total for disposition	112	238	283	520	815	1,113	980	855	880	954	909	766
Dismissed during year	8	105	79	160	301	339	357	293	187	246	299	186
Disposed by stipulation during year	0	0	0	0	0	0	0	0	0	0	4	102
To complaints during year	0	3	16	80	125	220	156	104	121	143	118	56
Total disposition during year	8	108	95	240	426	559	513	397	308	389	421	344
Pending end of year	104	130	188	280	389	554	467	458	572	565	488	422

SUMMARY

Docketed to June 30, 1926, inclusive	4,204
Dismissed (net)	2,534
Disposed of by stipulation	106
To complaints	1,142

Total disposition to June 30, 1926, inclusive	3,782
Pending July 1, 1926	422
78	

TABLE 3.--*Complaints*

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

SUMMARY

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

COURT PROCEEDINGS--ORDERS TO CEASE AND DESIST

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

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

SUMMARY

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

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

	1919	1920	1921	1922	1923	1924	1925	1926
Pending at beginning of year	0	0	1	3	3	1	0	4
Appealed by commission	0	2	2	4	5	0	5	2
Appealed by others	0	0	0	0	2	1	1	3
Total for disposition	0	2	3	7	10	2	6	9
Decisions for commission	0	0	0	2	0	20	0	0
Decision against commission	0	1	0	0	5	1	0	0
Petitions withdrawn by commission	0	0	0	0	1	0	0	0
Writ denied commission	0	0	0	2	1	0	1	2

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

SUMMARY

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

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

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

SUMMARY

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

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

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

SUMMARY

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

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

	1919	1920	1921	1922	1923	1924	1925	1926		
Pending beginning of year	0	0	1	0	1	0	0	0	2	2
Appealed during year	0	1	0	3	0	2	9	3	3	3
Total or disposition	0	1	1	3	1	2	9	5	5	5
Decisions for commission	0	0	0	1	0	0	1	0	0	0
Decisions against commission	0	0	0	0	0	0	0	1	1	0
Petitions by commission denied	0	0	1	0	0	2	1	2	2	0
Petitions by others denied	0	0	0	1	1	0	3	2	2	2
Petitions withdrawn by commission	0	0	0	0	0	0	1	0	0	0
Total disposition during year	0	0	1	2	1	2	7	4	4	4
Pending at end of year	0	1	0	1	0	0	2	1	1	1

TABLES SUMMARIZING WORK, 1915-1926 81

SUMMARY

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

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

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

SUMMARY

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

COURT PROCEEDINGS--MISCELLANEOUS

TABLE 10.--*Mandamus, injunction, etc.--Lower courts*

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

SUMMARY

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

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

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

SUMMARY

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

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

EXHIBITS

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EXHIBIT 2.

FEDERAL TRADE COMMISSION ACT.

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

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

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

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

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

All of the expenses of the commission, including, all necessary expenses for transportation incurred by the commissioners or by their employees under their orders, in making any investigation, or upon official business in any other places than in the city of Washington, shall be allowed and paid on the presentation of itemized vouchers therefor approved by the commission.

Until otherwise provided by law, the commission may rent suitable offices for Its use.

The Auditor for the State and Other Departments shall receive and examine all accounts of expenditures of the commission.

SEC. 3. That upon the organization of the commission and election of its chairman, the Bureau of Corporations and the offices of Commissioner and Deputy Commissioner of Corporations shall cease to exist; and all pending Investigations and proceedings of the Bureau of Corporations shall be continued by the commission.

All clerks and employees of the said bureau shall be transferred to and become clerks and

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

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

SEC. 4. That the words defined in this section shall have the following meaning when found in this act, to wit:

“Commerce” means commerce among the several States or with foreign nations, or in any Territory of the United States or in the District of Columbia, or between any such Territory and another, or between any such Territories and any State or foreign nation, or between the District of Columbia and any State or Territory or foreign nation.

“Corporation” means any company or association incorporated or unincorporated, which is organized to carry on business for profit and has shares of capital or capital stock, and any company or association, incorporated or unincorporated, without shares of capital or capital stock, except partnerships, which is organized to carry on business for its own profit or that of its members.

“Documentary evidence” means all documents, papers, and correspondence in existence at and after the passage of this act.

“Acts to regulate commerce” means the act entitled “An act to regulate commerce,” approved February fourteenth, eighteen hundred and eighty-seven, and all acts amendatory thereof and supplementary thereto.

“Antitrust acts” means the act entitled “An act to protect trade and commerce against unlawful restraints and monopolies,” approved July second, eighteen hundred and ninety; also the sections seventy-three to seventy-seven, inclusive, of an act entitled “An act to reduce taxation, to provide revenue for the Government, and for other purposes,” approved August twenty-seventh, eighteen hundred and ninety-four; and also the act entitled “An act to amend sections seventy-three and seventy-six of the act of August twenty-seventh, eighteen hundred and ninety-four, entitled ‘An act to reduce taxation, to provide revenue for the Government, and for other purposes,’” approved February twelfth, nineteen hundred and thirteen.

SEC. 5. That unfair methods of competition in commerce are hereby declared unlawful.

The commission is Hereby empowered and directed to prevent persons, partnerships, or corporations, except banks, and common carriers subject to the acts to regulate commerce, from using unfair methods of competition in commerce.

Whenever the commission shall have reason to believe that any such person, partnership, or corporation has been or is using any unfair method of competition in commerce, and if it shall appear to the commission that a proceeding by it in respect thereof would be to the interest of the public, it shall issue and serve upon such person, partnerships or corporation a complaint starting its charges in their respect, and containing a notice of a hearing upon a day and at a place therein fixed at least thirty days after the service of said complaint. The person, partnership, or corporation so complained of shall have the right to appear at the place and time so fixed and show cause why an order should not be entered by the commission requiring such person, partnership, or corporation to cease and desist from the violation of the law so charged in said complaint. Any person, partnership, or corporation may make application, and upon good cause shown may be allowed by the commission, to intervene and appear in said proceeding by counsel or in person. The testimony in any such proceeding shall be reduced to

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

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

Any party required by such order of the commission to cease and desist from using such method of competition may obtain a review of such order in said circuit court of appeals by filing in the court a written petition praying that the order of the commission be set aside. A copy of such petition shall be forthwith served upon the commission, and thereupon the commission forthwith shall certify and file in the court a transcript of the record as hereinbefore provided. Upon the filing of the transcript the court shall have the same jurisdiction to affirm, set aside, or modify the order of the commission as in the case of an application by the commission for the enforcement of its order, and the findings of the commission as to the facts, if supported by testimony, shall in like manner be conclusive.

The jurisdiction of the circuit court of appeals of the United States to enforce, set aside, or modify orders of the commission shall be exclusive.

Such proceedings in the circuit court of appeals shall be given precedence over other cases pending therein, and shall be in every way expedited. No order of the commission or judgment of the court to enforce the same shall in anywise relieve or absolve any person, partnership, or corporation from any liability under the antitrust acts.

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

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

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

(a) To gather and compile information concerning, and to investigate from time to time the organization, business, conduct, practices, and management of any corporation engaged in commerce, excepting, banks and common carriers and it subject to the act to regulate commerce, relation to other corporations and to Individuals, associations, and in partnerships.

(b) To require, by general or special orders, corporations engaged in commerce, excepting, banks, and common carriers subject to the act to regulate

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

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

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

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

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

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

(h) To investigate, from time to time, trade conditions in and with foreign countries where associations, combinations, or practices of manufacturers, merchants, or traders, or other conditions, may affect the foreign trade of the United States, 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 relation thereto as upon the report of a master in other equity causes, but the court may adopt or reject such report, in whole or in part, and enter such decree as the nature of the case may in its judgment require.

SEC. 8. That the several departments and bureaus of the Government when directed by the President shall furnish the commission, upon its request, all records, papers, and information in their possession relating to any corporation subject to any of the provisions of this act, and shall detail from time to time such officials and employees to the commission as he may direct.

SEC. 9. That for the purposes of this act the commission, or its duly authorized agent or

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

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

place of hearing. And in case of disobedience to a subpoena the commission may invoke the aid of any court of the United States in requiring the attendance and testimony of witnesses and the protection of documentary evidence.

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

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

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

Witnesses summoned before the commission shall be paid the same fees and mileage that are paid witnesses in the courts of the United States, and witnesses whose depositions are taken and the persons taking the same shall severally be entitled to the same fees as are paid for like services in the courts of the United States.

No person shall be excused from attending and testifying or from producing documentary evidence before the commission or in obedience to the subpoena of the commission on the ground or for the reason that the testimony or evidence, documentary or otherwise, required of him may tend to criminate him or subject him to a penalty or forfeiture. But no natural person shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he may testify, or produce evidence, documentary or otherwise, before the commission in obedience to a subpoena issued by it: *Provided*, That no natural person so testifying shall be exempt from prosecution and punishment for perjury committed in so testifying

SEC. 10. That any person who shall neglect or refuse to attend and testify, or to answer any lawful inquiry, or to produce documentary evidence, if in his power to do so, in obedience to the subpoena or lawful requirement of the commission, shall be guilty of an offense and upon conviction thereof by a court of competent jurisdiction shall be punished by a fine of not less than \$1,000 nor more than \$5,000, or by imprisonment for not more than one year, or by both such fine and imprisonment.

Any person who shall willfully make, or cause to be made, any false entry or statement of fact in any report required to be made under this act, or who shall willfully make, or cause to be made, any false entry in any account, record, or memorandum kept by any corporation subject to this act, or who shall willfully neglect or fail to make, or to cause to be made, full, true, and correct entries In such accounts, records, or memoranda of all facts and transactions appertaining to the business of such corporation, or who shall willfully remove out of the jurisdiction of the United States, or willfully mutilate, alter, or by ally other means falsify any documentary

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

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

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

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

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

Approved, September 26, 1914.

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EXHIBIT 3.

PROVISIONS OF THE CLAYTON ACT WHICH CONCERN THE FEDERAL TRADE COMMISSION

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

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

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

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

SEC. 7. That no corporation engaged in commerce shall acquire, directly or indirectly, the

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

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

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

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

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

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

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

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

* * * * *

SEC. 11. That authority to enforce compliance with sections two, three, seven and eight of this act by the persons respectively subject thereto is hereby vested in the Interstate Commerce Commission where applicable to common carriers, in the Federal Reserve Board where applicable to banks, banking associates and trust companies, and in the Federal trade Commission where applicable to all other character of commerce, to be exercised as follows:

Whenever the Commission or Board vested with jurisdiction thereof shall have reason to believe that any person is violating or has violated any of the provisions of sections two, three, seven and eight of this act, it shall issue and serve upon such person a complaint stating its charges in that respect, and

containing a notice of a hearing upon a day and at a place therein fixed at least thirty days after the service of said complaint. The person so complained of shall have the right to appear at the place and time so fixed and show cause why an order should not be entered by the commission or board requiring such person to cease and desist from the violation of the law so charged in said complaint. Any person may make application, and upon good cause spoken may be allowed by the commission or board, to intervene and appear in said proceeding by counsel or in person. The testimony in any such proceeding shall be reduced to writing and filed in the office of the commission or board. If upon such hearing the commission or board, as the case may be, shall be of the option that any of the provisions of said sections have been or are being violated, it shall make a report in writing in which it shall state its findings as to the facts, and shall issue and cause to be served on such person an order requiring such person to cease and desist from such violations, and divest itself of the stock held or rid itself of the directors chosen contrary to the provisions of sections seven and eight of this act, if any there be, in the manner and within the time fixed by said order. Until a transcript of the record in such notice shall have been filed in a circuit court of appeals of the United States, as hereinafter provided, the commission or board may at any time, upon such notice and in such manner as it shall deem proper, modify or set aside, in whole or in part, any report or any order made or issued by it under this section.

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

Any party required by such order of the commission or board to cease and desist from a violation charged may obtain a review of such order in said circuit court of appeals by filing in the court a written petition praying that the order of the commission or board be set aside. A copy of such petition shall be forthwith served upon the commission or board, and thereupon the commission or board forthwith shall certify and file in the court a transcript of the record as hereinbefore provided. Upon the filing of the transcript the court shall have the same jurisdiction to affirm, set aside, or modify the order of the commission or board as in the case of an application by the commission or board for the enforcement of its order, and the finding of the commission or board as to the facts, if supported by testimony, shall in like manner be conclusive.

The jurisdiction of the circuit court of appeals of the United States to enforce, set aside, or modify orders of the commission or board shall be exclusive.

Such proceedings in the circuit court of appeals shall be given precedence over other cases pending therein, and shall be in every way expedited. No order of the commission or board or the judgment of the court to enforce the

same shall in any wise relieve or absolve any person from any liability under the antitrust acts.

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

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Approved, October 15, 1914.

EXHIBIT 4

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, That the words “export trade” wherever used in this act mean solely trade or commerce in goods, wares, or merchandise exported, or in the course of being exported from the United States or any Territory thereof to any foreign nation; but the words “export trade” shall not be deemed to include the production, manufacture, or selling for consumption or for resale, within the United States or any Territory thereof, of such goods, wares, or merchandise, or any act in the course of such production, manufacture, or selling for consumption or for resale.

That the words “trade within the United States” wherever used in this act mean trade or commerce among the several States or in any Territory of the United States, or in the District of Columbia, or between any such Territory and another, or between any such Territory or Territories and any State or States or the District of Columbia, or between the District of Columbia and any State or States.

That the word “association” wherever used in this act means any corporation or combination, by contract or otherwise, of two or more persons, partnerships, or corporations.

SEC. 2. That nothing contained in the act entitled “An act to protect trade and commerce against unlawful restraints and monopolies,” approved July second, eighteen hundred and ninety, shall be construed as declaring to be illegal an association entered into for the sole purpose of engaging in export trade and actually engaged solely in such export trade, or an agreement made or act done in the course of export trade by such association, provided such association, agreement, or act is not in restraint of trade within the United States, and is not in restraint of the export trade of any domestic competitor of such association: *And provided further,* That such association does not, either in the United States or elsewhere, enter into any agreement, understanding, or conspiracy, or do any act which artificially or intentionally enhances or depresses prices within the United States of commodities of the class exported by such association, or which substantially lessens competition within the United States or otherwise restrains trade therein.

SEC. 3. That nothing contained in section seven of the act entitled “An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes,” approved October fifteenth, nineteen hundred and fourteen, shall be construed to forbid the acquisition or ownership by any corporation of the whole or any part of the stock or other capital of any corporation organized solely for the purpose of engaging in export trade, and actually engaged solely in such export trade, unless the effect of such acquisition or ownership may be to restrain trade or substantially lessen competition within the United States.

SEC. 4. That the prohibition against “unfair methods of competition” and the remedies provided for enforcing said prohibition contained in the act entitled “An act to create a Federal trade commission, to define its powers and duties, and for other purposes,” approved September twenty-sixth, nineteen hundred and fourteen, shall be construed as extending to unfair methods of competition used in export trade against competitors engaged in export trade, even though the acts constituting such unfair methods are done without the territorial jurisdiction of the United States.

SEC 5. That every association now engaged solely in export trade, within sixty days after the passage of this act, and every association entered into hereafter which engages solely in export trade, within thirty days after its creation, shall file with the Federal Trade Commission a verified written state-

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

Whenever the Federal Trade Commission shall have reason to believe that an association or any agreement made or act done by such association is in restraint of trade within the United States or in restraint of the export trade of any domestic competitor of such association, or that an association either in the United States or elsewhere has entered into any agreement, understanding, or conspiracy, or done any act which artificially or intentionally enhances or depresses prices within the United States of commodities of the class exported by such association, or which substantially lessens competition within the United States or otherwise restrains trade therein it shall summon such association, its officers, and agents to appear. Therefore it, and thereafter conduct an investigation into the alleged violations of law. Upon investigation, if it shall conclude that the law has been violated, it may make to such association recommendations for the readjustment of its business, in order that it may thereafter maintain its organization and management and conduct its business in accordance with law. If such association fails to comply with the recommendations of the Federal Trade Commission, said commission shall refer its findings and recommendations to the Attorney General of the United States for such action thereon as he may deem proper.

For the purpose of enforcing these provisions the Federal Trade Commission shall have all the powers, so far as applicable, given it in "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes."

Approved, April 10, 1918.

EXHIBIT 5.

RULES OF PRACTICE BEFORE THE FEDERAL TRADE COMMISSION

I. SESSIONS.

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

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

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

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

II. COMPLAINTS.

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

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

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

III. ANSWERS.

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

IV. SERVICE.

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

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

thereof to the person to be served, or to a member of the partnership to be served, or to the president, secretary, or other executive officer, or a director of the corporation or association to be served; or (b) by leaving a copy thereof at the principal office or place of business of such person, partnership, corporation, or association; or (c) by registering and mailing a copy thereof addressed to such person, partnership, corporation, or association at his or its principal office or place of business. The verified return by the person so serving said complaint, order, or other process, setting forth the manner of said service, shall be proof of the same, and the return post-office receipt for said complaint, order, or other process, registered and mailed as aforesaid, shall be proof of the service of the same.

V. INTERVENTION.

Any person, partnership, corporation, or association desiring to intervene in a contested proceeding shall make application in writing, setting out the grounds on which lie or it claims to be interested. The commission may, by order, permit intervention by counsel or in person to such extent and upon such terms as it shall deem just.

Applications to intervene must be on one side of the paper only, on paper not more than 8 ½ inches wide and not more than 11 inches long, and weighing not less than 16 pounds to the ream, folio base, 17 by 22 inches, with left-hand margin not less than 1 ½ inches wide, or they may be printed in 10 or 12 point type on good unglazed paper 8 inches wide by 10 ½ inches long, with inside margins not less than 1 inch wide.

VI. CONTINUANCES AND EXTENSIONS OF TIME.

Continuances and extensions of time will be granted at the discretion of the commission.

VII. WITNESSES AND SUBPOENAS.

Witnesses shall be examined orally, except that for good and exceptional cause for departing from the general rule the commission may permit their testimony to be taken by deposition.

Subpoenas requiring the attendance of witnesses from any place in the United States at any designated place of hearing may be issued by any member of the commission.

Subpoenas for the production of documentary evidence (unless directed to issue by a commissioner upon his own motion) will issue only upon application in writing, which must be verified and must specify, as near as may be, the documents desired and the facts to be proved by them.

Witnesses summoned before the commission shall be paid the same fees and mileage that are paid witnesses in the courts of the United States, and witnesses whose depositions are taken, and the persons taking the same, shall severally be entitled to the same fees as are paid for like services in the courts of the United States. Witness fees and mileage shall be paid by the part at whose instance the witness appear.

VIII. TIME FOR TAKING TESTIMONY.

Upon the joining of issue in a proceeding by the Commission the examination of witnesses therein shall proceed with all reasonable diligence and with the least practicable delay. Not less than 5 nor more than 10 days' notice shall be given by the Commission to counsel or parties of the time and place of examination of witnesses before the Commission, a commissioner, or an examiner.

IX. OBJECTIONS TO EVIDENCE.

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

X. MOTIONS.

A motion in a proceeding by the Commission shall briefly state the nature of the order applied for, and all affidavits, records, and other helpers upon which

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

XI. HEARINGS ON INVESTIGATIONS.

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

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

XII. HEARINGS BEFORE EXAMINERS.

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

XIII. DEPOSITIONS IN CONTESTED PROCEEDINGS.

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

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

Any party desiring to take the deposition of a witness shall make application in writing, setting out the reasons why such depositions should be taken, and stating the time when, the place where, and the name and post-office address of the person before whom it is desired the deposition be taken, the name and post-office address of the witness, and the subject matter or matters concerning which the witness is expected to testify. If good cause be shown, the commission will make and serve upon the parties or their attorneys an order wherein the commission shall name the witness whose deposition is to be taken, and specify the time when, the place where, and the person before whom the witness is to testify, but such time and place, and the person before whom the deposition is to be taken, so specified in the commission's order, may or may not be the same as those named in said application to the commission.

The testimony of the witness shall be reduced to writing by the officer before whom the deposition is taken, or under his direction, after which the deposition shall be subscribed by the witness and certified in usual form by the officer. After the deposition has been so certified it

shall, together with a copy thereof made by such officer or under his direction, be forwarded by such officer under seal in an envelope addressed to the commission at its office In Washington, D. C. Upon receipt of the deposition and copy the commission shall file in the record In said proceeding such deposition and forward the copy to the defendant or the defendant's attorney.

Such depositions shall be typewritten on one side only of the paper, which shall be not more than 8 ½ inches wide and not more than 11 inches long and weighing not less than 16 pounds to the ream, folio base, 17 by 22 inches, with left-hand margin not less than 1 1/2 inches wide.

No deposition shall be taken except after at least 6 days' notice to the parties. and where the deposition is taken in a foreign country such notice shall be at least 15 days.

No deposition shall be taken either before the proceeding is at issue or, unless under special circumstances and for good cause shown, within 10 days prior to the date of the hearing thereof assigned by the commission, and where the deposition is taken in a foreign country it shall not be taken after 30 days prior to such date of hearing.

XIV. DOCUMENTARY EVIDENCE.

Where relevant and material matter offered in evidence is embraced in a document containing other matter not material or relevant and not intended to be put in evidence, such document will not be filed, but a copy only of such relevant and material matter shall be filed.

XV. BRIEFS.

Unless otherwise ordered, briefs may be filed at the close of the testimony in each contested proceeding. The presiding commissioner or examiner shall fix the time within which brief shall be filed and service thereof shall be made upon the adverse parties.

All briefs must be filed with the secretary and be accompanied by proof of service upon the adverse parties. Twenty copies of each brief shall be furnished for the use of the commission, unless otherwise ordered.

Application for extension of time In which to file any brief shall be by petition in writing, stating the facts upon which the application rests, which must be filed with the commission at least 5 days before the time for filing the brief.

Every brief shall contain, in the order here stated--

- (1) A concise abstract or statement of the case.
- (2) A brief of the argument, exhibiting a clear statement of the points of fact or law to be discussed, with the reference to the pages of the record and the authorities relied upon in support of each point.

Every brief of more than 10 pages shall contain on its top flyleaves a subject index with page references. the subject index to be supplemented by a list of all cases referred to, alphabetically arranged, together with references to pages where the cases are cited.

Briefs must be printed in 10 or 12 point type on good unglazed paper 8 inches by 10 1/2 inches, with inside margins not less than 1 inch wide and with double-lead text and single-lead citations.

Oral arguments will be had only as ordered by the commission.

XVI. ADDRESS OF THE COMMISSION.

All communications to the commission must be addressed to Federal Trade Commission, Washington D. C., unless otherwise specially directed.

EXHIBIT 6

PROCEEDINGS DISPOSED OF JULY 1, 1925, TO JUNE 30, 1926

1. ORDERS TO CEASE AND DESIST

NOTE.--On or immediately before June 30, 1926, the commission mailed one order to cease and desist in addition to those shown below. This action is properly reflected in the statistical tables, but not individually indicated because service upon parties at interest had not been effected at the close of the fiscal year. Two orders to cease and desist included in statistics for 1925 but served during 1926 are included herewith.

Complaint No. 868.--In the matter of Calumet Baking Powder Co. Charge: Unfair method of competition in that the respondent, for the purpose of furthering the sale of its baking powders, adopted the practice of publishing anonymously adverse, disparaging, and derogatory opinions, statements and comments as to the wholesomeness of self-rising flours, the use of which does not involve the addition of baking powder, such statements being not founded in fact, all for the purpose of deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act:

Disposition : A stipulation having been entered in lieu of testimony. the commission entered an order to cease and desist on February 8, 1920.

Complaint No. 974.--In the matter of Brooks Oil Co. and E A. Benedict. Charge: Unfair methods of competition In commerce are charged in that the respondents, cooperating in the sale of house paint, have falsely represented, advertised, and labeled said product as "U. S. Quality Paint," the said paint in fact being a low-grade product not made for nor used by the United States Government and not made according to any Government specification or requirements, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After hearing, the commission entered an order to cease and desist on November 23, 1925.

Complaint No. 1023.--In the matter of International Shoe Co. Charge: It is charged that the respondent, by acquiring substantially all of the capital stock of the W. H. McElwain Co., theretofore engaged in the manufacture and sale of shoes in competition with the respondent, tends to lessen competition, restrain commerce, and create a monopoly, in alleged violation of section 7 of the Clayton Act.

Disposition: After hearing, the commission entered an order to cease and desist on July 29, 1925, Commissioners Hunt and Humphrey dissenting.

Complaint No. 1083.--In the matter of Garnett S. Zorn and H. Voltze, doing business under the trade name and style of S. Zorn & Co. Charge: Unfair methods of competition are charged in that the respondent, engaged in the sale of grain adulterated oats by the addition of water and screenings and charged customers on the basis of the total weight of the shipment multiplied by the unit price of oats of the grade ordered, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After hearing, the commission entered an order to cease and desist on October 31, 1925.

Complaint No. 1085.--In the matter of North Dakota Wholesale Grocers' Association, its officers and members. Charge: Unfair methods of competition are charged in that the

respondents have agreed to confine the distribution of groceries and allied products to “regular” and “legitimate” channels of trade to wit: From the producer or manufacturer to the wholesaler, from the wholesaler to the retail dealer; and to fix uniform wholesale prices and to prevent price cutting, the said agreement, enforced by intimidation, coercion and boycotting, tending to suppress and hinder competition and to obstruct the natural flow of commerce, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After hearing, the commission entered an order to cease and desist on July 20, 1925.

Complaint No. 1098.--In the matter of (1) California Retail Fuel Dealers' Association, its officers and executive committee and members; (2) Retail Coal and Wood Dealers' Association of Alameda County, Stockton Retail Coal Dealers' Association, Richmond Retail Fuel Dealers' Association, Sacramento Retail Fuel Dealers' Protective Association, San Jose Feed and Fuel Dealers' Protective Association, San Francisco Retail Coal Dealers' Association, Peninsula Fuel Dealers' Association, Southern California Fuel and Feed Dealers' Association, all members of and constituting (1), their respective officers and members; (3) sundry wholesale coal companies, members of (1), the State association; and (4) sundry retail dealers who are members of (1), though not of any one of the local associations named in (2). Charge: Unfair methods of competition are charged, namely, unduly obstructing and hindering competition and depriving consumers of the advantages in price, etc., which they would obtain from the natural flow of commerce in coal under conditions of free competition and further by causing producers and wholesalers to feel constrained to confine the distribution of coal in California to channels selected and approved by respondents and thus preventing cooperative associations and so-called irregular dealers from securing coal at wholesale or from any other source than from the so-called regular dealers and at the retail prices fixed by respondents (a "regular" retail dealer being an association member who engages in the sale of coal or wood as a regular business, buying to sell again; who owns and operates a yard, keeps an office, and displays a sign; has a stock of coal and proper scales to weigh the same others are "irregular"), by price fixing by the respective local associations, the observation by all of the prices fixed within the respective territories covered thereby, punishment for nonobservance, refusal of respondent wholesalers to supply coal to other than regular dealers, attempting to persuade and, that failing, to coerce and compel other wholesalers and producers by boycott, threats of boycott, and other means of intimidation not to sell except to "regular" dealers, and by other cooperative means, all in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After hearing, the commission dismissed the complaint as to respondent A. C. Schollosser F. P. Grady, Blue Diamond Coal Co., Standard Coal Co., Liberty Coal Co., J. S. Critchlow individually and as agent of the Liberty Coal Co., Lion Coal Co., Gunn Guealy (Quealy) Coal Co., King Coal Co., Frank J. Foran individually and as vice president of the King Coal Co., Lion Rock Springs Coal Co., Frank Bosner individually and as manager of said Lion Rock Springs Coal Co., Standard Coal Co. of California, Bear Fuel Co., Royal Coal Sales Co., E. W. Matson individually and as agent for said Royal Coal Sales Co., Superior Rock Springs Coal Co., Hugh Crea individually and as agent of said Superior Rock Springs Coal Co., Central Coal & Coke Co., Charles R. Allen individually and as agent of said Central Coal & Coke Co., Utah Fuel Co., and William H. Myers individually and as agent for said Utah Fuel Co., and entered an order to cease and desist as to the other respondents on November 11, 1925.

Complaint No. 1118.--In the matter of Missouri State Retail Coal Merchants Association, also known as the Mid-West Retail Coal Association, its officers and members, and J. B. Sanborn & Co. Charge: Unfair methods of competition are charged in that the respondents have undertaken and cooperated to prevent the distribution of coal, in the territory served by respondent association members, by any means other than through the so-called regular channels controlled by members of the respondent association (who qualified for membership therein by reason of the fact that they are regularly engaged in business of selling coal, coke, or other fuel and have facilities and stock sufficient to meet the reasonable demand of the public), and to prevent irregular dealers, cooperative associations, and other consumers from obtaining coal at wholesale prices or from any source other than the so-called regular dealers, thereby obstructing and hindering competition in the sale of coal in the territory served by the respondents and depriving consumers of the advantage in price which they would obtain from the natural flow of commerce under conditions of free competition, in alleged violation of section 5 of the Federal Trade Commission act

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

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

of complete and incomplete Ostermoor mattresses with superimposed layers of cotton felt protruding therefrom. Unfair methods of competition are charged in that said depictions are false, deceptive, and misleading, designed to deceive and mislead the purchasing public into the belief that they were made from and are truthful portrayals of the Ostermoor mattress as offered to the public, and that the cotton felt layers commonly known as "bats" are of great number and possessed of great resilience and elasticity, when in fact said depictions were made from a model specially constructed by the respondent and are grossly exaggerated and inaccurate depictions of the content and quality of the mattresses sold by the respondent, and in that the respondent's advertising matter is similarly false and misleading, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After hearing, the commission entered an order to cease and desist on February 15, 1926, Commissioner Humphrey dissenting.

Complaint No. 1134.--In the matter of P. H. Hanes Knitting Co. Charge: Unfair methods of competition are charged in that the respondent, engaged in the manufacture and sale of underwear, fixes and maintains certain specified uniform prices for the resale of its products by wholesale dealers, refusing to supply price-cutting dealers and employing various other cooperative means for the enforcement of its system of resale prices, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After hearing, the commission entered an order to cease and desist on December 21, 1925.

Complaint No. 1141.--In the matter of Standard Oil Co. of Kentucky. Charge: Unfair methods of competition are charged in that the respondent enforces a merchandising system by which certain specified uniform prices are fixed and maintained for the resale of its stoves and heaters by retail dealers, the respondent refusing to supply price cutters and employing cooperative methods for the enforcement of said standard resale prices, thereby tending to suppress competition and to deprive ultimate purchasers of the advantages they would obtain from the natural and unobstructed flow of commerce in such commodities, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After a stipulation, entered in lieu of testimony, the commission entered an order to cease and desist on November 28, 1925.

Complaint No. 1148.--In the matter of Harriet Hubbard Ayer (Inc.). Charge: Unfair methods of competition are charged in that the respondent, engaged in the manufacture and sale of perfumes, cosmetics, and allied products, fixed specified uniform prices for the resale of its products by retailers, enforcing the observance of said standard resale prices by refusing to sell to price cutters, and by the employment of cooperative means of price maintenance, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After hearing, the commission entered an order to cease and desist on October 7, 1925.

Complaint No. 1152.--In the matter of M. Goldberg, an individual doing business under the trade name and style "Factory-to-You Furniture Store." Charge: Unfair methods of competition are charged in that the respondent retailer advertises and sells his furniture as from "Factory-to-You" when in fact the respondent is not a manufacturer but purchases for resale, and in that the respondent advertises certain of his furniture as "mahogany" or "walnut" or "genuine leather" when in fact said furniture is made of woods other than mahogany or walnut or is covered or upholstered with material other than leather, and in imitation of genuine mahogany, walnut, or leather, respectively, thereby tending to mislead and deceive the purchasing public as to price and quality, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After hearing, the commission entered an order to cease and desist on March 8, 1926.

Complaint No. 1174.--In the matter of Clayton F. Summy Co. Charge: Unfair methods of

competition are charged in that the respondent marks its sheet music with fictitious and exaggerated retail prices, thereby tending to mislead and deceive the uninformed public as to the actual value of the respondent's product, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After hearing, the commission entered an order to cease and desist on December 7, 1925.

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

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

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

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

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

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

Complaint No. 1191.--In the matter of Furniture Manufacturers' Show Rooms (Inc.). Charge: Unfair methods of competition are charged in that respondent, engaged in the purchase and resale of furniture and having no factory of his own, sells and advertises such furniture as "direct from the factory," thereby tending to mislead the purchasing public to believe that in dealing with the respondent they are buying direct from the manufacturer and saving the profits of the middlemen, and in that respondent represents and sells as mahogany, furniture made of woods other than mahogany, all in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After hearing, the commission entered an order to cease and desist on October 2, 1925.

Complaint No. 1198.--In the matter of Harry Chessler and Russell W. Chessler, partners, doing business under the trade names and styles Lexington Storage Warehouse Co. and Lexington Warehouse Co. Charge: Unfair methods of competition are charged in that the respondent signifies In Its advertising that it is an agent for manufacturers of furniture selling direct to the consuming public, and that It deals In the favorably known Grand Rapids furniture, manufactured In Grand Rapids, Mich., when In fact the respondent Is a retailer engaged in the resale, at prevalent retail prices, of furniture for the most part made by manufacturers In no wise connected with the furniture Industry of Grand Rapids, Mich., in alleged violation of section 5 of the Federal Trade Commission act.

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

Complaint No. 1225.-In the matter of Morris Well and Elias Well, copartners, doing business

under the trade name and style, Associated Furniture Manufacturers Warehouse Co.; and National Furniture Distributing Corporation, a corporation. Charge: Unfair methods of competition are charged in that the respondents' trade name and corporate name, and their advertising matter and pretended guaranty of Grand Rapids furniture manufacturers tends to mislead the purchasing public to believe that the respondents are sales agents for manufacturers and that the respondents' furniture is

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

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

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

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

Complaint No. 1236.--In the matter of David J. Goldsmith, doing business under the trade name and style Hagen Import Co. of Pennsylvania. Charge: Unfair methods of competition are charged in that the respondent, engaged in the retail sale of merchandise purchased in the United States, tends to mislead the consuming public to believe that he is all importer and manufacturer by displaying the trade name "Hagen Import Co. of Pennsylvania" in conjunction with the statements "Importers--Manufacturers--Job and "European Office, Munich, Germany," and by labeling a domestic product as "Bavarian Style Old The Malt Extract in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After hearing, the commission entered an order to cease and desist on March 6, 1926.

Complaint No. 1243.--In the matter of Jacques E. Greenberger, Ernst Greenberger, and Normal J. Greenberger, partners doing business under the trade name and style Grand Rapids Furniture Manufacturers Warehouse Association, Grand Rapids Furniture Manufacturers Association (Inc.), a corporation. Charge: Unfair methods of competition are charged in that the respondents, by the use of their trade name and corporate name and advertising slogans and statements, mislead the purchasing public to believe that they are manufacturers of furniture or authorized representatives of Grand Rapids manufacturers, when in fact they buy their furniture for sale at retail; and in that the respondents practice fictitious price marking, refuse to refund money to dissatisfied customers, stating falsely that the furniture factories at Grand Rapids will not permit respondents to make such refunds; and in that the respondents cause postcards to be mailed from Grand Rapids, Mich., to prospective customers, bearing statements to the effect that the respondents' place of business is the only show room of the furniture manufacturers of Grand Rapids, Mich., all in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After hearing, the commission entered an order to cease and desist on September 26, 1925.

Complaint No. 1250.--In the matter of Houbigant (Inc.). Charge: Unfair methods of competition are charged in that the respondent, engaged in the sale of perfumes and other toilet

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

Disposition: After hearing the commission entered an order to cease and desist on April 2, 1926.

Complaint No. 1252.--In the matter of The Long-Koch Co., a corporation. Charge: Unfair methods of competition are charged in that the respondent, engaged in the manufacture and sale of jewelry, stamped certain of its knives "10K" or "14K," thereby tending to mislead the purchasing public to believe that the mountings of said knives were made of 10 karat or 14 karat gold, when in fact said mountings consisted of metals other than gold, covered, faced, or veneered with gold in whole or in part, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After hearing the commission entered an order to cease and desist on May 4, 1926. Commissioner Humphrey dissenting.

Complaint No. 1260.--In the matter of Edison Fixture Co. (Inc.), a corporation. Charge: Unfair methods of competition are charged in that the respondent, engaged in the manufacture and sale of a patented electrical fixture or device for the illumination of offices, stores, showrooms, factories, etc., adopted and used the word "Edison" as a part of its corporate name without license from Thomas A. Edison, thereby tending to mislead the trade and purchasing public into the erroneous belief that the respondent is affiliated with .ir licensed by tune said Thomas A. Edison and that it is manufacturing under Edison patents, or us engaged in the sale of Edison products ; and in that the respondent falsely represented to customers and prospective customers that its product was sold on a two weeks' trial, that the respondent would replace burnt-out lamps, clean, and keep the fixture or device in repair as long as the same remained on the premises of the purchaser, and that the lamps - sold by respondent were of greater illuminating power than lamps of the same wattage produced by competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : After hearing, the commission entered an order to cease and desist on November 23, 1925.

Complaint No. 1261.--In the matter of Cohn-Hall-Marx Co., a corporation. Charge: Unfair methods of competition are charged in that the respondent, engaged inn the importation of cotton fabrics and the conversion thereof to simulate silk inn appearance and finish, represents and advertises certain of its fabrics as "Cocoon Cloth" and has adopted as a trade name, brand, or label the word "Cocoon," thereby tending to mislead and deceive the purchasing public into tune belief that the respondent's cotton fabrics are composed of silk in whole or inn part, in alleged violation of section 5 of the Federal Trade Commission act.

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

Complaint No. 1264.--In the matter of W. C. Blickenstaff; otherwise known as W. C. Buick, doing business under the trade name and style Standard Fountain Pen Co. Charge: Unfair methods of competition are charged in that then respondent, engaged in the sale of fountain pens at wholesale, supplies circulars and advertising matter to his dealers which describe said pens and bear purported regular retail prices (which are in fact fictitious prices and greatly in excess of the real value of said pens) and further supplies coupons bearing statements to the effect that for one day only said coupons will be accepted at their face value inn part payment for the respondent's pens at said regular retail prices, thus falsely representing that the penis wilt be sold for a limited the at a substantial reduction in price ; and in that respondent causes certain of his pen points to be stamped " 14 K," thereby indicating that said points are 14-karat gold, when in fact they are made of an alloy simulating gold in color and appearance but containing no gold inn substantial quantities, all in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : After a stipulation, entered in lieu of testimony, the commission entered an order to cease and desist on June 24, 1925.

(This proceeding, disposed of during the fiscal year 1925, and so recorded in the statistical tables, was not so recorded In the text of the annual report for that year, as service upon the parties at Interest had not been effected.)

Complaint No. 1265.--In the matter of Baltimore Paint & Color Works. (Inc.) , a corporation. Charge: Unfair methods of competition are charged in that the respondent labels certain of its products as "Regulation Building Paint," "Cantonment Paint," and "Army Building Paint," in conjunction with designations which simulate the specification, requisition, or order numbers appearing

on surplus goods sold by the United States Government and commonly used by the War Department, when in fact the said paint is not surplus paint sold by the United States Government and is not manufactured in accordance with Army specifications or Government requirements ; and in that the respondent sold certain of its products in cans or containers of the regulation standard shape and size of 1 gallon and one-half gallon, respectively, thereby leading the purchasing public to believe that said cans contained said quantities of paint, when in fact the respondent's cans contained, in varying quantities, less than 1 gallon and one-half gallon, respectively, all in alleged violation of section 5 of the Federal Trade Commission act.

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

(This proceeding, disposed of during the fiscal year 1925, and so recorded in the statistical tables, was not so recorded in the text of the annual report for that year, as service upon the parties at interest had not been effected.)

Complaint No. 1268.--In the matter of Ameen Bardwil and George Bardwil, partners doing business under the trade name and style Bardwil Bros. Charge: Unfair methods of competition are charged in that the respondents, engaged in the importation of lace from China and the sale thereof, designates and sells said lace as "Irish" lace, thereby misleading and deceiving the purchasing public as to the quality and value of respondent's product and tending to injure its competitors who are In fact importers of Irish lace, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After hearing, the commission entered an order to cease and desist on April 27, 1926.

Complaint No. 1278.--In the matter of John B. Stetson Co.- Charge : Unfair methods of competition are charged in that the respondent, engaged in the manufacture and sale of hats, enforced a merchandising system adopted by it of fixing and maintaining certain specified uniform retail prices for the resale of its hats, refusing to supply price cutters, and employing cooperative means and methods for the enforcement of said system of resale prices, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : After a stipulation entered in lieu of testimony, the commission entered an order to cease and desist on November 6, 1925.

Complaint No. 1279.--In the matter of Rosenbush & Solomon Co. Charge: Unfair methods of competition are charged in that the respondent, engaged in the sale of paints, varnishes, and allied products, labels as "Orange Shellac" and "White Shellac" certain varnishes, composed of shellac gum and various substitutes thereof dissolved in alcohol, wherein shellac gum is not a principal and predominant element, and fails to indicate the facts except by stamping on said labels with a rubber stamp the word "Compound" in small and inconspicuous letters, thereby tending to mislead and deceive the purchasing public as to the value and quality of respondent's products and to injure competitors who label their product properly, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After a stipulation, entered in lieu of testimony, the commission entered an order to cease and desist on November 6, 1925, Commissioners Nugent and Thompson dissenting for the reason given in the dissenting opinion in the Don-O-Lac case, Docket 924.

Complaint No. 1297.--In the matter of J. W. Kobi Co. Charge : Unfair methods of competition are charged in that the respondent, engaged in the manufacture and sale of hair cleansing and dressing preparations, enforces a merchandising system adopted by it of fixing and maintaining specified uniform prices for the resale of its products, refusing to supply price cutters and employing cooperative means and methods for the enforcement of said system of resale prices, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After hearing, the commission entered an order to cease and desist on June 18, 1926. Commissioner Nugent dissenting to the form of the order.

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

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

Disposition : After a stipulation, entered in lieu of testimony, the commission entered an order to cease and desist on July 14, 1925.

Complaint No. 1303.--In the matter of Isadore Sommerfield, doing business under the trade name and style of Dubiner & Sommerfield. Charge: Unfair methods of competition are charged in that the respondent, engaged in the manufacture of cigars in the State of New York and the sale thereof, causes the words "Havana," "Vuelta Abajo," and "Garcia" to be placed on the boxes or containers in which his cigars are sold and the word "Garcia" to be placed on the bands of his cigars, the box labels carrying an outline map of Cuba and inscriptions in the Spanish language, that the cigar contained in said boxes were made of the best Vuelta Abajo tobacco, and that the tobacco contained in them was guaranteed to be of the best Havana tobacco when in fact the respondent's cigars contained no more than a very small amount of Cuban-grown tobacco, thereby tending to mislead the purchasing public and to injure competitors who do not misrepresent their products, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : After a stipulation, entered in lieu of testimony, the commission entered an order to cease and desist on July 17, 1925.

Complaint No. 1304.--In the matter of Reinhart & Newton Co. Charge: Unfair methods of competition are charged in that the respondent, engaged in the manufacture and sale of candies, has put into effect a scheme which is intended to induce the consuming public to participate in a lottery, its candies for sale at 1 cent each and uniform in appearance being packed in display boxes with prizes for the purchasers who choose candies which prove to have pink centers instead of the white or cream-colored centers, found in most of the candies thereby tending to induce the consuming public to purchase respondent's candies in preference to the products of its competitors who do not give prizes won by chances or otherwise, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : A stipulation having been entered in lieu of testimony, the commission entered an order to cease and desist on April 13, 1926.

Complaint No. 1307.--In the matter of Norman J. Freeman and Myron Lewis, partners doing business under the trade name and style Ohio Shellac Co. Charge : Unfair methods of competition are charged in that the respondents, engaged in the sale of certain varnishes composed of shellac gum and/or various substitutes therefor dissolved in alcohol, wherein shellac gum is not the principal and predominant element, label said products as "shellac" without indicating that shellac gum is not the principal and predominant element of said varnishes, except that in some instances the word "compound" appears on the labels in small and inconspicuous letters, the respondents thereby failing to abide by the terms of an undertaking, agreement and stipulation heretofore entered into with the Federal Trade Commission to discontinue the misrepresentation of said products, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : After a stipulation, entered in lieu of testimony, the commission entered an order to cease and desist on October 31, 1925, Commissioner Nugent dissenting for the reason given in the dissenting opinion in the Don-O-Lac case, Docket 924.

Complaint No. 1309.--In the matter of Chero-Cola Co. Charge : Unfair methods of competition are charged in that the respondent, engaged in the manufacture of a concentrate which when mixed with water and charged with carbonic acid gas forms a beverage designated "Chero-Cola" enforces a system of uniform contracts whereby the respondent seeks to and does maintain specified uniform prices at which said Chero-Cola is resold by respondent's bottler

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

Disposition : After a stipulation, entered in lieu of testimony, the commission entered an order to cease and desist on November 7, 1925.

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

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

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

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

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

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

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

Trade Commission act.

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

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

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

Disposition : After hearing, the commission entered an order to cease and desist on June 7, 1926.

Complaint No. 1349.--In the matter of Ben Kreeger doing business under the trade name and style of Federal Mall Order Co. Charge : Unfair methods of competition are charged in that the respondent, in the sale of his wearing apparel, by mail, direct to the consumer, misrepresents the value of his products and advertises and sells certain of his garments as composed of wool finished serge and others as composed of Canton crepe genuine silk, when in fact the materials consist largely of cotton, and describes certain trimmings as genuine astrakhan, astrakhan caracul, or genuine ermine fur, when In fact said trimmings are imitations, thereby tending to mislead the purchasing public and to injure competitors who do not practice misrepresentations, In alleged violation of section 5 of the Federal Trade Commission act.

Disposition : A stipulation having been entered in lieu of testimony, the commission entered an order to cease and desist on April 12, 1926.

Complaint No. 1365.--In the matter of Western Woolen Mills Co. Charge : Unfair methods of competition are charged in that the respondent's use of its it corporate name in its advertisements and trade literature and on its business stationery and sample cases tends to promote the belief that the respondent is the manufacturer of its wearing apparel, when In fact the respondent does not own or operate any mill or mills but purchases its goods for resale, thereby tending to mislead and deceive the purchasing public and to injure competitors who do not practice misrepresentation, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : A stipulation having been entered in lieu of testimony, the commission entered an order to cease and desist on June 8, 1926.

Complaint No. 1370.--In the matter of Lauer & Suter Co. Charge : Unfair methods of competition are charged in that the respondent's "Beauty Package" of candies is composed of a number of chocolate covered pieces of candy of uniform size and shape, which are sold at retail at one cent each, together with a number of larger pieces of candy which are to be given as prizes to the purchasers who by chance select a piece of candy having a colored center, the respondent thereby supplying to and placing in the hands of retailers the means of conducting a lottery and tending to injure competitors who do not use lottery methods in the sale of their candies, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: A stipulation having been entered in lieu of testimony, the commission entered an order to cease and desist on June 1, 1926.

2. ORDERS OF DISMISSAL

NOTE.--On or immediately before June 30, 1926, the commission mailed four orders of dismissal in addition to those shown below. This action is properly reflected in the statistical tables, but not individually indicated because service upon parties at interest had not been effected at the close of the fiscal year.

Complaint No. 163.--In the matter of Armour & Co. Charge : Stilling and suppressing competition in the manufacture and sale of dairy products by concealing its control of and affiliation with Beyer Bros. Co., a creamery company, while directing the efforts and business of said company ; discriminating in prices paid for butterfat or cream ; and by purchasing and offering to purchase butterfats or cream in certain localities at prices unwarranted by trade

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

Disposition : Dismissed, practices charged having been discontinued.

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

Disposition : Dismissed.

Complaint No. 450.--In the matter of Wilson & Co. (Inc.). Charge : That the respondent acquired the whole of the common or voting stock of the Paul O. Reyman Co., a corporation, the effect of such acquisition being to enable respondent to completely dominate the business and policy of said Paul O. Reyman Co., to restrain competition between said respondent and said Paul O. Reyman Co., and to tend to create a monopoly In the sale of meats and like products, in alleged violation of section 5 of the Federal Trade Commission act and section 7 of the Clayton Act.

Disposition : Dismissed after hearing, respondent company having divested itself of the stock alleged to have been unlawfully acquired, under an order of the United States District Court for the Southern District of New York.

Complaint No. 451.--In the matter of The Cudahy Packing Co. Charge : That respondent acquired 55 per cent of the shares of capital stock of the Nagel Packing Co., a competitor; 95 per cent of the capital stock of the D. E. Wood Butter Co., a competitor; and that a subsidiary corporation, the Dow Cheese Co., purchased the business and good will of a competitor, the A. C. Dow Co., with the effect that respondent has dominated the business of the Nagel Packing Co. and the D E. Wood Butter Co., and has eliminated competition theretofore existing between the three above-mentioned companies and the respondent, in alleged violation of section 5 of the Federal Trade Commission act and section 7 of the Clayton Act.

Disposition: Dismissed after hearing, Commissioners Nugent and Thompson dissenting in so far as the dismissal relates to the D E. Wood Butter Co. and the Dow Cheese Co.

Complaint No. 452.--In the matter of Morris & Co. Charge: That the respondent acquired approximately 75 per cent of the capital stock of the Crescent City Stock Yard & Slaughter House Co., a competitor; that it acquired stock in the Bluefield Produce & Provision Co.; that it acquired the whole of the capital stock of the Holland Butterine Co., and held the same out to the public as wholly independent and without connection with respondent that it acquired 66 per cent of the common stock of the Providence Churning Co., a competitor, and organized a corporation to take over and succeed to the business and property of said Providence Churning Co.; that it acquired one-half of the entire capital stock of the Eskerson Co., a competitor ; that it acquired one-half of the capital stock of the Jacob Marty Co., a competitor; that It acquired one-half of the capital stock of the C. A. Straubel Co., a competitor; and acquired \$64,300 of the capital stock of the Sherman). White Co., whose entire stock was \$123,700 ; and that the result of such acquisition is the domination by respondent of some of the above-mentioned companies, the elimination of competition theretofore existing between the above-mentioned companies and the respondent, and the creation of conditions which tend to create a monopoly, in alleged violation of section 5 of the Federal Trade Commission act aud section 7 of the Clayton Act.

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

Complaint No. 454.--In the matter of Swift & Co., and United Dressed Beef Co. Charge: That the respondent caused Its subsidiary, United Dressed Beef Co., to acquire all of the capital stock of J. J. Harrington & Co. (Inc.) , which acquisition resulted In the control by Swift & Co. of the business theretofore conducted and controlled by said J. J. Harrington & Co. (Inc.), elimination of competition between respondents, Swift & Co. aud United Dressed Beef Co. and J. J. Harrington & Co. (Inc.), and a tendency to create for respondent, Swift & Co., a monopoly in alleged violation of section 5 of the Federal Trade Commission act and section 7 of the Clayton Act.

Disposition : Dismissed after hearing.

Complaint No. 531.--In the matter of Armour & Co. Charge : Organizing apparently

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

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

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

Complaint No. 540.--In the matter of Royal Baking Powder Co. Charge: Using unfair methods of competition by unfairly representing and charging that its competitors' products contain alum, to wit, sodium aluminum sulphate (SaS), and are harmful, unhealthful, deleterious, and dangerous to users and consumers of such baking powders, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: Dismissed after hearing, Commissioner Humphrey dissenting.

Complaint No. 578.--In the matter of Swift & Co., Libby, McNeill & Libby (of Illinois) and Libby, McNeill & Libby (Ltd.) (of Honolulu). Charge: That the respondent, Libby, McNeill & Libby, in effect a subsidiary of the respondent, Swift & Co., acquired all of the share capital of the Thomas Pineapple Co.; the share, capital, property, and business of the Honolulu Pineapple Co.; Kahaluu Pineapple & Range Co. (Ltd.); and Koolau Fruit Co. (Ltd.), with the effect of substantially lessening competition in the sale of pineapples in the Territory of Hawaii and creating a condition which tended to create for respondents a monopoly in the growing and sale of pineapples, In alleged violation of section 7 of the Clayton Act and section 5 of the Federal Trade Commission act.

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

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

Disposition : Dismissed after hearing.

Complaint No. 746.--In the matter of W. J. Chapman. Charge : Using unfair methods of competition by offering and giving to captains of vessels cash gratuities to induce them to purchase ship chandlery, stewards' supplies, deck, engine, and cabin supplies from the respondent, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : Dismissed after hearing.

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

Disposition : Dismissed after hearing.

Complaint No. 798.--In the matter of Osa J. Smyths and S. W. Levy, partners, styling themselves Smyths & Levy. Charge: Unfair methods of competition in that the respondent, engaged in the sale of ship chandlery, has given cash commissions and gratuities of various kinds to captains, officers, and employees of ships to induce them to purchase ship-chandlery supplies from the respondents, all in alleged violation of section 5 of the Federal Trade Commission act. Disposition : Dismissed after hearing, without prejudice.

Complaint No. 800.--In the matter of Herbert W. Brand, Harry C. Oppenheimer, and Edwin W. Brand, partners, doing business under the name and style of Brand & Oppenheimer. Charge: Unfair methods of competition are charged in that respondents, engaged in the manufacture and sale of cotton lining material, advertise and label their product as "Silkette," thereby deceiving and misleading the purchasing public into the belief that their linings are partly or wholly

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

Disposition: Dismissed after hearing and stipulation, Commissioner Thompson dissenting.

Complaint No. 804.--In the matter of Maritime Co. (Inc.). Charge: Unfair methods of competition in offering and giving to captains, engineers, and other officers of vessels, without the knowledge of their employers, as an inducement to have their vessels cleaned, painted, and repaired by the respondent, lavish entertainment, including automobile, dinner, and theater parties, lodging accom-

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

Disposition: Dismissed after hearing.

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

Disposition : Dismissed.

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

Disposition: Dismissed after hearing.

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

Disposition: Dismissed after hearing, without prejudice.

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

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

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

Disposition : Dismissed after hearing, Commissioner Humphrey dissenting.

Complaint No. 916.--In the matter of Trigg, Dobbs & Co. and others. Charge: The respondents, Chattanooga Wholesale Tobacco Dealers, are charged with unfair competition in that they entered into an agreement, understanding, and conspiracy by which they fixed a schedule of prices at which they would thereafter resell to their dealer customers, all in alleged violation of section 5 of the Federal Trade Commission act.

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

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

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

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

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

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

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

Complaint No 976.--In the matter of Goodall Worsted Co. and Albert Rohaut. Charge: Unfair methods of competition in commerce are charged in that the respondent corporation, a manufacturer of Palm Beach cloth, and its sales agents, the respondent Rohaut, fixed uniform and minimum prices, thereby tending to unduly restrain the natural flow of commerce and be sold to jobbers and dealers and enforce said standard prices by the use of a license agreement with the manufacturers of Palm Beach clothing by refusing to sell such cloth to manufacturers who fail to observe and maintain said resale prices thereby tending to unduly restrain the natural flow of commerce and freedom of competition in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : Dismissed.

Complaint No. 985.--In the matter of P. Lorillard Co. (Inc.) , and the Tobacco Jobbers Association of Western Pennsylvania, its officers and members, respondents. Charge : That the respondent association and the P. Lorillard Co. (Inc.) entered into a conspiracy, agreement, and understanding, by which they fixed resale prices of tobacco products of the P. Lorillard Co. handled by the members of the respondent association, and that the P. Lorillard Co. (Inc.) agreed to assist in the accomplishment of the conspiracy by agreeing to discontinue selling to such members of the association as would sell the products of the P. Lorillard Co. (Inc.) at prices less than those fixed by the conspiracy, all in alleged violation of section 5 of the Federal Trade Commission act.

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

Complaint No. 991.--In the matter of Iowa-Nebraska-Minnesota Wholesale Grocers' Association, its officers. members of executive committee, and all of its members; Slocum-Bergen Co.; Gowan-Lenning-Brown Co.; Peet Bros. Manufacturing Co.; Jas. S. Kirk & Co.; and Cudahy Packing Co. Charge: The complaint charges unfair methods of competition in that the respondents adopted a plan of hampering, obstructing, and preventing the Proctor & Gamble

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

Disposition : Dismissed after hearing, Commissioner Nugent dissenting.

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

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

Disposition: Dismissed, Commissioners Nugent and Thompson dissenting.

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

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

Complaint No. 1015.--In the matter of William R. Warner & Co. (Inc.). Charge: Unfair methods of competition are charged in that the respondent, having established two scales of prices for its patent medicines, pharmaceuticals, and drug specialties designated, respectively, as jobbers' prices and retailers' prices, makes a regular practice of selling its products at said jobbers' prices to certain selected wholesalers and retailers; at the same time and irrespective of quantity purchased charges the higher retailers' prices to other wholesalers and retailers, thereby discriminating between its two classes of customers and giving preferred wholesalers and retailers an unfair advantage over competitors, who are compelled to purchase the respondent's goods of the same quality and quantity at higher prices and on less advantageous terms, tending to hinder and lessen competition, in alleged violation of section 5 of the Federal Trade Commission act and section 2 of the Clayton Act.

Disposition: Dismissed.

Complaint No. 1033.--In the matter of Liggett & Myers Tobacco Co., Conference of Wholesale Tobacco Dealers of Oregon, and others, respondents. Charge: The respondents joined in its complaint with the Liggett & Myers Tobacco Co. and groups of tobacco jobbers and wholesale grocers located in numerous localities along the Pacific coast. The charge is that each group and the Liggett & Myers Tobacco Co., conspired to fix resale prices on Liggett & Myers Tobacco Co.'s products sold by the members of such groups and that each of the groups agreed with each and every one of the other groups and with the Liggett & Myers Tobacco Co. to adhere to the prices fixed by the Liggett & Myers Tobacco Co. and each of such of the other groups, and that the Liggett & Myers Tobacco Co. offered each of the groups to assist in the conspiracies by refusing to continue selling to such jobber as would resell its products at prices less than those fixed by the conspiracies aforesaid, all in alleged violation of the Federal Trade Commission act.

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

Complaint No. 1034.--In the matter of Liggett & Myers, Keystone Tobacco Jobbers Association, its officers and members, and the Central Pennsylvania Tobacco Jobbers' Association, its officers and members, respondents. Charge: The charge is unfair competition in that Liggett & Myers Tobacco Co. and the Keystone Tobacco Jobbers' Association by conspiracy fixed prices at which the members of that association should resell the products of the Liggett & Myers Tobacco Co; that the Central Pennsylvania Tobacco Jobbers' Association

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

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

Complaint No. 1035.--In the matter of Larus Bros. Co., Keystone Tobacco Jobbers' Association, its officers and members, and the Central Pennsylvania Tobacco Jobbers' Association, its officers and members, respondents. Charge:

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

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

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

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

Complaint No. 1051.--In the matter of Manhattan Shirt Co. Charge: Unfair methods of competition are charged in that the respondent, engaged in the manufacture and sale of shirts, underwear, and pajamas, employs a merchandising plan or policy by which it establishes certain specified standard resale prices at which its product shall be resold by retailers, refuses to sell to price cutters, and employs other cooperative means for the enforcement of said standard prices, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: Dismissed after hearing.

Complaint No. 1071.--In the matter of P. Lorillard Co. (Inc.), a corporation; New England Tobacco Conference, its officers and officers of the various sections and the members thereof. Charge: Unfair methods of competition are charged in that the respondents conspired and agreed to fix uniform prices for the sale and resale of cigars, cigarettes, and other tobacco products, the respondent, P. Lorillard Co. (Inc.), refusing to sell its products to those who did not maintain said standard resale prices or resold said products to price-cutting subjobbers and retailers, all for the purpose and with the effect of restricting competition and the natural flow of commerce, in alleged violation of section 5 of the Federal Trade Commission act.

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

Complaint No. 1072.--In the matter of Joseph P. Manning Co. Charge: Unfair methods of competition are charged in that respondent, doing business as a "Cash and Carry Tobacconist," discriminates in price between different purchasers of tobacco and tobacco products, not because of difference in grade, quality, or quantity, but with the purpose, intent, and effect of forcing competitors out of business or to force said competitors to agree to maintain certain prices established by the respondent and other wholesalers, thereby tending to substantially lessen competition in the territory served by the respondent, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: Dismissed, Commissioner Thompson dissenting.

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

Disposition Dismissed, respondent having gone out of business.

Complaint No. 1101.--In the matter of Oneida Community (Ltd.). Charge: Unfair methods of competition are charged in that the respondent employs a system of fixing and maintaining specified standard prices for the resale of its silver-plated flatware and uses numerous cooperative means and methods for the enforcement of said standard prices, thus tending to obstruct the free and natural flow of commerce and to establish an arbitrary price, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: Dismissed after hearing, practices charged having been discontinued a short time after the decision of the Supreme Court of the United States in the Beech-Nut Packing Co. case, which settled the law with respect to the maintenance of prices by cooperative methods.

Complaint No. 1117.--In the matter of Kelsey Wheel Co. (Inc.); Jacob Mattern & Sons (Inc.); Standard Tire & Rubber Co.; William H. Johnson, trading as Johnson Wheel Co.; H. O. Norris, trading as R. W. Norris & Sons Co.; Motor Rim & Wheel Manufacturing Co.; The Motor Rim Manufacturers Co.; Keaton Tire & Rubber Co. Charge: Unfair methods of competition are charged in that the respondent manufacturer and the respondent distributors have combined and cooperated to maintain and enhance prices and suppress competition in the distribution and sale of their automobile wheels and parts by means of a system of fixed retail prices and trade discounts in connection with restrictive territorial contracts and arrangements, employing cooperative methods for the maintenance of said prices and arrangements, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : Dismissed.

Complaint No. 1119.--In the matter of John Blocki & Son (Inc.) A. T. Renck and Ada A. Renck, partners doing business under the name and style A. & A. Renck ; B. F. Coleman and Maude W. Humphrey, partners doing business under the name and style Coleman & Humphrey; Opal Eckhoff, Martha Abel, Bess Freeman, Mary Elizabeth Hall, Tress Welsh. Charge: Unfair methods of competition are charged in that the respondent John Blocki & Son (Inc.) engaged in the manufacture of perfumes and toilet articles and the sale thereof to respondent distributors, fixed specified uniform prices for resale of its products, and in cooperation with said distributors employed a system of enforcing and maintaining said resale prices ; and in that the respondent took into its employ certain employees and distributors of the Franco-American Hygienic Co., a competitor sales company, which had therefore been supplied with the respondent's products to be sold under the trade name "Franco-American," and thereupon sold the Blocki products to the public as and for the goods of said competitor, also seeking to induce the customers of said competitor to abandon the use of the products of the competitor company and to adopt and use the products of the respondent manufacturer, to this end making numerous false, misleading, and unfair representations as to said competitor, all in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: Dismissed.

Complaint No. 1123.--In the matter of Real Silk Hosiery Mills, a corporation. Charge: Unfair methods of competition are charged in that the respondent makes numerous misleading statements through its salesmen and advertisements as to the production and quality of its hosiery, falsely representing that such hosiery is "fashioned" and indicating that it is wholly composed of silk, when in fact the top, toe, and heel are made of cotton and the sole is made of a mixture of cotton and silk, all in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: Dismissed after hearing, for lack of public interest, respondent having stipulated that practices complained of had been discontinued and would not be resumed, Commissioner Thompson dissenting.

Complaint No. 1132.--In the matter of Firestone Steel Products Co., Jacob Mattern & Sons (Inc.), Motor Rim Manufacturers Co., Motor Rim & Wheel Manufacturing Co., Keaton Tire & Rubber Co., Standard Tire & Rubber Co., Phineas Jones & Co., Eastern Rim & Wheel Co., and H. O. Norris trading as R. W. Norris & Sons Co. Charge: Unfair methods of competition are charged In that the respondent manufacturer, Firestone Steel Products Co., and Its distributors, the remaining respondents. have combined and cooperated to maintain and enhance prices and suppress competition in the distribution and sale of their automobile wheel rims and rim parts by means of a system of fixed retail prices and trade discounts in connection with restrictive territorial contracts and arrangements, employing cooperative methods for the main-

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

Disposition: Dismissed after stipulation, practices charged having been discontinued immediately following the decision of the Supreme Court of the United States in the Beech-Nut Packing Co. case.

Complaint No. 1140.--In the matter of Cleveland Metal Products Co. Charge: Unfair methods of competition are charged in that the respondent enforces a merchandising system by which certain specified uniform prices are fixed and maintained for the resale of its stoves and beaters by retail dealers, the respondent refusing to supply price cutters and employing cooperative methods for the enforcement of said standard resale prices, thereby tending to suppress competition and to deprive ultimate purchasers of the advantages they would obtain from the natural and unobstructed flow of commerce in such commodities, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: Dismissed after hearing practices charged having been discontinued it short the after the decision of the Supreme Court of the United States in the Beech-Nut Packing Co. case.

Complaint No. 1151.--In the matter of Robert Lewis, an individual doing business under the trade name and style Great Eastern Wholesale Furniture Co. Charge: Unfair methods of competition are charged in that the respondent retailer falsely advertises that his furniture is sold at wholesalers' prices, thereby tending to mislead the purchasing public into the belief that middlemen's profits are saved to the respondent's customers; and in that the respondent advertises and offers certain of his furniture as "walnut" when in fact said furniture is made of woods other than walnut and in mutation of genuine walnut wood, all in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: Dismissed after hearing for lack of jurisdiction.

Complaint No. 1154.--In the matter of L. Pincus and Benjamin Blaustein, partners doing business under the trade names Louben Furniture Co. and the Big G Furniture Warehouse. Charge: Unfair methods of competition are charged in that the respondent retailers falsely indicate that they are the manufacturers of the furniture which they in fact buy for resale, and in that they advertise certain of their furniture as "mahogany" or "walnut" or "genuine blue leather" or "imperial leather," when in fact said furniture is made of woods other than mahogany or walnut or is covered or upholstered with materials other than leather, said materials being in imitation of genuine mahogany, walnut, or loather, respectively, thereby tending to mislead the purchasing public as to the price and quality, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: Dismissed, respondent having gone out of business.

Complaint No. 1172.--In the matter of Crescent Manufacturing Co. Charge: Unfair methods of competition are charged in that the respondent, engaged in the manufacture and sale of food and grocery products, has adopted a merchandising system of fixing and maintaining certain specific uniform prices for the resale of its products, refusing to supply price-cutters and employing cooperative means and methods to compel the maintenance of said fixed retail prices, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: Dismissed after hearing. Commissioner Nugent dissenting.

Complaint No. 1176.--In the matter of Waverly Oil Works Co. Charge: Unfair methods of competition are charged in that the respondent brands and labels its petroleum distillates as "Tur-min-time" and "Min-seed-oil," thereby tending to mislead the purchasing public to believe that said products contain turpentine or linseed oil, respectively, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: Dismissed after stipulation.

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

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

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

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

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

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

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

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

Disposition: Dismissed after hearing.

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

Disposition: Dismissed after hearing.

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

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

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

Disposition: Dismissed after hearing.

Complaint No. 1197.--In the matter of Northern Jobbers' Club, Walter H. Gander, individually and as president of said club, Leland Joannes, individually and as secretary-treasurer of said club, Glass-Turbush Co., Otto L. Kuehn & Co., the Zinke Co., Bemis Hooper Hays Co., F. B. Ives Co., S. C. Shannon Co., J. F. Rapph Co., the Copps Co., Wilson Mercantile Co., Marshfield Grocer Co., Booth Newton Co., Joannes Bros. Co., Frank C. Schilling Co.,

Brelling Innes Co., National Grocer Co., Cannon Grocery Co., Roach & Seeber Co., the Peninsula Wholesale Grocery Co., Carpenter-Cook Co. Charge: Unfair methods of competition are charged, in that respondents have agreed to confine the distribution of groceries and allied products to "regular" and "legitimate" channels of trade, to wit, from the producer or manufacturer to the wholesaler, from the wholesaler to the retail dealer, and to fix uniform wholesale prices and to prevent price cutting, the said agreement, enforced by intimidation, coerce, and boycotting, tending to suppress and under competition and to

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

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

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

Disposition: Dismissed after hearing, Commissioner Nugent dissenting.

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

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

Complaint No. 1223.--In the matter of Chicago Retail Lumber Dealers' Association, a corporation, its officers and members. Charge: Unfair methods of competition are charged in that the respondents combined and conspired to restrict and destroy competition and thereupon established and operated an "allotment pool," the object of which was to prorate and divide in advance the aggregate annual business of all the members on the basis of certain fixed and agreed percentages so that each member who did more business than that allotted to him should pay into the fund a uniform fixed percentage of the excess of business done by such member, and that each member doing less business than that allotted to him should be paid out of said fund the same uniform fixed percentage upon such deficiency in his business; and in that the respondents, to effectuate their object of restricting and destroying competition, (a) prepared, issued, and used an association price list as a basis for uniform selling prices; (b) prepared cost surveys as a basis for said price lists; and (c) established a special fund consisting of large cash deposits by the members, said deposits being forfeitable to respondent association in case of noncompliance with the terms and purposes of respondents' combination and conspiracy; and in that the respondents, in an effort to restrict and destroy competition of nonmember competitors, (a) threatened, intimidated, and coerced competing dealers for the purpose of securing and retaining their membership; (b) interfered with the purchase of necessary supplies from manufacturers and wholesalers by nonmember dealers; (c) selected certain members to compete with nonmember competitors without regard to the scale of association prices and jointly assumed the cost of such competition; (d) instigated malicious and vexatious litigation against nonmember dealers, and (e) adopted and used other concerted means and measures to hamper and obstruct the competition of nonmembers, all in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: Dismissed for lack of jurisdiction, memorandum of dissent by Commissioners Nugent and Thompson to be filed at a later date.

Complaint No. 1224.--In the matter of Karl Sohn, Isaac Lewis, Bessie Lewis, B. Lewis (Inc.), a corporation, and Grand Rapids Furniture Clearance Warehouse. Charge: Unfair methods of competition are charged in that the respondents' trade name "Grand Rapids Furniture Clearance Warehouse," in conjunction with the respondents' advertising matter, tends to mislead the purchasing public to believe that the respondents' furniture is of Grand Rapids manufacture and quality and that the respondents are sales agents for the manufacturers of such furniture when in fact the furniture sold by the respondents is for the most part made at points, other than Grand Rapids, Mich.,

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

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

Complaint No. 1231.--In the matter of Champion Spark Plug Co. Charge: Unfair methods of competition are charged in that the respondent adopted and employs a merchandising system whereby it fixes and maintains certain specified uniform prices for the resale of its spark plugs, refusing to sell to price cutters and employing other cooperative means and methods for the enforcement of said system of fixed resale prices, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: Dismissed without prejudice, practices charged having been discontinued.

Complaint No. 1233.--In the matter of Permutit Co. Charge: Unfair methods of competition are charged in that the respondent, engaged in the manufacture and sale of Zeolite water-softening apparatus and involved in patent litigation the current findings in which indicated that one competitive apparatus was and another was not an infringement of the respondent's letters patent, attempted to intimidate and coerce customers and prospective customers of its competitors and bring about their refusal to deal with or carry out their obligations with said competitors through fear of incurring liability to the respondent as infringers of respondent's patents, effecting such intimidation and coercion by publishing representations and advertisements that all competitive apparatus was in infringement, this without specifying the nature of the infringement or the name of the competing apparatus asserted to be in infringement, and that the decrees entered in the aforesaid litigation established the validity of the respondent's representations, all in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: Dismissed after hearing.

Complaint No. 1244.--In the matter of Louis W. Meyer, doing business under the trade name and style Grand Rapids Furniture Sales Co., and Western Furniture Manufacturers Exposition (Inc.), a corporation. Charge: Unfair methods of competition are charged in that the respondents, by the use of their trade name and corporate name and advertising slogans and statements, mislead the purchasing public to believe that the respondents are manufacturers of furniture or the authorized representatives of furniture factories located in Grand Rapids, Mich., when in fact the respondents purchase their furniture for resale at retail and do not in fact eliminate the profits of middlemen to the benefit of the consuming public, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : Dismissed, respondent having gone out of business.

Complaint No. 1246.--In the matter of Knife Information Bureau, its secretary as such and individually, and sundry manufacturer members as such and individually. Charge: Unfair methods of competition are charged in that respondents are banded together for the purpose of conducting and carrying out the "reporting plan" of the association, and are thus engaged in a wrongful and unlawful combination and conspiracy to fix uniform sales prices for their products and to stifle and suppress competition between and among the members, the "reporting plan" providing, inter alia, for a report by each member of his standard prices, discounts, terms of sale, contract terms, and everything pertaining to his established sales policy affecting the market price of his goods, the secretary in turn distributing the information to the other members; changes in standard prices, etc., to be reported; duplicates of each day's invoices; reports of orders accepted; reports of contracts entered into with customers protecting them against a change in price; etc.; secretary-treasurer may audit books of any member to ascertain correctness of the information furnished; that as a result prices have been enhanced. and such enhanced

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

Disposition: Dismissed practices charged having been discontinued.

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

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

Disposition : Dismissed.

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

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

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

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

Complaint No. 1257.--In the matter of South Jersey Wholesale Confectioners Association, of Trenton, N. J., and its members. Charge: Unfair methods of competition are charged in that the respondents combined and conspired to fix uniform prices for the resale to retail dealers of certain of the candies handled by them and to prevent price-cutting wholesale dealers from obtaining goods, bringing pressure to bear on manufacturers supplying such offending dealers, and by boycott and threats of boycott seeking to prevent manufacturers from supplying such dealers, thereby tending to unlawfully suppress and hinder competition, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: Dismissed after hearing, respondent association having discontinued its activities before the issuance of the complaint and being no longer in business, Commissioner Thompson dissenting.

Complaint No. 1262.--In the matter of Larowe Milling Co., American Beet Sugar Co., Columbia Sugar Co., Continental Sugar Co., Garden City Sugar & Land Co., Great Western Sugar Co., Holland-St. Louis Sugar Co., Owosso Sugar Co., Toledo Sugar Co., Minnesota

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

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

Disposition : Dismissed, Commissioners Nugent and Thompson dissenting.

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

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

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

Disposition : Dismissed.

Complaint No. 1294.--In the matter of Plateless Engraving Co., a corporation. Charge: Unfair methods of competition are charged in that the respondent, engaged in process printing and in the sale of process-printed stationery, by the use of the word "engraving" in its corporate name and advertisements tends to mislead and deceive the purchasing public into the erroneous belief that the respondent is an engraving company engaged in the business of purchasing and selling engraved and embossed stationery, and tends to injure competitors who do not misrepresent their products, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : Dismissed after stipulation, respondent having changed its corporate name to Plateless Process & Printing Co., Commissioner Nugent dissenting.

Complaint No. 1300.--In the matter of United States Roofing & Paint Co. (Inc.), a corporation. Charge : Unfair methods of competition are charged in that the respondent, engaged in the sale of colors, varnishes, asphalt shingles, prepared roofings, and similar products, labels said products with the letters "U. S.," either independently or in conjunction with other words, or in connection with the figure known as "Uncle Sam," thereby tending to mislead the purchasing public into the erroneous belief that the respondent's products were declared and sold as surplus by the United States Government, or manufactured in accordance with Government specifications or requirements, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : Dismissed, practices charged having been discontinued.

Complaint No. 1305.--In the matter of Continental Baking Corporation. Charge : Unfair methods of competition are charged in that the respondent holds and controls the whole or substantially all of the stock of a number of corporations engaged in the baking business in the several States of the United States, thereby tending to substantially lessen competition, to restrain commerce in bread, biscuits, cakes, pies, crackers and other food products in the sections or communities in which such corporations were engaged in commerce at the time of the acquisition of their stock and to create a monopoly in said food products in alleged violation of section 7 of the Clayton Act.

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

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

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

Disposition : Dismissed, respondents having gone out of business.

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

Disposition : Dismissed after hearing.

Complaint No. 1337.--In the matter of John C. Herman and Edward S. Herman, copartners doing business under the trade name and style of John C. Herman & Co. Charge : Unfair methods of competition are charged in that the respondents label certain of their cigars with the words "Tampa" or "Sumatra Wrapped" thereby tending to mislead the public to believe that the said cigars are made in the Tampa district, and that the wrappers are of tobacco grown on the Island of Sumatra, when in fact the respondents' products are manufactured in the State of Pennsylvania and the wrappers of its cigars are of tobacco grown elsewhere than on the island of Sumatra, In alleged violation of section 5 of the Federal Trade Commission act.

Disposition : Dismissed after hearing, practices charged having been discontinued at the time the investigation was instituted.

Complaint No. 1347.--In the matter of Joseph Goodman, doing business under the trade names and styles Niagara Shirt Co. and Nyra Shirt Co. Charge : Unfair methods of competition are charged in that the respondent, engaged in the manufacture of shirts from material composed entirely of cotton, but having a high luster and resembling silk in appearance, labels said shirts with the word "Nyrasylk," thereby misleading the purchasing public to believe that the respondent's shirts are made of silk and tending to injure competitors who do not practice misrepresentation, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : Dismissed.

Complaint No. 1348.--In the matter of Finishing Products Co. Charge: Unfair methods of competition are charged in that the respondent, engaged in the sale of wood stains, fillers, varnishes, and allied products, offers and gives sums of money to employees of customers and prospective customers, without the knowledge or consent of the principals, as an inducement to influence said employees to purchase from the respondent, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : Dismissed after hearing.

Complaint No. 1353.--In the matter of Always Ready Products Co. Charge : Unfair methods of competition are charged in that the respondent, engaged in the manufacture and sale of a solution for use in electric storage batteries. makes numerous deceptive and misleading assertions as to the quality of said solution, indicating falsely that it will charge electric storage batteries with electricity and will not freeze. thereby tending to mislead the purchasing public and to injure competitors who do not practice misrepresentation, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : Dismissed, respondent having been adjudicated a bankrupt.

Complaint No. 1355.--In the matter of Joseph Lampl and Carl Lampl, partners, doing business under the trade name and style Lampl Knitting Co. Charge : Unfair methods of competition are

charge in that the respondents, engaged in the sale of knitted garments to retailers, indicate by the use of their trade name that they are manufacturers, when in fact the respondents do not control or operate any mill or factory and purchase their garments for resale, thereby tending to mislead the trade into the erroneous belief that the profits of middlemen are eliminated when purchases are made from the respondents and tending also to injure competitors who do not practice misrepresentation in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : Dismissed.

Complaint No. 1358.--In the matter of Continental Baking Corporation. Charge : Unfair methods of competition are charged in that the respondent

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

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

EXHIBIT 7

COMPLAINTS PENDING JULY 1, 1926, AND STATUS

NOTE.--On or immediately before June 30, 1926, the commission mailed one order to cease and desist and four orders of dismissal, terminating five of the proceedings shown as pending. This action is properly reflected in the statistical tables, but not individually indicated because service upon parties at interest had not been effected at the close of the fiscal year.

Complaint No. 82.--In the matter of Photo-Engravers' Club of Chicago. Charge: Adopting a standard scale of uniform prices at which the members sell their products, with the intent of stifling and suppressing competition in the manufacture and sale of photo-engraving, the respondent having entered into an agreement with the Chicago Photo-Engravers' Union No. 5, I. P. E. U., by their terms of which the respondent's members employ only union labor in their manufacturing plants and the members of the union do not accept employment from any manufacturing photoengraver not a member of the respondent club. In furtherance of such agreement the union has adopted a rule whereby union labor is to cease working in photoengraving plants which do not maintain such standard scale of prices, and has initiated a series of fines and threats to withdraw labor, thereby compelling members to maintain such prices against their will, all in alleged violation of section 5 of the Federal Trade Commission act. (Consolidated with docket 928.) Status: In course of trial.

Complaint No. 266.---In the matter of Pictorial Review Co. Charge: Using unfair methods of competition in the sale of paper dress patterns, consisting of selling patterns to dealers under a contract permitting the dealer to return all unsold patterns on the termination of contract at three fourths of the cost thereof, upon the condition that during the continuance of such contracts they have sold no patterns except those manufactured by respondent, or shall have sold such patterns at the prices fixed by respondent, in alleged violation of section 5 of the Federal Trade Commission act; selling and making contracts for sale of its paper dress patterns on the condition, agreement, or understanding that the purchasers thereof shall not use or deal in the patterns of competitors, the effect of which is to substantially lessen competition or tend to create a monopoly in violation of section 3 of the Clayton Act. Status: On suspense, awaiting the outcome of the Butterick Co. case. (Doc. 594.)

Complaint No. 455.---In the matter of Armour & Co. Charge: That respondent acquired three-fifths of the capital stock of Harold L. Brown Co (Inc.), a competitor, which company had previously acquired the capital stock and business of Beyer Bros. Commission Co., and also the capital stock and business of Beyer Bros. Co. ; that it acquired as vendee and pledgee in controlling amount of the capital stock of the Eau Claire Creamery Co.; that it acquired through its agents 503 of the 1,000 shares of the capital stock of the Loudon Packing Co., an Ohio corporation, which corporation transferred all its business and property to the Loudon Packing Co., a Delaware corporation, in consideration of all of the stock of the Delaware corporation, consisting of 1,000 shares, 503 of which are held by agents of respondent in trust for respondent ; that it acquired one-half of the capital stock of the A. S. Kinimoth Produce Co.; that it acquired the entire capital stock of the Pacific Creamery, which company the respondent held out and advertised as wholly independent without connection with respondent ; and acquired 501 shares of the capital stock of Smith, Richardson & Conroy, a Florida corporation, and that

the result of such acquisitions by respondent is the domination by respondent of the business of some of the above-mentioned companies, the elimination of competition between the above-mentioned companies, and the creation of conditions which tend to create a monopoly, in alleged violation of section 5 of the Federal Trade Commission act and section 7 of the Clayton Act. Status: Before the Commission for final determination.

Complaint No. 457.---In the matter of Western Meat Co. and Nevada Packing Co. Charge: That respondents have violated section 5 of the Federal Trade Commission act and section 8 of the Clayton Act by having F.L. Washburn, a director of both the Western Meat Co. and the Nevada Packing Co. (between which companies competition existed), and illegally acquiring by the Western Meat Co., the capital stock of the Nevada Packing Co., which acquisition suspended between respondents competition which theretofore existed between them and tended to create a monopoly Status: Held pending decision in docket 456, which is now pending in the Circuit Court of Appeals for the Ninth Circuit.

Complaint No. 775.---In the matter of Swift & Co., National Leather Co. Charge: That the respondent Swift & Co., by reason of its acquisition of a controlling interest in England, Walton & Co. (Inc.) and its subsidiaries, and the subsequent organization by Swift & Co. of respondent National Leather Co. and the transfer thereto of the Swift & Co. interest in England, Walton & Co., and in numerous other corporations engaged in tanning and the manufacture and sale of leather and by-products, the corporate stock of which had been acquired by Swift & Co., has been for the purpose and effect of substantially lessening competition and of creating a combination in restraint of trade in the manufacture and sale of leather, in alleged violation of section 5 of the Federal Trade Commission act and section 7 of the Clayton Act. Status: Before the commission for final determination.

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

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

Complaint No 857.---In the matter of S. F. Shepard, Rockwood Brown, A. L. Todd, R Allyn Lewis, R.J. Wiswell, D. M. Leopold, H. P. Hanson, E.H. Eshleman, F. L. Moorman, and E. H. McArthur. Charge: The respondents are trustees for or associated in the promotion of the Burkley Oil Co., Buck Crest Oil Co., Burk Bethel Oil Co., Gypsy Burk Oil Co., Burk Imperial Oil Co., and Burk Consolidated Oil Co. Unfair methods of competition are charged in that the

respondents, to further the sale of the share stock of said unincorporated associations, issued and published numerous false and misleading statements and concealed or withheld other material information relative to the organization, business, and properties of the said companies, thereby deceiving and misleading the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status: Awaiting respondent's brief.

Complaint No. 865.---In the matter of Henry H. Hoffman, R C. Russell, J. H. Cain, R V. Wilson, B. Baernstein, the Ranger-Burkburnett Oil Co., the Ranger-Comanche Oil Co., and the Union National Oil Co. Charge: The respondent individuals are promoters of the respondent corporation. Unfair methods of

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

Complaint No. 871.---In the matter of A. W. Perryman, doing business under the name and style Perry man Investment Co. ; A. W. Perry man, F. P. Penfleid, C. S. Thomas, individually and as trustees and officers of the Houston Oil & Refining Co., a trust ; W. L. Diehl, individually and as second vice president of the Houston Oil & Refining Co., a trust; and William M. Huff, individually and as third vice president of the Houston Oil & Refining Co., a trust. Charge: The respondents are the promoters of the Houston Oil & Refining Co., a Texas trust. Unfair methods of competition are charged in that the respondents, for the purpose of furthering the sale of the share stock of the said oil company, issued and published numerous false and misleading statements and concealed or withheld other material information relative to the organization, business, property, and prospects of said corporation, thereby deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status: Awaiting respondents briefs.

Complaint No. 873.---In the matter of Hewitt Brothers Soap Co. Charge: Unfair methods of competition in that the respondent advertises, brands, and labels its soap as "white naphtha," stating that it is made by a new process and of a combination of naphtha, coconut oil, and other cleansing ingredients, when, in fact, the said soap contains no naphtha, but contains instead a petroleum distillate other than naphtha, originally only to the extent of 1 per cent or less of the whole constituent ingredients, and substantially all lost by volatilization or evaporation before such soap reaches the ultimate consumer, thereby misleading and deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue.

Complaint No. 902.---In the matter of The Chicago Tobacco Jobbers' Association, its officers and members, and the American Tobacco Co., respondents. Charge: The charge is unfair competition in that the association and its members agreed upon a schedule of fixed prices at which the members should resell tobacco products to their customers and that the American Tobacco Co. entered into an agreement with the association and its members to assist them in maintaining the prices fixed and agreed upon, all in alleged violation of section 5 of the Federal Trade Commission act. Status: Awaiting court decision in the matter of Wholesale Tobacco & Cigar dealers Association of Philadelphia, Pa.; docket No. 886.

Complaint No. 925.---In the matter of Mid-American Oil & Refining Co. and J.H. Crites, Charge: The respondent individual is the promoter of respondent Mid-American Oil & Refining Co., a Texas trust. Unfair methods of competition in commerce are charged in that respondents, with the aid of certain subsidiaries known as Mid-American Syndicate, Mid-American Mexia Syndicate, and Mid-American Stevens County Syndicate, published numerous false and misleading statements and representations relative to the organization, business, property, and prospects of respondent company and said syndicates to further the sale of the share stock of the respondent, and thereby deceived the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status: Awaiting respondent's brief.

Complaint No. 928 (in consolidation with 82).---In the matter of The American Photo-Engravers' Association and others, and the international Photo-Engravers' Union of North America, and others. Charge : Unfair methods of com-petition in commerce are charged in that the respondents conspired and agreed to adopt and maintain a scale of uniform prices for the sale of all photo-engraving products. The respondent, International Photo-Engravers' Union

of North America and its local organizations threatened to call strikes or withdraw union employees from photo-engraving establishments that would not maintain said uniform scale of prices, it being understood between the respondents that the members of the respondent association would employ none but members of respondent union's local organization thereby and with the aid of other methods of enforcement of said agreement, regulating, controlling, and suppressing competition between manufacturers of photo-engraving products, making possible the establishment and maintenance of enhanced prices

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

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

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

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

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

Complaint No 962.---In the matter of Bethlehem Steel Corporation, Bethlehem Steel Co., Bethlehem Steel Bridge Corporation, Lackawanna Steel Co., Lackawanna Bridge Works Corporation, Midvale Steel & Ordnance Co., Cambria Steel Co. Charge : The respondent, the Bethlehem Steel Corporation, on or about October 25, 1922, acquired the properties, assets, and businesses of the Lackawanna Steel Co. and its subsidiaries and is now acquiring and has acquired the properties, assets, and businesses of the respondents, Midvale Steel & Ordnance Co. and Cambria Steel Co. Unfair methods of competition in commerce are charged in that the respondents by uniting under a common ownership and management and thereby effecting control of the iron and steel products originating in their respective territories tend to substantially lessen potential and actual competition, contrary to the public policy expressed in section 7 of the Clayton Act and in alleged violation of section 5 of the Federal Trade Commission act, to unduly hinder competition in the iron and steel industries in said territory and unreasonably restrict competition so as to restrain trade contrary to the public policy expressed in sections 1 and 3 of the Sherman Act and in alleged violation of section 5 of the Federal Trade Commission act. Status : In course of trial.

Complaint No. 963.---In the matter of Roller Oil & Refining Co. (Inc.), H. C. Roller, C. F.

Gibbons, Percie C. Wilie, E. H. Doud. Charge: Unfair methods of competition are charged in the sale of share stock of the respondent corporation in that the respondents have misrepresented the business, management, properties, and prospects of said corporation for the purpose of misleading and deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status : Awaiting final argument.

Complaint No. 988.--In the matter of Paramount Royalty Syndicate and Lea R Ellis. Charge : Unfair methods of competition in commerce are charged

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

Complaint No. 1028.---In the matter of Guaranty Royalties Co., W. F. Rogers, W. L. Hughes, and A. C. Loughrey. Charge : Unfair methods of competition are charged in the sale of the stock of the respondent joint-stock association in that the respondents have made numerous false, misleading, and deceptive statements concerning the organization, management, properties, production, earnings, and prospects of the respondent company for the purpose of inducing the public to purchase said stock, in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue

Complaint No. 1044.---In the matter of Pacific Commercial Co. and Exporters' and Importers' Association of the World. Charge : Respondents are charged with having accepted orders and received payment from foreign customers for first-class new automobile chassis, and through negligence or collusion have caused or permitted to be substituted for the goods ordered secondhand, inferior, or worthless goods, which unfair method of competition has the tendency to injure and damage the reputation of respondents' competitors who truthfully fulfill their contracts, in alleged violation of section 5 of the Federal Trade Commission act as extended by the provisions of section 4 of the Webb Act. Status : Before the Commission for final determination.

Complaint No. 1053.--Federal Trade Commission v. The Worrell Manufacturing Co. Charge : Unfair methods of competition are charged in that respondent, engaged in the sale of insecticides, disinfectants, and sanitary appliances, offers and gives goods and merchandise as premiums or gratuities to public officials in charge of Government departments, boards, and administrative offices purchasing supplies for public institutions, as an inducement to purchase respondent's products, in alleged violation of section 5 of the Federal Trade Commission act. Status : At issue.

Complaint No. 1066.---In the matter of Jacob Busch. Charge: unfair methods or competition are charged in that the respondent's practice of stamping as "Sheffield" his silver-plated ware which is not manufactured in Sheffield England and which is of a quality inferior to that of the silver and silver-plated ware commonly known as Sheffield silver or Sheffield silver plate, tends to mislead and deceive the purchasing public as to the value and quality of his wares, in alleged violation of section 5 of the Federal Trade Commission act. Status: Before the commission for final determination.

Complaint No. 1067.---In the matter of Ontario Silver Co. Charge : Unfair methods of competition are charged in that the respondent's practice of stamping as "Sheffield" his Silver-plated ware which as not manufactured in Sheffield, England, and which is of a quality inferior to that of the silver and silver-plated ware commonly known as Sheffield silver or Sheffield silver plate, tends to mislead and deceive the purchasing public as to the value and quality of his wares, in alleged violation of section 5 of the Federal Trade Commission act. Status: Before the commission for final determination.

Complaint No. 1068 ---In the matter of Samuel E. Berstein (Inc.). Charge: Unfair methods of competition are charged in that the respondent's practice of stamping as "Sheffield" its silver-plated ware which is not manufactured in Sheffield, England, and which is of a quality inferior to that of the silver and silver-plated ware commonly known as Sheffield silver or Sheffield silver plate, tends to mislead and deceive the purchasing public as to the value and quality of its wares, in alleged violation of Section 5 of the Federal Trade Commission act.

Status: Before the commission for final determination.

Complaint No. 1089.---In the matter of The Three-In-One oil Co. Charge : Unfair methods of competition are charged in that the respondent employs a system for the maintenance and enforcement of certain specified uniform prices fixed by it at which its shall be resold by wholesale and retail dealers, respectively, and uses cooperative means of accomplishing the maintenance of said retail prices, thereby tending to restrain the natural flow of commerce and freedom of competition, in alleged violation of section 5 of the Federal Trade Commission act.

Status: Before the commission for final determination.

Complaint No. 1097.---In the matter of H. O. Rogers Silver Co., a corporation. Charge: Unfair methods of competition are charged In that the respondent's practice of stamping as "Sheffield" or "Sheffield, made in U. S. A.," its silver-plated ware which is not manufactured in Sheffield, England, and which is

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

Complaint No. 1100.---In the matter of American Snuff Co. Charge: Unfair methods of competition are charged in that the respondent adopted and enforced a system of uniform prices for the resale of its products, refusing to sell to price cutters and employing other cooperative means and methods to compel the maintenance of its resale prices, thereby tending to suppress competition and to deprive the consuming public of advantages in price which they would obtain under conditions of free competition, in alleged violation of section 5 of the Federal Trade Commission act. Status: Awaiting examiner's report.

Complaint No.1102.---In the matter of White Silver Co. Charge : Unfair methods of competition are charged in that the respondent, engages in the manufacture and sale of silver-plated tableware, tends to mislead and deceive the purchasing public by stamping its product as "Quadruple plate" thereby indicating that its wares have been plated four times or bear at four-fold thickness of silver plating when in fact the respondent's products are stated to be of the most thinly plated and least durable quality or variety of silver-plated commodities, in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue.

Complaint No. 1110.--In the matter of James S. Kirk & Co. Charge: Unfair methods of competition are charged in that the respondent has manufactured and sold in addition to its several brands of soap which contain various percentages of olive oil, seven other separate kinds of soap which it labeled, advertised, and sold as "Castile" soaps, though said soaps contained no olive oil content whatsoever, thereby tending to mislead and deceive the public into the belief that the respondent's soaps are genuine Castile soap the oil ingredient of which is olive oil, in alleged violation of Section 5 of the Federal Trade Commission act. Status : Awaiting action on respondent's motion to dismiss.

Complaint No. 1111.---In the matter of Dwinell-Wright Co. a corporation. Charge, : Unfair methods of competition are charged in that the respondent, engaged in the importation and sale of teas and coffees, employs a system of fixing and maintaining certain specified uniform prices at which its products will be resold by wholesaler jobbers to retailers and by retailers to the consuming public, using various cooperative methods of maintaining the said established resale system, and thereby tending to hinder and suppress competition and to obstruct the free and natural flow of commerce, in alleged violation of section 5 of the Federal Trade Commission act. Status : Awaiting final argument.

Complaint No 1115.---In the matter of General Electric Co., American Telephone & Telegraph Co., Western Electric Co. (Inc.), Westinghouse Electric & Manufacturing Co., The International Radio Telegraph Co., United Fruit Co., Wireless Specialty Apparatus Co., and Radio Corporation of America. Charge : Unfair methods of competition are charged In that the respondents have combined and conspired for the purpose and with the effect of restraining competition and creating an monopoly in the manufacture, purchase, and sale of radio devices and apparatus by: (1) Acquiring patents and patent rights covering all radio devices and apparatus and combining and pooling or allotting the rights thereunder to manufacture, sell, or use such devices and apparatus; (2) granting to the respondent Radio Corporation of America the exclusive right to sell certain radio devices and restricting its purchases to the products of certain of the respondent manufacturers; (3) restricting the competition of certain respondents ; (4) restricting the use in radio communication or broadcasting of articles manufactured and sold under respondent's patents and patent rights; (5) acquiring equipment heretofore existing

for transoceanic radio communication and perpetuating the monopoly thereof by refusing to supply to others the apparatus and devices necessary for the employment and operation of certain service ; (6) entering into exclusive contracts and preferential agreements for the handling of transoceanic radio traffic and the transmission of radio messages in this country, thereby excluding others from the necessary facilities for the transmission of radio traffic; and (7) agreeing and contracting with themselves to cooperate in the development of new inventions relating to radio and to exchange patents covering the results of the research and experiment of their employees in the art of radio, seeking thereby to perpetuate their control and monopoly of the various means of radio communication and broadcasting license the time covered by existing patents

owned by their or under which they are licensed, all in alleged violation of section 5 of the Federal Trade Commission act. Status : In course of trial.

Complaint No. 1127.--In the matter of Calumet Baking Powder Co. Charge : Unfair methods of competition are charged in that the respondent has published and circulated numerous false and misleading statements in disparagement of "K. C. baking powder," a product of the Jaques Manufacturing Co., thereby tending to mislead the trade into the belief that said K. C. baking powder is an inferior, adulterated, and undesirable product and to injure and damage the business and good will of said competitor, the Jaques Manufacturing Co., in alleged violation of section 5 of the Federal Trade Commission act. Status : In course of trial.

Complaint No. 1131.--In the matter of Cosmopolitan Silver Co. Charge: Unfair methods of competition are charged in that the respondent, engaged in the manufacture of silver-plated ware in the city of New York and in the sale thereof, stamps its silverware with the words "Sheffield," "Sheffield plate," or other similar designations containing the word "Sheffield," thereby tending to create the false impression that its silver-plated ware was manufactured in Sheffield, England, and is of the high quality associated with the terms "Sheffield silver" and "Sheffield plate," in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue on amended complaint.

Complaint No. 1143.---In the matter of P. Perlmutter and C. W. Quigley, partners doing business under the trade name and style P. and Q. Furniture Store. Charge : Unfair methods of competition are charged in that the respondents, engaged in the purchase and resale of furniture and having no factory of their own, sell and advertise said furniture as from "factory direct to you," thereby tending to mislead the purchasing public to believe that in dealing with the respondents they are buying direct from the manufacturer and saving the profits of middlemen, in alleged violation of section 5 of the Federal Trade Commission act. Status : Awaiting respondent's brief.

Complaint No. 1145.--In the matter of Northwestern Traffic & Service Bureau (Inc.), its officers, directors, and subscribers, and Northwestern Publishing Co. and its president. Charge : Unfair methods of competition are charged in that the respondents, by cooperating in the enjoyment of various unfair, intimidating, and coercive measures in behalf of their subscribers, heretofore affiliated as the Northwestern Retail Coal Dealers Association, and with the said of the respondent publishing company's trade journal "The Coal Dealer," tend to constrain producers and wholesalers of coal to confine distribution to so-called regular channels selected and approved by the respondents and to prevent the sale of coal to independents and consumers, thereby obstructing and hindering competition, in alleged violation of section 5 of the Federal Trade Commission act. Status : Before the commission for final determination.

Complaint No. 1150.--In the matter of Morton F. Baum, an individual doing business under the trade name and style Michigan Sample Furniture Co. Charge : Unfair methods of competition are charged in that the respondent retailer falsely advertises that its furniture is sold at manufacturers' prices, thereby tending to mislead the purchasing public into the belief that middlemen's profits are saved to the respondent's customers, and in that the respondent advertises and offers certain of his furniture as "walnut" when in fact said furniture is made of woods other than walnut and in imitation of genuine walnut wood, all in alleged violation of section 5 of the Federal Trade Commission act. Status : At issue.

Complaint No. 1153.--In the matter of The National Association of Stationers & Manufacturers of the United States, its officers and members, et al. Charge : Unfair methods of competition are charged in that the respondent associations of stationery manufacturers and dealers entered into a combination and conspiracy with the purpose, intent, and effect of

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

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

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

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

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

Complaint No. 1160.--In the matter of A.L. Wagner Manufacturing Co. Charge: Unfair methods of competition are charged in that the respondent, engaged in the manufacture of silver-plated ware in the city of New York, stamps its silverware with the words "Sheffield," or other similar designations containing the word "Sheffield," thereby tending to create the false impression that its silver-plated ware was manufactured in Sheffield, England, and is of the high quality associated with genuine Sheffield silver and Sheffield plate, in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue on amended complaint.

Complaint No. 1162.--In the matter of. The Rialto Silver Plated Ware Co. (Inc.) . Charge: Unfair methods of competition ion are charged in that the respondent, engaged in the manufacture of silver-plated with in the city of New York, stamps its silverware with the words are Sheffield" "Sheffield plate," or other similar designations containing the word "Sheffield," thereby tending to create the false impression that its silver-plated ware was manufacture in Sheffield, England, and is of the high quality associated with genuine Sheffield

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

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

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

Complaint No 1184.--In the matter of Philip Carey Manufacturing Co., Philip Carey Co. Charge : Unfair methods of competition are charged in that the respondent's practice of entering into exclusive contracts whereby competitors bind themselves not to deal in the products of any competitor of respondents tends to substantially lessen competition in the sale of asbestos and asphalt products, and asphalt paving joints particularly, and to create a monopoly of such commerce in the hands of the respondents, in alleged violation of section 5 of the Federal Trade Commission act and section 3 of the Clayton Act and in that the respondents make disparaging statements concerning competitors' products, business methods, and financial responsibility, practice espionage, threaten and intimidate customers of competitors, thereby causing them to break existing contracts, and threaten infringement suits without intention of bringing such suits, said persecution and harassment against competitors being calculated and intended to prevent sales of said competitors paving joints, in alleged violation of section 5 of the Federal Trade Commission act. Status : In course of trial.

Complaint No.1192.--In the matter of Kritzer (Inc.) . Charge : Unfair methods of competition are charged in that respondent engaged in the resale of furniture which he has purchased, for the most part, from manufacturers other than those of Grand Rapids, Mich., by using the trade name "Furniture manufacturers warehouse" and falsely advertising that he is on sales agent for furniture manufacturers of Grand Rapids, Mich., tends to mislead the purchasing public to believe that in dealing with the respondent they are buying direct from the manufacturer and saving the profits of middlemen, in alleged violation of section 5 of the Federal Trade Commission act. Status: Awaiting final argument.

Complaint No. 1193.--In the matter of Grand Rapids Smiles Co. Charge : Unfair methods of competition are charged in that respondent, engaged in the resale of furniture which he has purchased for the most part. from manufacturers other than those of Grand Rapids, Mich., by using the trade name "Grand Rapids Sales Co." and falsely advertising that he is no sales agent for furniture manufacturers of Grand Rapids, Mich., tends to mislead the purchasing public into the belief that in dealing with the respondent they are buying direct from the manufacturer and saving the profits of middlemen, in all alleged violation of section 5 of the Federal Trade Commission act. Status : Awaiting final argument.

Complaint No. 1196.--Federal Trade Commission v. Wisconsin Wholesale Grocers' Association, James D. Godfrey, individually and as president of said association; M. J. Brew,

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

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

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

Complaint No. 1203.--In the matter of Barnes-Ames Co., Barnes-Irwin Co. Charge : Unfair methods of competition are charged in that the respondents, exporters of wheat, have accepted orders and received payment from foreign customers for wheat of a specified quality and, wilfully or through negligence, have delivered wheat of a quality inferior to that ordered and containing large quantities of chaff and other foreign substances, thereby tending to injure the export trade generally, in alleged violation of section 5 of the Federal Trade Commission act. Status : Awaiting action on respondent's motion to dismiss

Complaint No. 1211.--In the matter of Seal Island Thread Co. (Inc.). Charge : Unfair methods of competition are charged in that the respondent sells certain of its cotton sewing thread as "Satin Silk" or "Satin silk" adding, in some instances, in smaller and less conspicuous letters, the words "Mercerized Cotton" or "Perfect Substitute for Best Silk," thereby tending to mislead and deceive the purchasing public as to the quality of said product, in alleged violation of section 5 of the Federal Trade Commission act. Status : Awaiting respondent's brief.

Complaint No. 1215.--In the matter of Motor Wheel Corporation. Charge : Unfair methods of competition are charged in that respondent, engaged in the manufacture and sale of wooden wheels and steel disc wheels for automobiles and sundry parts and materials therefor, having acquired the businesses and assets of its competitors, Prudden Wheel Co. and Auto Wheel Co.; proceeded to and did acquire the corporate stock of Forsythe Bros. Co., the only competitor of the respondent during the year 1922 in the manufacture of steel disc wheels, thereby tending to lessen competition, restrain interstate commerce and to create a monopoly, in alleged violation of section 7 of the Clayton act. Status : At issue.

Complaint No. 1216.--In the matter of John R. Walker and American Woods Export Association, a corporation. Charge : Unfair methods of competition are charged in that the respondents engaged in the export of lumber, failed to fulfill contracts with foreign customers, delivered lumber of a different kind and of a lower grade and quality, and in less amounts, and at dates much later than those specified in said contracts and, with the intent and purpose of deceiving said customers, falsely invoiced their deliveries as of the kind and quality designated in said contracts, falsely representing said lumber as measured and inspected by the Lumberman's Bureau of Washington, D C., thereby tending to bring into disrepute and injuriously affect the export trade in lumber, in alleged violation of section 5 of the Federal Trade Commission act. Status : In course of trial.

Complaint No. 1218.--In the matter of Chemo Company, a corporation. Charge : Unfair methods of competition are charged in that the respondent, engaged in the manufacture and sale

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

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

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

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

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

Complaint No. 1238.--In the matter of M. Rea Gano, Gano Moore Co., Gano Moore Coal Mining Co. (Inc.). Charge: Unfair methods of competition are charged in that the respondents, engaged in the business of exporting coal from the United States to South America, accepted orders and received payment from foreign customers for coal of a specified quality and quantity and willfully or through negligence delivered for the coal so ordered coal of a quality inferior thereto, failed to make deliveries at the time specified and of the quantities ordered, refused to make deliveries contracted for except at increased prices, and endeavored to induce customers to enter into agreements to disregard the export regulations of the United States Government, thereby tending to bring American trade into disrepute with the South American buying public and to injure and damage the reputation and business of American exporters, in alleged violation of the Federal Trade Commission act as extended by the provisions of section 4 of the Webb Act. Status : At issue.

Complaint No. 1241.--In the matter of Julius Klorfein. Charge : Unfair methods of competition are charged in that the respondent, engaged in the manufacture of cigars In the States of New York and Pennsylvania and In the sale thereof, labels his product with the words "Havana," "Vuelta Abajo," and "Garcia" in connection with a design registered by him in the United States Patent Office as a trade-mark for cigars and causes the said words to appear as a part of said trade-mark when such is not the fact, thereby tending to mislead and deceive the purchasing public to believe that the respondent's cigars are made wholly from tobacco grown in Cuba and either wholly or In part of tobacco grown in the Vuelta Abajo district by manufacturers of the surname "Garcia" and that the respondent was the first, and is entitled to the exclusive right in the United States, to use the word "Garcia" in connection with the sale of cigars, all in alleged violation of section 5 of the Federal Trade Commission act. Status : Awaiting examiners report.

Complaint No. 1242.--In the matter of Jacques E Greenberger and Carrie Greenberger; Individually and as copartners, trading as Big G Furniture Works, and Big G Furniture Works, a corporation. Charge : Unfair methods of competition are charged in that the respondents, engaged in the purchase of furniture and its sale at retail, employ their trade and corporate

names and advertise to mislead the purchasing public to believe that they are manufacturers and that said purchasing public in dealing with the respondents saves the profits of middlemen, all in alleged violation of section 5 of the Federal Trade Commission act. Status : Awaiting final argument.

Complaint No. 1245.--In the matter of B. Z. B. Knitting Co. Charge : Unfair methods of competition are charged in that the respondent, engaged in the manufacture and sale of hosiery, advertised Its product as “fashioned” or “full fashioned” hosiery, when in fact said hosiery is not “fashioned” as the term is understood by the public, thereby tending to mislead and deceive the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status : At issue.

Complaint No. 1247.--In the matter of Allied Chemical & Dye Corporation. Charge : Unfair methods of competition are charged in that respondent by the

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

Complaint No. 1251.--In the matter of American Association of Advertising Agencies, its officers, executive board, and members ; American Press Association, a corporation ; Southern Newspaper Publishers' Association, its officers, directors, and members. Charge : Unfair methods of competition are charged in that the respondents are engaged in a combination and conspiracy affecting national advertising throughout the United States, entered into with the purpose of compelling national advertisers to employ respondent agencies or other advertising agencies in the placing of national advertising in newspapers throughout the United States and to prevent said advertisers from advertising directly in said newspapers at the minimum "net" rates and to compel said advertisers to pay at the maximum "gross" rates, employing various cooperative means to effectuate said combination and conspiracy the effect of which is to hinder and obstruct national advertising throughout the United States : to restrict the distribution of such advertising, and of the type parts essential thereto, to channels and upon terms and conditions dictated by the respondents ; to restrict the publication of national advertising to newspapers selected and approved by the respondents ; to compel newspaper publishers to charge for the publication of national advertising at maximum gross rates and to prevent them from according minimum net rates to direct advertisers ; to compel the employment of the respondents or other agencies as intermediaries in placing national advertising, or in the alternative to pay for direct advertising at the maximum gross rates and in addition thereto to prepare and distribute their advertisements at their own expense, and to hinder and obstruct the marketing of goods, wares, and merchandise, all in alleged violation of section 5 of the Federal Trade Commission act. Status : In course of trial.

Complaint No. 1258.--In the matter of Grand Rapids Furniture Co., an Illinois corporation. Charge: Unfair methods of competition are charged in that the respondent falsely represented and pretended that it owned or operated a furniture factory at Grand Rapids, Mich. ; that It sold its furniture direct from manufacturer to consumer, thereby eliminating the middleman's profit; that Its furniture was made at Grand Rapids, Mich.; that the respondent and the long-established and favorably known "Grand Rapids Furniture Co.," of Grand Rapids, Mich., were one and the same company ; and that the respondent was a selling agency through which the said Grand Rapids Furniture Co., of Grand Rapids, Mich., sold its furniture to the consuming public; and in that the respondent in the sale of certain upholstered furniture, the coverings and upholstery of which were composed entirely of materials and substances other than silk, represent said coverings and upholstery as "genuine silk mohair," all in alleged violation of section 5 of the Federal Trade Commission act. Status : Awaiting briefs.

Complaint No. 1263.--In the matter of National Leather & Shoe Finders' Association, its officers, executive committee, and members; Greater Boston and New England Leather and Finders' Credit Bureau; Central States Leather and Finders' Credit Bureau; Central West Leather and Finders' Credit Bureau; Northwestern Leather and Finders' Credit Bureau; Northern New Jersey Leather and Finders' Credit Bureau; Wisconsin Leather and Finders' Credit Bureau; New York State Leather and Finders' Credit Bureau; Shoe Finders' Board of Trade; Colorado Leather and Finders' Credit Bureau; Pittsburgh Leather and Finders' Credit

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

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

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

Complaint No. 1269.--Federal Trade Commission v. Shanghai Lace Corporation. Charge: Unfair methods of competition are charged in that the respondent, engaged in the importation of lace from China and in the sale thereof to the manufacturers of garments, describes its lace as "Irish picot," "Irish edge," and "Real Irish edge," thereby misleading and deceiving the purchasing public as to the quality and value of respondent's product and tending to injure competitors who are in fact importers of Irish lace, in alleged violation of section 5 of the Federal Trade Commission act. Status: In course of trial.

Complaint No. 1270.--In the matter of Nanyang Bros, (Inc.). Charge: Unfair methods of competition are charged in that the respondent, engaged in the importation of lace from China and the sale thereof to garment manufacturers, designates its lace as "Irish lace," thereby misleading and deceiving the purchasing public as to the quality and value of respondent's product and tending to injure competitors who are in fact importers of Irish lace, in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue.

Complaint No. 1271.--In the matter of Wadeh Rizcallah, Selin Katin, Badie Katin, partners doing business under the trade name and style W. Rizcallah & Co. Charge: Unfair methods of competition are charged in that the respondents, engaged In the importation of lace from China and the sale thereof to garment manufacturers, designate their lace as "Irish picot," "Irish beading," and "Real Irish edge," thereby misleading and deceiving the purchasing public as to the quality and value of respondent's product, and tending to injure competitors who are in fact importers of Irish lace, in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue.

Complaint No. 1272.--In the matter of N. B. Bardwil, T. B. Bardwil, M. Bardwil, partners doing business under the trade name and style N. B. Bardwill & Co. Charge: Unfair methods of competition are charged in that the respondent, engaged in the importation of lace from China and the sale thereof to garment manufacturers, designates its lace as "Irish lace," thereby misleading and deceiving the purchasing public as to the quality and value of respondent's product and tending to injure competitors who are in fact importers of Irish lace, in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue.

Complaint No. 1273.--In the matter of. Abraham D. Sutton, David Sutton, Selim Sutton, partners doing business under the trade name and style A. D. Sutton & Sons. Charge: Unfair methods of competition are charged in that the respondents, engaged in the importation of lace

from China and the sale thereof to garment manufacturers, designate their lace as “Irish picot,” “Irish beading,” and “Real Irish edge,” thereby misleading and deceiving the purchasing public as to the quality and value of respondent’s product, and tending to injure competitors who are in fact importers of Irish lace, in alleged violation of section 5 of the Federal Trade Commission act. Status: In course of trial.

Complaint No. 1274.--In the matter of Alfred Kohlberg (Inc.). Charge: Unfair methods of competition are charged In that the respondent, engaged in the importation of lace from China and the sale thereof to garment manufacturers, designates its lace as “Irish Swatow” and “Irish Siccawei,” thereby tending to mislead and deceive the purchasing public as to the

quality and value of the respondent's product and to injure competitors who are in fact importers of Irish lace, in alleged violation of section 5 of the Federal Trade Commission act. Status: In course of trial.

Complaint No. 1275.--In the matter of Abraham Lian, George Marabak, R. Lian, William Lian, Michael Marabak, Joseph Marabak, John Marabak, Sahid Lian, partners doing business under the trade name and style Lian & Marabak. Charge: Unfair methods of competition are charged in that the respondents, engaged in the importation of lace from China and the sale thereof to manufacturers of garments, designate their lace as "Irish lace," thereby misleading and deceiving the purchasing public as to quality and value of respondents' product and tending to injure competitors who are in fact importers of Irish lace, in alleged violation of section 5 of the Federal Trade Commission act. Status: In course of trial.

Complaint No. 1276.--Federal Trade Commission v. Robert M. Lease Co. (Inc.), Lease Bros. Motor Co. (Inc.), Acoma Motors Co. (Inc.), Lease Motors Co. (Inc.), Lease Motors Export Sales Corporation, Panther Motor Co. (Inc.), Exporters and Importers Association of the World, Robert M. Lease, Irving Lease, Albert Lease, and John P. Agnew. Charge: Unfair methods of competition are charged in that the respondents, falsely representing themselves as manufacturers and vendors of new motor trucks and automobiles and contracting for the sale thereof for export with standard factory equipment and right-hand drive, made a practice of shipping motor trucks which were not new, many of the parts being old, used, rusted, or secondhand parts, and without complete factory equipment and right-hand drive, gave buyers no opportunity for examination or inspection of trucks prior to shipment, and refused to refund payments in excess of agreed prices or for trucks returned or rejected for reason; and in that the respondent Lease Bros. Motor Co. (Inc.), by falsely representing that it had entered into the purchase of plant and equipment obtained a contract for the sale of certain chassis and the payment of earnest money thereon, when in fact it had not entered into the purchase of said properties and did not at any time intend to perform the said contract. thereby tending to bring discredit and loss of business to American manufacturers seeking foreign trade, all in alleged violation of section 5 of the Federal Trade Commission act. Status: In course of trial.

Complaint No. 1281.--In the matter of Thomas E Powe, and F. C. Harrington, partners, doing business under the firm name and style Thomas E. Powe Lumber Co. Charge: Unfair methods of competition are charged in that the respondents, engaged in the sale of lumber and wood products, have advertised and represented certain of their products as mahogany when in fact they consist of woods other than mahogany but resembling mahogany In general appearance, thereby tending to mislead and deceive the purchasing public and to injure competitors who represent lumber and wood products truthfully, in alleged violation of section 5 of the Federal Trade Commission act. Status: Before the commission for final determination.

Complaint No. 1282.--In the matter of Twinplex Sales Co., a corporation. Charge: Unfair method of competition are charged in that the respondent, engaged in the manufacture and sale of safety razor blade stoppers, offered and gave sums of money to salesmen in the employ of retail merchants, without the knowledge or consent of their employers, to induce said salesmen to sell the respondent's product to the exclusion of the products of its competitors, in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue.

Complaint No. 1283.--In the matter of Non-Plate Engraving Co. (Inc.), a corporation. Charge: Unfair methods of competition are charged in that the respondent. engaged in the printing of stationery, indicates by the use of its corporate name and its advertising matter that it is engaged in the business of engraving when in fact the process used by the respondent is not one of engraving but involves printing to simulate the impression made from engraved plates, in

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

Complaint No. 1289.--In the matter of F. Burkhalter, an individual doing business under the trade name and style Royal Soap Co. Charge: Unfair methods of competition are charged In that the respondent advertises and represents Its "Royal Medicated Cuticle Doctor Soap" as a high-grade medicated toilet soap of the regular value of 25 cents per cake, containing various ingredients having a curative and healing effect upon the skin, when in fact said soap is not medicated, is of the reasonable value of not more than 10 cents

a cake, at which price it is habitually sold by retailers, and contains no ingredients having a curative and healing effect, thereby tending to mislead and deceive the purchasing public as to the quality and value of respondent's product and to injure competitors who do not misrepresent their soaps, In alleged violation of section 5 of the Federal Trade Commission act. Status: At issue.

Complaint No. 1290.--In the matter of Abrasive Paper and Cloth Manufacturers' Exchange, its officers and members. Charge: Unfair methods of competition are charged in that the respondents are engaged in an unlawful combination and conspiracy entered into with the purpose and intention of unduly enhancing the prices of abrasives and of fixing uniform prices, terms, and discounts at and upon which the abrasives manufactured by the members should be sold, and of stifling and suppressing competition in the sale and distribution of abrasives, in alleged violation of section 5 of the Federal Trade Commission act. Status: Before the commission for final determination.

Complaint No. 1292.--In the matter of Calumet Baking Powder Co. Charge: Unfair methods of competition are charged in that the respondent, engaged in the manufacture and sale of baking powders, has caused to be set forth statements and innuendoes untruthfully and unfairly representing that its competitor, Royal Baking Powder Co., packs its Royal Baking Powder in 6 and 12 ounce cans, instead of one-half pound and pound cans, for the purpose of cheating the public by passing off and causing the trade to pass off said 6 and 12 ounce cans as and for one-half pound and pound cans, respectively; and in that the respondent has adopted the practice of disseminating statements and comments calculated to further the interests of respondent and in disparagement and derogation of the products and businesses of its competitors, concealing its connection with the various methods through which said practice was carried into effect; and further in that the respondent falsely represented that the baking powder of its competitor, Royal Baking Powder Co., forms or tends to form a hard mass In the digestive tract in persons consuming food prepared therewith, its house-to-house canvassers and demonstrators making misleading comparisons and tests to deceive the purchasing public, all in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue.

Complaint No. 1293.--In the matter of Progress Paint Manufacturing Co., a corporation, and Regulation Paint Co., a corporation. Charge: Unfair methods of competition are charged In that the respondents label certain of their products with the words "Regulation Paint" and "Camp Mixed Paint" In connection with a shield or insignia simulating that which appears on the flag of the President of the United States or as is commonly used and recognized by the public as an insignia of the United States Government, thereby tending to mislead and deceive the purchasing public to believe that the respondent's products were declared and sold as surplus paint by the United States Government or manufactured in accordance with Army specifications or Government requirements; and in that the respondents have marketed their products through so-called Army and Navy stores, thereby furthering the deception, all in alleged violation of section 5 of the Federal Trade Commission act. Status: Before the commission for final determination.

Complaint No. 1295.--In the matter of Chipman Knitting Mills, a corporation, and Chas. Chipman's Sons Co. (Inc.), a corporation. Charge: Unfair methods of competition are charged in that the respondents' "seamless" hosiery is falsely represented as "form fashioned" hosiery, thereby tending to mislead and deceive the purchasing public and to injure competitors who do not misrepresent their product, in alleged violation of section 5 of the Federal Trade Commission act. Status: In course of trial.

Complaint No. 1298.--In the matter of Wickwire-Spencer Steel Corporation. Charge: Unfair methods of competition are charged in that the respondent acquired the entire capital stock of

the American Wire Fabrics Corporation which succeeded to the business of the American Wire Fabrics Co., a competitor of the respondent, thereby tending to eliminate competition, to restrain commerce in the sale and distribution of screen wire cloth and to create a monopoly, in alleged violation of section 7 of the Clayton Act. Status: At issue

Complaint No. 1299.--In the matter of Heywood-Wakefield Co. Charge: Unfair methods of competition are charged in that the respondent, engaged in the manufacture of furniture, perambulators and other like articles which con-

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

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

Complaint No. 1306.--In the matter of Maud B. Clough and W. H. Siebrecht, Jr., partners doing business under the trade name and style Siewin Co. Charge: Unfair methods of competition are charged in that the respondents, engaged in the manufacture and sale of a depilatory, falsely advertise and represent that their product kills and destroys the roots of the hair, thus preventing its regrowth, thereby tending to mislead and deceive the purchasing public and to injure competitors who do not misrepresent their products, in alleged violation of section 5 of the Federal Trade Commission act. Status: Before the commission for final determination.

Complaint No. 1308.--In the matter of Arnold Electric Co. Charge: Unfair methods of competition are charged in that the respondent, engaged in the manufacture and sale of electrically driven drink-mixing machines, has enforced a merchandising system adopted by it of fixing and maintaining specified uniform prices for the resale of its machines by dealers, refusing to supply price-cutters and employing cooperative means for the maintenance of its resale prices, thereby tending to suppress competition and to deprive the ultimate purchasers of advantages in price which would obtain from the natural and unobstructed flow of commerce in said machines under conditions of free competition, in alleged violation of section 5 of the Federal Trade Commission act. Status: Awaiting examiners report.

Complaint No. 1311.--In the matter of Masland Duraleather Co., W. & J. Sloane. The respondent Masland Duraleather Co. is engaged in the manufacture of imitation leather and the sale thereof through the respondent W. & J. Sloane. Charge: Unfair methods of competition are charged in that the respondents brand and label a coated fabric, made in imitation of but containing no leather, as "Duraleather," thereby enabling vendees to misrepresent articles made of respondents' product and injuring the business of competitors who do not practice misrepresentation; and in that the respondents' trade name "Duraleather" simulates the trade name "Duro," used for many years by their competitor A. C. Lawrence Leather Co., in advertising and selling its product as "Duro leather," thereby tending to mislead and deceive the trade into the belief that the respondents' product is a product of the aforesaid competitor, all in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue.

Complaint No. 1313.--In the matter of W. Harris Thurston (Inc.). Charge: Unfair methods of competition are charged in that the respondent, engaged in the importation and sale of cotton shirt fabrics, offers and sells under the trade name of "Nusylk" a certain imported fabric which has the appearance of silk but is made from cotton and contains no silk whatever, the words "all cotton" or "superfine cotton" appearing in small and inconspicuous letters in conjunction with said trade name, thereby tending to mislead the trade and to injure competitors who do not practice misrepresentation, in alleged violation of section 5 of the Federal Trade Commission act. Status: Awaiting examiner's report.

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

silk and to injure competitors who do not practice misrepresentation, in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue.

Complaint No. 1315.--In the matter of A. Herskowitz, Morris Goldberg, Samuel Bell, partners doing business under the trade name and style, Bell Cap Co. Charge: Unfair methods of competition are charged in that the respondents, engaged in the manufacture and sale of shop caps, label and advertise said product as "union made" when in fact the respondents do not employ members of any labor union in the manufacture of said shop caps, thereby tending to mislead and deceive the trade and consuming public and to injure competitors who do not practice misrepresentation, in alleged violation of section 5 of the Federal Trade Commission act. Status: Awaiting respondent's brief.

Complaint No. 1316.--In the matter of Indiana Quartered Oak Co. Charged: Unfair methods of competition are charged in that the respondent, engaged in the sale of lumber and wood products, sells woods other than mahogany, but resembling mahogany In general appearance, as "mahogany" or "Philippine mahogany," thereby tending to mislead the purchasing public and to injure competitors who do not practice misrepresentation, in alleged violation of section 5 of the Federal Trade Commission act. Status: Before the commission for final determination.

Complaint No. 1317.--In the matter of Reuben Berman, doing business under the trade name and style, Silktex Hosiery Mills. Charge: Unfair methods of competition are charged in that the respondent, engaged in selling direct to the consuming public, labels its hosiery with the words "Silktex " and " Silk " when in fact said hosiery is composed of but 15 per cent of silk and is interwoven with other material which Is not true silk but which resembles silk in general appearance; and in that the respondent Indicates by the use of its business name that it operates mills and manufactures its hosiery thus saving the consumer the profits of middlemen, when in fact the respondent is not a manufacturer and does not own or operate any mill or mills but purchases its hosiery for resale, thereby tending to mislead the purchasing public and to injure competitors who do not practice misrepresentation, in alleged violation of section 5 of the Federal Trade Commission act. Status: Awaiting respondent's brief.

Complaint No. 1319.--In the matter of West Coast Theatres (Inc.). West Coast Theatres (Inc.) of Northern California, Venice Investment Co., Holly wood Theatres (Inc.), All Star Feature Distributors (Inc.), Educational Film Exchange Principal Pictures Corporation H. M. Turner Fred Dahnken, C. L. Langley, and F. W. Livingston, partners, doing business under the name and style of Turner D. Dahnken & Langley, and Messrs. A. L. Gore, Michael Gore Sol. Lesser, Adolph Ramish and Dave Bershon. Charge: Unfair methods of competition are charged in that the respondents combined for the purpose of preventing producers or distributors of motion-picture films in other States from leasing their films to competitors of the respondents and from shipping said films into the State of California, and preventing competition in negotiating for and leasing of said motion-picture films, employing threats, coercive measures, and other cooperative and individual means to make effective the aforesaid undertakings, in alleged violation of section 5 of the Federal Trade Commission act. Status : Awaiting briefs.

Complaint No. 1320.--In the matter of West Coast Theatres (Inc.), West Coast Theatres (Inc.) of Northern California, The T. & D. Jr. Enterprises (Inc.), and H. M. Turner, Fred Dahnken, C. L. Langley, and F. W. Livingston, partners, doing business under the trade name and style of Turner, Dahnken & Langley. Charge: Unfair methods of competition are charged in that the respondents combined for the purpose of restraining and preventing producers or distributors of motion-picture films in other States from leasing their films to competitors of the respondents and from shipping said films into the State of California for delivery to respondents' competitors, and restraining and preventing competition in negotiation for and leasing of said

motion-picture films, in the respondents effecting joint management of their Theatres, recognizing restrictive territorial arrangements, observing agreements to refrain from competition, and employing coercive and other cooperative and individual means to make effective their undertakings in alleged violation of section 5 of the Federal Trade Commission act. Status : Awaiting briefs.

Complaint No. 1322.--In the matter of Pacific Southwest Import Co. Charge: Unfair methods of competition are charged in that respondent has

products, at wholesale and retail, to dealers in hardwood lumber, manufacturers of furniture, and other users of hardwood lumber under the name and designation of "Philippine mahogany," and in advertisements, circular letters, and other correspondence with purchasers and prospective purchasers, on letterheads, invoices, price lists, and other trade literature, has represented, named, and designated, and continues to represent, name, and designate, said hardwood lumber and other hardwood products as "Philippine mahogany," when in truth and in fact said hardwood lumber and other hardwood products so sold by it are not mahogany wood, in alleged violation of section 5 of the Federal Trade Commission act. Status : At issue.

Complaint No. 1323.--In the matter of Kirschmann Hardwood Co. Charge: Unfair methods of competition are charged in that respondent has sold, and continues to sell certain hardwood lumber and other hardwood products, at wholesale and retail, to dealers in hardwood lumber, manufacturers of furniture, and other users of hardwood lumber, under the name and designation of "Philippine mahogany," and in advertisements, circular letters, and other correspondence with purchasers and prospective purchasers, on letterheads, invoices, price lists, and other trade literature, has represented, named, and designated, and continues to represent, name, and designate, said hardwood lumber and other hardwood products as "Philippine mahogany" when in truth and in fact said hardwood products so sold by it are not mahogany wood, in alleged violation of section 5 of the Federal Trade Commission act. Status : At issue.

Complaint No. 1324.--In the matter of Hammond Lumber Co. Charge: Unfair methods of competition are charged in that respondent has sold, and continues to sell, certain hardwood lumber and other hardwood products, at wholesale and retail, to dealers in hardwood lumber manufacturers of furniture, and other users of hardwood lumber under the name and designation of "Philippine mahogany," and in advertisements, circular letters, and other correspondence with purchasers and prospective purchasers, on letterheads, invoices, price lists, and other trade literature, has represented, named and designated, and continues to represent, name, and designate, said hardwood lumber and other hardwood products as "Philippine mahogany," when in truth and in fact said hardwood lumber and other hardwood products so sold by it are not mahogany wood, in alleged violation of section 5 of the Federal Trade Commission act. Status : At issue.

Complaint No. 1325.--In the matter of The Robert Dollar Co. Charge: Unfair methods of competition are charged in that respondent has sold, and continues to sell, certain hardwood lumber and other hardwood products, at wholesale and retail, to dealers in hardwood lumber under the name and designation of "Philippine mahogany," and in advertisements, circular letters, and other correspondence with purchasers and prospective purchasers, on letter heads, invoices, price lists, and other trade literature, has represented, named, and designated, and continues to represent, name, and designate, said hardwood lumber and other hardwood products as "Philippine mahogany," when in truth and in fact said hardwood lumber and other hardwood products so sold by it are not mahogany wood, in alleged violation of section 5 of the Federal Trade Commission act. Status : At issue.

Complaint No. 1326.--In the matter of D. A. Horn and J. M. Hyson, partners, doing business under the trade name and style "Tampa Cigar Co." Charge : Unfair methods of competition are charge in that the respondents, engaged in the manufacture of cigars in Pennsylvania and the sale thereof in interstate commerce, label their cigars and their containers with various names and legends in Spanish, including the word "Tampa," or the word "Havana" thereby tending to mislead the public into the belief that such cigars are made in the Tampa district, Florida, or are made wholly of tobacco grown on the island of Cuba, respectively, whereas such cigars are made in Pennsylvania and are composed wholly of tobacco grown elsewhere than in Cuba; and

in that the respondents indicate, without basis therefor that one of their products was awarded a "Double Grand Prize, St. Louis Exposition. 1904," thereby tending to mislead the trade and public, and to injure competitors who do not practice misrepresentation, in alleged violation of section 5 of the Federal Trade Commission act. Status : Awaiting respondent's brief.

Complaint No. 1328.--In the matter of National Cash Register Co. Charge: Unfair methods of competition are charged in that the respondent has inaugurated and systematically conducted a plan and scheme to unduly hinder and restrain competition in the manufacture and sale of cash registers and similar

machines, to monopolize or attempt to monopolize said manufacture and sale, to eliminate, stifle and force out of said business the Remington Gash Register Co. and to harass and discourage the agents and employees of said competitor; carrying out its plan against the Remington Gash Register Co. by (a) ascertaining the names of its customers and prospective customers; (b) making false and misleading statements in disparagement of said company and its products; (c) tampering with the Remington Co.'s cash registers; (d) undertaking to persuade and induce customers of the Remington Co. to breach their contracts with said company; (e) representing the Remington Co.'s executory contracts of purchase as not binding on the customers; (f) offering to accept Remington cash registers in the possession of customers under executory contracts at a substantial valuation in money as part of the purchase price for cash registers of respondent's manufacture and offering the latter at prices greatly below the normal retail prices; (g) circulating false statements and representations concerning the business of the Remington Cash Register Co. and its financial stability, and by means thereof, as well as by means of threats, intimidation, and persuasion, attempting to induce employees to violate and terminate their contracts with said Remington Co.; and (h) practicing espionage against sale Remington Co. and its employees, all in alleged violation of section 5 of the Federal Trade Commission act. Status: In course of trial.

Complaint No. 1329.--In the matter of The Armand Co., its officers and agents; Spurlock-Neal Co., Berry, DeMerville & Co., Robinson-Pettet Co., Lamar & Rankin Drug Co., Greiner-Kelly Drug Co., The J. W. Growdus Drug Co., San Antonio Drug Co., Western Wholesale Drug Co., Fuller-Morrison Co., Illumiston, Keeling & Co., Peter Van Schaack & Sons, The McPike Drug Co., Faxon-Gallagher Drug Co., J. S. Merrell Drug Co., A. M. Berry, A. D. Berry, F. S. Berry, W. D. Phillips, M. P. Williams, copartners doing business under the trade name of Berry, DeMerville & Co., The Fair (Inc.), E. H. Cone (Inc.), T. C. Marshall, doing business under the name of Marshall's Pharmacy, Clarence E. Jeffares and Malcolm J. Long, copartners, doing business under the trade name of Jeffares-Long Drug Co., Owl Drug Co. (Inc.). Charge: Unfair methods of competition are charged in that the respondent The Armand Co., engaged in the manufacture of toilet articles and cosmetics, and the respondent wholesalers and dealers, unlawfully and knowingly conspired and agreed to monopolize and restrain interstate trade in the products of The Armand Co. by selling the Said products at uniform, noncompetitive, wholesale and retail prices arbitrarily suggested and fixed by The Armand Co. and largely in excess of the prices which would have prevailed without such agreement, refusing to sell said products to dealers other than those engaged in the drug business, refusing to sell to price cutters and employing cooperative means for the enforcement of the said suggested or fixed prices, in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue.

Complaint No. 1330.--In the matter of Plateless Engraving Co. (Inc.). Charge: Unfair methods of competition are charged in that the respondent, engaged in process printing and in the sale of process printed stationery, uses the word "Engraving" in its corporate name, and thereby tends to mislead and deceive the purchasing public into the erroneous belief that the respondent's stationery is "engraved," and tends to injure competitors who do not misrepresent their products, in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue.

Complaint No. 1331.--In the matter of W. R. Maxwell, trading under the name of International Publishing Co. Charge: Unfair methods of competition are charged in that the respondent, engaged in the purchase and sale of a publication entitled "International Reference Work," makes numerous false and misleading statements as to his publication of said work; the cities in which he has places of business; the authors of said work; date of publication; binding; sales price; looseleaf extension service; enrollment of purchasers in the International Research Bureau, a nonexistent organization; testimonial letters, and indorsement by educators; and in that the respondent agrees to maintain resale prices, and by means of trickery induces customers

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

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

wood, thereby tending to mislead the trade and the purchasing public and to injure competitors who do not practice misrepresentation, in alleged violation of section 5 of the Federal Trade Commission act. Status: Before commission for final determination.

Complaint No. 1334.--In the matter of E R. Marshall, doing business under the trade name and style of Crescent Calendar Co. Charge: Unfair methods of competition are charged in that the respondent in soliciting orders for school commencement announcements and invitations represents that the name of the school will be "process embossed in gold" or "embossed in gold," when in fact the announcements and invitations are prepared for the respondent by the embossing of a design from steel dies or plates, leaving a blank space in which the name of the school is process printed by the respondent without the use of dies or plates but in simulation of embossing, in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue.

Complaint No. 1335.--In the matter of Aluminum Co. of America, a corporation. Charge: Unfair methods of competition are charged in that the respondent, controlling the sources of supply of aluminum metal and, through its subsidiaries, a large manufacturer of aluminum products, discriminates in price between purchasers of virgin sheet aluminum on the basis of agreements that all aluminum scrap resulting from the operations of the purchasers shall be resold to the respondent, thereby tending to substantially lessen competition and create a monopoly, in alleged violation of section 2 of the Clayton Act; and in that the respondent fixes prices arbitrarily, makes price concessions, sells below cost, and discriminates against competitors in the quantity and quality of its deliveries to them, thereby unfairly harassing competitors and tending to suppress competition and maintain a monopoly, in alleged violation of section 5 of the Federal Trade Commission act. Status: In course of trial.

Complaint No. 1338.--In the matter of Spear & Co. Charge: Unfair methods of competition are charged in that the respondent advertised and sold certain of its furniture as "mahogany," "combination mahogany," "genuine mahogany," "finished in mahogany," "combination golden oak," "combination walnut," "two-tone walnut," and "French walnut finish," when in fact said furniture consisted wholly or in part of woods other than those designated, thereby tending to mislead the purchasing public and to injure competitors who do not misrepresent their products, in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue.

Complaint No. 1339.--In the matter of Ludwig Baumann & Co. Charge: Unfair methods of competition are charged in that the respondent sold certain of its furniture as "French walnut combination" and as "mahogany combination," when in fact said furniture consisted wholly or in part of woods other than those designated, thereby tending to mislead the purchasing public and to injure competitors who do not misrepresent their products, in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue.

Complaint No. 1340.--In the matter of Marion Tool Works (Inc.). Charge: Unfair methods of competition are charged in that the respondent, engaged in the manufacture and sale of tools, advertises and sells certain of its products as "Crecoite steel tools," when in fact the metal parts of the respondent's said tools are not composed of steel but are composed of a metal other than steel, thereby tending to mislead and deceive the purchasing public and to injure competitors who do not practice misrepresentation, in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue.

Complaint No. 1341.--In the matter of Sheppard Knapp Son Co. (Inc.). Charge: Unfair methods of competition are charged in that the respondent sold certain of its furniture as "mahogany," when in fact said furniture consisted of wood other than "mahogany," thereby tending to mislead the purchasing public and to injure competitors who do not misrepresent their products, in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue.

Complaint No. 1342.--In the matter of George M. Rubinow, trading under the name and style

of Rubinow Edge Tool Works. Charge: Unfair methods of competition are charged in that respondent, engaged in the business of manufacturing tools, makes use of the term "steel," "cast steel," etc., in advertising and branding tools composed of a metal other than steel. Status: At issue.

Complaint No. 1343.--In the matter of Wholesale Grocers Association of New Orleans, its officers and members. Charge: Unfair methods of competition are charged in that the respondents have cooperated to confine the distribution of

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

Complaint No. 1342.--Not released.

Complaint No. 1345.--Not released.

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

Complaint No. 1350.--In the matter of B. J. Sackheim and Mary Rae Sackheim, partners, doing business under the trade name and style of Norman Roberts & Co. Charge : Unfair methods of competition are charged in that the respondents, engaged in the sale of wearing apparel direct to consumers by mail, advertise and represent certain fur scarves as consisting of Manchurian fox, lynx, or wolf, when in fact said scarves are made of other pelts inferior in quality and value, and in that the respondents offer other garments as wool serge, or wool-finished serge, or as made of silk, when in fact cotton is the principal material used, thereby tending to mislead the purchasing public and to injure competitors who do not practice misrepresentation, in alleged violation of section 5 of the Federal Trade Commission act. Status : At issue.

Complaint No. 1351.--In the matter of Simon B. Bluestone and Samuel L. Bluestone, partners, doing business under the trade names and styles Nustile Hosiery Mills and Nustile Hosiery Co. Charge : Unfair methods of competition are charged in that the respondents, engaged in the sale of hosiery direct to the consuming public, represent themselves as manufacturers when in fact they neither own nor operate any factory or mill and purchase their hosiery for resale, and in that the respondents misrepresent the quality and fashioning of certain of their hosiery, thereby tending to mislead the consuming public and to injure competitors who do not practice misrepresentation, all in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue.

Complaint No. 1352.--In the matter of Leroy A. Kling, John E. Weddell, William R. Durgin, Cecil Widdefield, copartners, doing business under the trade names and styles Dr. Eagan Manufactory, Dr. S. J. Eagan, Dr. Eagan Laboratory, Pharmaceutical Products (Ltd.). Kling-Gibson Co., a corporation, Charge : Unfair methods of competition are charged in that the respondents, engaged in the business of selling cosmetics, creams, lotions, and other toilet preparations, misrepresent their products and make numerous false and fraudulent statements in behalf of such preparations, the ingredients and medicinal properties thereof, and as to the results to be obtained therefrom, thereby tending to mislead the consuming public and to injure competitors who do not practice misrepresentation, in alleged violation of section 5 of the Federal Trade Commission act. Status : At issue.

Complaint No. 1354.--In the matter of J. L. Heaps, trading under the name Civil Service Correspondence School. Charge : Unfair methods of competition are charged in that the respondent advertises under the trade name "Civil Service Correspondence School," and asserts or implies connection with the United States Government or the Civil Service Commission, and that his courses of instruction are approved by the Government or its commission, and, further,

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

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

engaged in the manufacture and sale of silk hosiery, has adopted a merchandising system of establishing and maintaining specified uniform prices for the resale of its hosiery, refusing to sell to price cutters, and employing cooperative means for the enforcement of its system of price maintenance, in alleged violation of section 5 of the Federal Trade Commission act. Status : At issue.

Complaint No. 1357.--In the matter of Miles F. Goodman, doing business under the trade name and style Keystone Furniture Co. Charge : Unfair methods of competition are charged in that the respondent sells certain of his furniture as mahogany or walnut, when in fact said furniture is made wholly of woods other than mahogany and walnut, thereby tending to mislead the purchasing public and to injure competitors who do not practice misrepresentation, in alleged violation of section 5 of the Federal Trade Commission act, Status : At issue.

Complaint No. 1359.--In the matter of La Fayette Institute (Inc.). Charge : Unfair methods of competition are charged in that the respondent, engaged in teaching business management and administration by mail, made false, misleading, and deceptive statements concerning its course of study by making on its stationary and advertising the statement "La Fayette Institute (Inc.), La Fayette Building, Philadelphia, Pa.," implying that respondent owns, controls, or occupies the entire building, whereas it occupies one room only therein; implies that its course of study is under the administration of various departments, when in fact there is only one; states that it maintains a large and efficient staff of professors, instructors, and experts. but really conducts its business through its officers and sundry employees who are not professors or instructors; and offers a "special price" for its course, which is in fact no less than its regular price to all persons alike, all in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue.

Complaint No. 1360.--In the matter of Carlton Soap Co. (Inc.). Charge: Unfair methods of competition are charged in that the respondent, engaged in the sale of toilet and bath soaps, labels certain of its soap as "British bath" soap, when in fact the said soap is manufactured in the United States, thereby tending to mislead and deceive the purchasing public and to injure competitors who do not practice misrepresentation, in alleged violation of section 5 of the Federal Trade Commission act. Status : Awaiting answer.

Complaint No. 1361.--In the matter of H. S. Cruikshank. Charge : Unfair methods of competition are charged in that the respondent represents and offers for sale as timothy hay of the best grade and quality hay of a grade and quality inferior to said timothy hay, thereby tending to mislead and deceive the purchasing public and to injure competitors who do not practice misrepresentation, in alleged violation of section 5 of the Federal Trade Commission act. Status: At Issue.

Complaint No. 1362.--In the matter of Charles Kurlan. Charge : Unfair methods of competition are charged in that the respondent, engaged in the sale of cloth and fabrics to manufacturers of men's shirts, names and designates as "Tabsylk" a fabric composed wholly of cotton and supplies labels bearing said designation to his vendees, which labels are attached to the men's shirts manufactured by them, thereby tending to mislead and deceive the purchasing public and to injure competitors who do not practice misrepresentation, in alleged violation of section 5 of the Federal Trade Commission act. Status : Awaiting answer.

Complaint No. 1363.--In the matter of The Daisy Products (Inc.). Charge : Unfair methods of competition are charged in that the respondent, engaged in the manufacture and sale of hand baggage, advertises and represents its "Daisy hat bags" as made of patent leather, when in fact the said hat bags are made of materials other than patent leather and are covered with a woven fabric the exposed surface of which is coated and finished to resemble patent leather in appearance, thereby tending to mislead the purchasing public and to injure competitors who do not practice misrepresentation, in alleged violation of section 5 of the Federal Trade Commission act. Status: Awaiting briefs.

Complaint No. 1364.--In the matter of Atlanta Wholesale Confectioners Association, its officers and members, Brower Candy Co., A. B. Tenenbaum, J. L. Tenenbaum, and J. P. Tenenbaum, partners, doing business under the trade names and styles Tenenbaum Bros., Sugarman-Hirsch Co., Cohen Bros. Co., T. S. Lewis Co., Harry L. Schlesinger, members of said association. Charge : Unfair methods of competition are charged in that the respondents have cooperated to confine distribution of confectionery to so-called regular

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

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

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

Complaint No. 1368.--In the matter of Korean H. Basmadjian, doing business under the trade name and style H. Basmadjian & Sons. Charge: Unfair methods of competition are charged in that the respondent, engaged in the sale of pistachio nuts, makes numerous false and misleading statements and representations to the effect that H. Basmadjian & Sons are the growers of the pistachio nuts in which they deal and that their nuts are of better and higher quality than pistachio nuts bought in the open market in the ordinary course of trade, when in fact the respondent never has grown or produced pistachio nuts, thereby tending to mislead the purchasing public and to injure competitors who do not practice misrepresentation, in alleged violation of section 5 of the Federal Trade Commission act. Status : Awaiting answer.

Complaint No. 1369.--In the matter of W. U. Blessing, and M. S. Gohn, co-partners, doing business under the trade name and style of W. U. Blessing & Co., and A. E. Wallick. Charge : Unfair methods of competition are charged in that the respondents, engaged in the manufacture of cigars in the State of Pennsylvania and in the sale thereof, label their "Triangulares" cigars and containers with the word "Garcia" and the words "Tampa Style," thereby tending to mislead the purchasing public as to the quality of the respondents' product and the place of manufacture and to injure competitors who do not practice misrepresentation, in alleged violation of section 5 of the Federal Trade Commission act. Status : In course of trial.

Complaint No. 1371.--In the matter of Perpetual Encyclopedia Corporation, North America Publishing Co. (Inc.), et al. Charge : Unfair methods of competition are charged in that the respondents republished without substantial change the "Home and School Reference Work" (originally copyrighted in 1912 or 1915) under different names and as a new and up-to-date (1924) edition, employing without right the names of attorneys, fictitious corporate

organizations, and collection agencies to further the sale of said publication and to assist in coercing and blackmailing purchasers into the payment of money on orders or contracts, substituting late copyright registration dates for the actual date of such registration, falsely stating that well-known educators, scientists, and public officials are members of the editorial staff and contributors, mis representing and grossly exaggerating sales prices, obtaining signed orders

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

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

Complaint No. 1373.--In the matter of Public Service Cup Co. Charge : Unfair methods of competition are charged in that the respondent, engaged in the manufacture and sale of paper drinking cups, dishes, and like products, enforces a merchandising system adopted by it of establishing and maintaining certain specified uniform prices for the resale of its products, refusing to supply price cutters and employing cooperative means and methods for the enforcement of said system of resale prices, in alleged violation of section 5 of the Federal Trade Commission act. Status : In course of trial.

Complaint No. 1374.--In the matter of M. Samuels Co. (In.). Charge : Unfair methods of competition are charged in that the respondent, engaged in the manufacture and sale of shoes, brands and advertises the soles of certain of its shoes as "Tufhide," when in fact the said soles are made of a material and composition other than and containing no leather, thereby tending to mislead and deceive the purchasing public and to injure competitors who do not practice misrepresentation in alleged violation of section 5 of the Federal Trade Commission act. Status : At issue.

Complaint No. 1375.--In the matter of Union Woolen Milks Co., Racine, Wis., Union Woolen Mills Co., Jackson, Mich., Max Cohen. Charge : Unfair methods of competition are charged in that the respondents by the use and display of the names of the respondent companies, incorporated by respondent Cohen for the purpose of jointly conducting with him an interstate business in the manufacture and sale at retail of men's clothing, tend to mislead and deceive the purchasing public into the belief that the respondents manufacturer the cloth used by them in the manufacture of their clothing and that persons buying from the respondents are buying directly from the manufacturers of the cloth and clothing, thereby saving the profits of middlemen, in alleged violation of section 5 of the Federal Trade Commission act. Status : Awaiting answer.

Complaint No. 1376.--In the matter of Great Lakes Rubber Products Co. Charge : Unfair methods of competition are charged in that the respondent, engaged in the manufacture and sale of a compound for use in softening rubber and rendering the same more resilient, labels and advertises its product as "Rublierite Compound," when in fact the said product contains no rubber whatsoever, thereby tending to mislead and deceive the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status : Awaiting final argument.

Complaint No. 1377.--In the matter of H. Reisman & Co., a corporation, and Harry Reisman, individually and as president of respondent H. Reisman & Co. Charge : Unfair methods of competition are charged in that the respondents, engaged in the sale of watches, jewelry, and other articles of merchandise by mail. make numerous false and misleading statements and representations concerning the character and quality of their merchandise and the value thereof, describing certain articles as composed in whole or in part of precious metals and ornamented with precious stones, when in fact said articles contain no precious metals and are not ornamented with precious stones, representing other articles as made, covered, or finished with leather, when in fact no heather is used, or made of ivory and French ivory, when in fact no

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

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

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

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

Complaint No. 1380.--In the matter of Feldbaum & Spiegel (Inc.). Charge : Unfair methods of competition are charged in that the respondent, engaged in the business of manufacturing and selling to dealers garments made of dyed Australian and New Zealand rabbit skins, on the back of each of which skin is stamped the dyer's trade-mark "Northern Seal" and to which garments are attached silk labels bearing the words "Genuine Northern Seal," thus placing In the hands of dealers the means whereby a fraud on the public may be committed by displaying the labels and trade-marks to customers to support their false representations that the garments are made of genuine seal fur; the tendency being to deceive the purchasing public and to cause trade to be diverted from competitors who disclose that the garments made by them are made of rabbit fur, all in alleged violation of section 5 of the Federal Trade Commission act. Status : At issue.

Complaint No. 1381.--In the matter of Golden Fur Dyeing Co. (Inc.), and Samuel Jacobs and Isidor Sachs, partners, doing business under the trade name and style Jacobs & Sachs. Charge : Unfair methods of competition are charged in that the respondents, engaged in the business of (1) dressing and dyeing Australian and New Zealand rabbit skins for the owners, and (2) manufacturing and selling garments made therefrom, cause the trade-mark containing the words "Golden Seal" to be stamped on the back of each skin prepared by the dyer respondent, many of which skins are owned by the manufacturing respondent and made up by it into garments for sale to the trade, thus placing in the hands of the dealers who sell the garments to the public the means whereby such dealers can commit a fraud on the public by displaying such trade-mark to support their false representations that such garments and made from genuine seal fur; the tendency being to deceive the purchasing public and to divert trade from competing manufacturers of properly marked garments made of rabbit skins, or from those who manufacture and sell garments made of genuine seal fun, and in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue.

Complaint No. 1382.--In the matter of Cassileth, Schwartz & Cassileth (Inc.), Joseph Brickner and Julius Bernfeld, partners, trading as Brickner & Bernfeld, Samuel Oldman and Max Oldman, partners trading as Oldman Bros. Charges: Unfair methods of competition are charged in that respondents, engaged in the business of (1) dressing and dyeing Australian and New Zealand rabbit skins for the owners thereof, (2) dealing mm the skins so dressed and dyed, and (3) manufacturing and selling garments made from the skins so dressed and dyed and dealt in case the trademark "Iceland Seal" or "Iceland Beaver" to be stamped on the back of each skin

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

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

Complaint No. 1383.--In the matter of Adiel Vandeweghe and David Feshback. Charge: Unfair methods of competition are charged in that (1) the dyer respondent and (2) the manufacturing respondent (who purchases a substantial number of skins from the former) engaged in dressing and dyeing Australian and New Zealand rabbit skins and the manufacture and sale to the trade of garments made therefrom cause each of such skins to be marked on the back thereof the trade-mark "Superior Seal," thus placing in the hands of dealers who sell such garments to the public the means whereby such dealers can commit a fraud on the public by displaying such trade-mark to support their false representations that the garments are made from genuine seal fur; the tendency being to deceive the purchasing public and to divert trade from competing manufacturers of properly marked garments made of rabbit skins, or from those who manufacture and sell garments made of genuine seal fur, all in alleged violation of section 5 of the Federal Trade Commission act. Status : Awaiting answer.

Complaint No. 1384.--In the matter of Philip A. Singer & Bro. (Inc.), and Herman Gelberg and Benjamin Schwartz, partners, doing business under the name and style Gelberg & Schwartz. Charge : Unfair methods of competition are charged in that (1) the dyer respondent and (2) the manufacturing respondent (for whom the former dresses and dyes many skins) engaged in the dressing and dyeing of rabbit skins and the manufacture and sale to the trade of garments made therefrom cause the trade-mark "Baltic Seal" or "Baltic Beaver" to be stamped on the back of each skin prepared by the dyer respondent, thus placing in the hands of dealers who sell the garments made from such skins the means whereby such dealers can commit a fraud on the public by displaying such trade-marks to support their false representations that the garments are made from genuine seal fur or from genuine beaver fur; the tendency being to deceive the purchasing public and to divert trade from competing manufacturers or properly marked garment made from rabbit skins, or from those who manufacture and sell garments made of genuine seal or beaver fur, all in alleged violation of section 5 of the Federal Trade Commission act. Status : At issue.

Complaint No. 1385.--In the matter of A. Hollander & Son (Inc.), A. Hollander & Son-Arnold Corporation, and Harry H. Hertz Co. Charge : Unfair competition is charged in that the respondents engaged in the business of (1) dressing and dyeing muskrat skins on contract for the owners, (2) dressing and dyeing Australian and New Zealand rabbits largely imported by itself, and (3) manufacturing and selling fur garments, cause each skin prepared by the dyer respondents to be stamped on the back thereof with the trade-marks "Hollander Seal" or "Bay Seal," and as many of such skins are sold to the manufacturing respondent there is placed in the hands of dealers the means of perpetrating a fraud on the purchasing public by displaying such trade-marks to support their false representations that the garments are made from genuine seal; the tendency being to deceive the public and to divert trade from competing manufacturers of properly marked garments made of muskrat or rabbit skins, or from those who manufacture and sell garments made of genuine seal fur, all in alleged violation of section 5 of the Federal Trade Commission act. Status : At issue.

Complaint No. 1386.--In the matter of C. A. Leitch Manufacturing Co. Charge : Unfair methods of competition are charged in that the respondent, engaged in the manufacture of roofing materials, sells its roofing paint, also called fluid cement, as and for a composition or mixture of Natural or Trinidad Lake Asphalt and Gilsonite with other substances, when in fact it contains neither Natural or Trinidad Asphalt nor Gilsonite, thereby tending to mislead and deceive the purchasing public and to injure competitors who do not practice misrepresentation,

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

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

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

Compliant No. 1388.--In the matter of T. V. Aaron, trading under the name and style Home Art Co. Charge : Unfair methods of competition are charged in that the respondent engaged in the business of selling so-called pictures falsely states and represents in advertisements placed in magazines of wide circulation that for selling 24 pictures at 10 cents each there will be given as a premium a genuine American stem wind and set watch with a 10-year time guarantee, ring, and chain, and also that there was being given as a premium for selling his pictures "A handsome white gold, 6-jewel, silver dial, Vanity movement, 25-year case, wrist watch," whereas the watch given contains no gold and is without a chain and ring and the wrist watch given contains no gold, has three jewels only, and neither its works nor Its case is capable of service or use for a period of 25 years or any substantial portion thereof, the effect of which Is to mislead the unwary and to injure competitors who do not misrepresent the premiums given by them all in alleged violation of section 5 of the Federal Trade Commission act. Status : Awaiting answer.

Complaint No. 1389.--Not released.

Complaint No. 1390.--Not released.

Complaint No. 1391.--Not released.

EXHIBIT 8

STIPULATIONS PUBLISHED AFTER DELETING NAME OF RESPONDENTS

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

STIPULATION OF THE FACTS AND AGREEMENTS TO CEASE AND DESIST

STIPULATION NO. 1, APRIL 15, 1925

MAINTENANCE OF RESALE PRICES: SOFT DRINKS

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

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

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

STIPULATION NO. 2, MAY 13, 1925

FALSE AND MISLEADING BRANDS OR LABELS; BREAD

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

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

STIPULATION NO. 3, MAY 13, 1925

FALSE AND MISLEADING CORPORATE OR TRADE NAME; KNITTED CLOTHING

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

STIPULATION NO. 4, JUNE 15, 1925

FALSE AND MISLEADING CORPORATE NAME AND ADVERTISING MATTER;
HOSIERY

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

STIPULATION NO. 5, SEPTEMBER 4, 1925

MAINTENANCE OF RESALE PRICES; CARPETS, RUGS, ETC.

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

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

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

STIPULATION NO. 6, SEPTEMBER 11, 1925

FALSE AND MISLEADING CORPORATE AND TRADE NAMES; CLOTHING

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

STIPULATION NO. 7, SEPTEMBER 11, 1925

FALSE AND MISLEADING ADVERTISEMENTS; FURNITURE

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

STIPULATION NO. 8, SEPTEMBER 11, 1925

FALSE AND MISLEADING CORPORATE AND TRADE NAME; CLOTHING

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

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

STIPULATION NO. 9, SEPTEMBER 11, 1925

FALSE AND MISLEADING CORPORATE AND TRADE NAME; KNITTED CLOTHING

Respondent agreed to cease and desist forever from the use of the word "Knitting" as part of or in connection or conjunction with its corporate or trade name in the sale of Its product in interstate commerce, and also agreed to cease and desist from the use of its corporate or trade name in advertisements inserted in newspapers circulated in interstate commerce and on its order blanks, letterheads, and other printed matter, and the use of the word "Knitting" in any other way that may have the capacity and tendency to mislead and deceive the purchasing public into the erroneous belief that the aforesaid respondent owns, controls, or operates a mill or factory for the manufacture of the knitted clothing which it sells in interstate commerce ; or until such the as the aforesaid respondent does actually own, operate, or control a mill or factory manufacturing the product sold by it. It is further agreed that if it should ever resume or indulge in any of the practices as set forth above, the foregoing statement of facts may be used in evidence against said respondent.

STIPULATION NO. 10, SEPTEMBER 11, 1925

FALSE AND MISLEADING LABELS AND FORMULAS; PAINTS AND KINDRED PRODUCTS

Respondents agreed to cease and desist forever from the use of the words "Best quality 100% pure" and from the use of formulas on the said brands or labels of said products that do not correctly represent the constituent elements and/or percentage or quantity of such elements composing said products unless or until said products so marked and/or labeled are 100% pure and contain the constituent elements and/or the same percentage or quantity as represented by the formulas as printed thereon. Respondents further agreed not to make use of formulas in any other way that may have the capacity and tendency to mislead and deceive the purchasing public as to the true constituent elements and/or percentage or quantity of such elements composing the said products sold in interstate commerce. It was further agreed that if the said respondent should ever resume or indulge in any of the practices as set forth above, the foregoing statement of facts may be used as evidence against said respondent.

STIPULATION NO. 11, SEPTEMBER 11, 1925

FALSE AND MISLEADING CORPORATE OR TRADE NAME; TAILORED CLOTHING

Respondent agreed to cease and desist forever from the use of the word "Mills" as part of or in connection or conjunction with its corporate or trade name, and also agreed to cease and desist from the use of the word "Mills" either independently or in any other way that may have the capacity or tendency to mislead and deceive the purchasing public Into the erroneous belief that the said respondent either owns, operates, or controls a mill or factory for the manufacture of the cloth from which the product sold by it in interstate commerce is made. It further agreed that If it should ever resume or indulge in any of the practices as set forth above, the foregoing statement of facts may be used as evidence against it.

STIPULATION NO.12, SEPTEMBER 11, 1925

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

Respondents agreed to cease and desist forever from inserting advertisements in publications in soliciting the sale of and selling its product wherein the containers of the aforesaid product were pictorially represented, stamped, or marked, "Price \$50.00," and respondent also agreed to cease and desist from

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

STIPULATION NO. 13, SEPTEMBER 11, 1925

FALSE AND MISLEADING CORPORATE OR TRADE NAME, KNITTED CLOTHING

Respondent agreed to cease and desist forever from the use of the words "Knitting" and "Mills" either independently or in conjunction each with the other or In any other way in soliciting the sale of and selling its product in interstate commerce so as to import or imply that the aforesaid respondent either owned, operated, or controlled a mill or factory manufacturing the knitted clothing sold by it in commerce. It further agreed that if it should ever resume, or indulge in any of the practices as set forth above, the foregoing statement of facts may be used in evidence against it.

STIPULATION NO. 14, SEPTEMBER 11, 1925

FALSE AND MISLEADING CORPORATE NAME AND OTHER
MISREPRESENTATIONS.

HOSIERY AND KNITTED CLOTHING

Respondent agreed to cease and desist forever from the use of the words "Knitting" and "Mills" together or separately as part of, or in connection with, its corporate name in the sale of its product in interstate commerce, and also agreed to cease and desist from representing that its product was sold direct from mill to consumer. Said respondent further agreed to cease and desist from the use of the words "wool fleeced" in advertising or describing garments not made of wool; and from the use of the words "Kamel Coat" or other similar designations in the sale of garments not made from camel's hair; and from the use of the words "Fibre Silk" or other designation containing the word "Silk" upon any goods or garments not made of genuine silk, the product of the Silk worm. Respondent further agreed that if it should ever resume or indulge in any of the practices named herein, or in any manner violate the terms of this stipulation, then in any proceeding before the commission the facts herein stated shall be deemed to have been proved and their truth admitted by the introduction of this stipulation in evidence.

STIPULATION NO. 15, SEPTEMBER 11, 1925

FALSE AND MISLEADING TRADE NAME; KNITTED CLOTHING

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

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

STIPULATION NO. 16, SEPTEMBER 11, 1925

FALSE AND MISLEADING BRANDS AND LABELS ; BLANKETS

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

STIPULATION NO. 17, SEPTEMBER 11, 1925

FALSE AND MISLEADING BRANDS AND LABELS; BLANKETS

Respondent agreed to cease and desist forever from the use of the words "Wool" or "Woolen" as part of its trade brand or label either independently or in conjunction each with the other, or the use of the words "Wool" or "Woolen" with any other word or words in its trade brands or labels in designating or defining its products not manufactured entirely from wool and sold by it in commerce between and among various States of the United States, or the use by said respondent of any other word or words in its said trade brands or labels that may have the capacity and tendency to mislead and deceive the purchasing public into the erroneous belief that the products manufactured by it and sold in commerce between and among various States of the United States are fabricated entirely from wool. Respondent also agreed that if it should ever resume or indulge in any of the practices as set forth above, the foregoing statement of facts may be used as evidence against it.

STIPULATION NO. 18, OCTOBER 5, 1925

FALSE AND MISLEADING BRANDS AND LABELS; MEN'S SHIRTS

Respondent agreed to cease and desist forever from the use of the words "Silk" and/or "Syk" in the neck bands of its said shirts, and further agreed to hereafter discontinue the use of the labels containing the words "Silk" and/or "Syk" either alone or in combination with any other words unless the said shirts are manufactured from genuine silk of the silk worm. Respondent also agreed that if it should ever resume or indulge in any of the practices, as set forth above, the foregoing statement of facts may be used as evidence against it.

STIPULATION NO. 19, OCTOBER 5, 1925

FALSE AND MISLEADING BRANDS AND LABELS; COTTON FABRICS

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

or imply that the product sold by it was manufactured or spun from the fibers of the flax plant known to the trade and purchasing public as "Linen," or the use of any other word or words that may have the capacity and tendency to mislead and deceive the purchasing public into the erroneous belief that the product sold by respondent was in truth and in fact linen. Respondent also agreed that if it should ever resume or indulge in any of the practices as set forth above, the foregoing statement of facts may be used as evidence against it.

STIPULATION No.20, OCTOBER 5, 1925

FALSE AND MISLEADING ADVERTISEMENTS; STATIONERY

Respondents agreed to cease and desist forever from the use of the word "engraved" or "engraving" either independently or in conjunction each with the other, or in connection or conjunction with the word "relief" in defining or describing their products in advertisements or advertising matter circulated in commerce between and among various States of the United States and from the use of the words "engraved" and/or "engraving" in any other way in soliciting the sale of and selling their products that may have the capacity and tendency to mislead and deceive the purchasing public into the erroneous belief that the products manufactured by said respondents are the result of impressions made from inked engraved plates, known as "engraving." Respondents also agreed that if they should ever resume or indulge in any of the practices as set forth above, the foregoing statement of facts may be used as evidence against them in the trial of a complaint which the commission may issue.

STIPULATION NO. 21, OCTOBER 5, 1925

FALSE AND MISLEADING CORPORATE OR TRADE NAME AND ADVERTISING MATTER,

HOSIERY

Respondent agreed to cease and desist forever from the use of the word "Linen" as part of or in connection or conjunction with its corporate or trade name in advertisements and other printed matter circulated in interstate commerce in soliciting the sale of and selling its product, and the use of the word "Mills" either independently or in conjunction with any other word or words in its advertisements and advertising matter, circulated in interstate commerce, that may import or imply that the said respondent owns, operates or controls a mill or factory manufacturing the product sold by it ; and the aforesaid respondent also agreed to cease and desist forever from the use of the word "Fashioned " either independently or in connection or conjunction with any other word or words in its advertisements and advertising matter circulated in interstate commerce, except in representing or describing that class of hosiery manufactured by that process used in the manufacture of fashioned hosiery, such hosiery being made to conform to the shape of the leg, said shaping being accomplished by the dropping of stitches where the contour of the leg begins to narrow, thereby forming true gussets or "fashion" marks parallel to the leg seam, which said process of dropping stitches is carried out at the bottom of the heel, at the instep, the toe, and sometimes just below the garter welt at the back of the knee, giving in all cases permanent shape effected by knitting. Respondent also agreed that if it should ever resume or indulge in any of the practices as set forth above, the foregoing statement of facts may be used as evidence against it.

STIPULATION NO. 22, OCTOBER 5, 1925

FALSE AND MISLEADING ADVERTISEMENTS; BRANDS AND LABELS

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

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

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

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

STIPULATION NO. 23, OCTOBER 5, 1925

FALSE AND MISLEADING TRADE NAME ; ADVERTISEMENTS, BRANDS, AND LABELS

Respondent, an individual engaged in the sale in interstate commerce of a product he designates “Sheffield Silverware” and “Sheffield Plate” and in competition with other individuals firms, partnerships, and corporations. entered into the following stipulation or facts and agreement to cease and desist forever from the alleged unfair methods of competition used by him in the sale of his product:

Respondent in the sale and distribution of the aforesaid product In interstate commerce, adopted as part of his trade name the word “Sheffield” which trade name he used in the sale of his product in interstate commerce, and in the course and conduct of his business he represented said product in advertisements and other printed matter circulated in interstate commerce as “Sheffield Silverware” and “Sheffield Plate,” and the aforesaid respondent also caused the said product to be stamped or labeled “Sheffield Plate,” and with the aforesaid stamp or label affixed thereto sold said product in interstate commerce; when in truth and in fact the said product so represented, stamped, and labeled was and is not made in “Sheffield, England” and/or manufactured in accordance with the process used in the manufacture of “Sheffield Silverware” or “Sheffield Plate” and is not of the quality which has been and still is associated with that grade of silver known to the trade and purchasing public as “Sheffield Silverware” or “Sheffield Plate.”

Respondent agreed to cease and desist forever from the use of the word “Sheffield” as part of or in conjunction with his trade name, and also agreed to cease and desist forever from the use of the word “Sheffield” in advertisements or advertising matter, or the use of the word “Sheffield” either independently or in connection or conjunction with the words “Silverware” or “Plate” as a stamp brand, or label for his product sold in interstate commerce, or the use of the word “Sheffield” in any other way that directly asserts or clearly imports or implies that the product sold by him is “Sheffield Silverware” or “Sheffield Plate” and/or made in Sheffield, England. Respondent also agreed that if he should ever resume or indulge in any of the practices, as above set forth, the foregoing statement of facts may be used as evidence against him in the trial of a complaint which the commission may issue.

STIPULATION NO. 24, OCTOBER 5, 1925

FALSE AND MISLEADING REPRESENTATIONS ; BRANDS AND LABELS

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

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

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

STIPULATION No. 25, OCTOBER 5, 1925

FALSE AND MISLEADING ADVERTISEMENTS; BRANDS AND LABELS

Respondents, a partnership engaged in the manufacture of cigars and in the sale and distribution of the same in interstate commerce and in competition with other individuals, firms, partnerships, and corporations similarly engaged, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition used by them in the sale of their product:

Said respondents, in the course and conduct of their business, manufactured a cigar which they represented and designated in advertisements and other printed matter circulated in interstate commerce under a trade name, brand, or label containing the word "Havana," and also caused to be affixed thereto a label in which was included the word "Havana," and with the said label affixed thereto sold said product in interstate commerce; when in truth and in fact the said product so represented, advertised, branded, and labeled was not manufactured from Havana tobacco either in whole or in part.

Respondents agreed to cease and desist forever from the use of the word Havana, as descriptive of its product in advertisements and other printed matter circulated in interstate commerce, and also the use of the word "Havana" independently or in connection or conjunction with any other word or words as a brand or label for the product sold in interstate commerce unless and until the fillers of said cigars were actually manufactured from Havana tobacco. Respondents also agreed that if they should ever resume or indulge in any of the practices in question the above facts shall be deemed to be proved and their truth admitted by the introduction of this stipulation in evidence.

STIPULATION No.26, OCTOBER 5, 1925

FALSE AND MISLEADING ADVERTISING

Respondent, a corporation engaged in the manufacture of cereal products and in the sale and distribution of the same in commerce between and among various States of the United States, and in competition with other individuals, firm, partnerships, and corporations, entered

into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition set forth therein:

Respondent, in the course and conduct of its business, manufactured a wheat cereal product which it sold in interstate commerce under the trade names or brands "Pancake Flour" and "Waffle Flour " and in soliciting the sale of and selling said product caused advertisements, circulars, and other printed matter to be circulated in interstate commerce, in which said advertising matter said product was represented as "All wheat--it Keeps!", and also further repre-

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

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

STIPULATION NO. 27, OCTOBER 5, 1925

FALSE. AND MISLEADING BRANDS AND LABELS

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

Respondent, in the course and conduct of its business, manufactured or compounded a product which it sold in interstate commerce under a trade brand or label containing the word "Shellac," and in connection therewith used the words "Strictly Pure, cut with 190 proof specially denatured alcohol," "The perfect Shellac," "A superfine product," and similar representations; when in truth and in fact the said product so labeled and sold in interstate commerce was not compounded or manufactured wholly of genuine shellac gum dissolved in alcohol, but was compounded or manufactured in accordance with a formula containing constituent elements, ingredients, or substitutes other than contained in the product known to the trade and purchasing public as "Shellac."

Respondent agreed to cease and desist forever from the use of the word "Shellac" as part of or in connection with its trade brand or label in the sale of its product in interstate commerce, and also the use of the words "Strictly Pure" in connection with the word "Shellac" in defining and describing its product, or the use of any other word or words, either independently or in connection or conjunction with the word "Shellac," that would import or imply that the product compounded or manufactured by it was made of pure shellac gum dissolved in alcohol commercially known to the trade and purchasing public as "Shellac," or until such the as the aforesaid respondent. does actually compound or manufacture its product from pure shellac gum dissolved in alcohol. It is also understood and agreed that if the above respondent should ever resume or indulge in any of the practices in question the foregoing statement of facts may be used as evidence against it in the trial of a complaint which the commission may issue.

STIPULATION NO. 28, OCTOBER 5, 1925

FALSE AND MISLEADING ADVERTISEMENTS

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

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

Respondents, in the course and conduct of their business, printed by a special process stationery products by the means of a printing press, and with the use of a slow drying ink which was treated with a powdered chemical and later subjected to a heating process that fused the powder and ink, and when cooled caused it to harden, thereby producing a raised surface so as to simulate engraving in appearance and finish. The aforesaid respondents advertised the product so produced in newspapers and periodicals circulated in interstate commerce under the name "Handgrav," and also caused the aforesaid trade name to be prominently displayed on their stationery in soliciting the sale of their product in interstate commerce.

Respondents agreed to cease and desist forever from advertising in interstate commerce their aforesaid product under the name or designation "Handgrav," and also from the use of the word "Handgrav" to define or describe said product, and from the use of any other word or combination of words as descriptive of said imitation engraving which have or may have the capacity or tendency to confuse said product with engraving. It is also agreed that if the aforesaid respondents ever resume the practices mentioned herein or shall in any manner violate the terms of this stipulation, the facts herein stated, or any of them, shall be deemed to have been proven and their truth admitted by the introduction of this stipulation in evidence.

STIPULATION No.29, OCTOBER 5,1925

FALSE AND MISLEADING ADVERTISEMENTS; BRANDS AND LABELS

Respondents, copartners engaged in the sale and distribution of hosiery in wholesale and/or retail quantities and in competition with other individuals, firms, partnerships, and corporations also engaged in the sale of similar products, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition used by them in the sale of their products:

Said respondents, in the course and conduct of their business, caused certain hosiery sold by them in interstate commerce to be represented and described as "Fashioned" in their catalogues, order blanks, and other advertising matter and on the labels affixed to said product; when in truth and in fact the said product so represented and described was and is not "fashioned" hosiery, but hosiery known as the trade and purchasing public as "seamless" hosiery. The aforesaid respondents in the course and conduct of their business caused certain of the hosiery sold by them to be represented and described as "Thread Silk with Art Twist" in their catalogues, order blanks, and other advertising matter circulated in interstate commerce, and also caused the same to be represented and described as "Thread Silk with Art Twist" on the labels affixed to said hosiery when in truth and in fact the boot of said hosiery so represented and described and sold in interstate commerce is not composed entirely of silk produced from the cocoon of the silkworm, but is composed also in varying quantities of fabrics or material other than silk.

Respondents agreed to cease and desist forever from the use of the word "Fashioned" in their catalogues, order blanks, and other advertising matter and also on the label affixed to said product sold in interstate commerce, or any other word or words in describing the aforesaid hosiery that would have the capacity and tendency to mislead and deceive the purchasing public into the erroneous belief that the said product is manufactured by that process used in the manufacture of "Fashioned" hosiery: Respondents also agreed to cease and desist forever from the use of the words "Thread Silk with Art Twist" in their catalogues, order blanks, and other

advertising matter circulated in interstate commerce and/or on the labels attached to said product sold in commerce between and among various States of the United States to represent or describe their said product, the boot of which is not composed entirely of silk produced from the cocoon of the silkworm, or the use of any other word or words that may have the capacity and tendency to mislead and deceive the purchasing public into the erroneous belief that the boot of said product is composed entirely of silk. Respondents further agreed that if they should ever resume or

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

STIPULATION No. 30, NOVEMBER 2, 1925

FALSE AND MISLEADING ADVERTISEMENTS; BRANDS AND LABELS

Respondent, an individual engaged in making necklaces and in the sale of the same in interstate commerce, and in competition with other individuals, firms, partners hips, and corporations also engaged in the sale of similar products, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition used by him in the sale of his product:

Said respondent, in the course and conduct of his business, caused advertisements to be inserted in publications having general circulation and also caused circulars and other printed matter to be circulated in interstate commerce. in which said advertising matter respondent caused to be inserted a pictorial representation of boxes or containers, in which said product was sold, which aforesaid pictorial representations included a reproduction of his trade brand or label followed by the word and figures, "Price \$50.00"; also the aforesaid respondent caused the boxes to be similarly marked or labeled, and with the aforesaid fictitious price mark affixed thereto sold said product in interstate commerce; when in truth and in fact the said product so advertised, labeled, and sold in interstate commerce with the aforesaid word and figures "Price \$50.00" marked thereon, was and is advertised and labeled greatly in excess of the price at which the aforesaid respondent sells the said product, or contemplates the same to be sold by his vendees, and greatly in excess of the actual price at which said necklaces sell in the usual course of trade.

Respondent agreed to cease and desist forever from the use of the word and figures "Price \$50.00" either independently or in connection or conjunction with any other word, words, or figures in his aforesaid advertisements circulated in interstate commerce, or on his brands or labels affixed thereto that directly assert or clearly import or imply that the aforesaid product is sold, and/or intended to be sold at the aforesaid fictitious price as advertised, and/or stamped or marked thereon, or any other word, words, or figures in his advertisements, brands, or labels that may have the capacity and tendency to mislead and deceive the purchasing public into the erroneous belief that the product is intended to and/or is sold at the fictitious price as advertised and labeled by the said respondent. Respondent also agreed that if he should ever resume or indulge in any of the practices in question, the fore going statement of facts may be used as evidence against him in the trial of the complaint which the commission may issue.

EXHIBIT 9

STATEMENTS OF TRADE PRACTICE CONFERENCES

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

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

RETAIL FURNITURE

Announcement--January 7, 1926

Following trade practice submittal conferences conducted by Commissioner Vernon W. Van Fleet with certain members of the retail furniture trade of New York City, the Federal Trade Commission has approved rules adopted by the retail dealers for describing and marking furniture as offered for sale to the public. These rules and interpretations thereof are set forth in the following communication to the commission:

DECEMBER 29, 1925.

TO THE FEDERAL TRADE COMMISSION:

At a trade practice submittal called by the Federal Trade Commission to consider the proper trade practices affecting the sale of furniture the undersigned respectfully recommend the adoption of the following rules:

RULES FOR THE DESIGNATION OF FURNITURE WOODS

I. Furniture in which exposed surfaces are of one wood shall be designated by the name of the wood.

II. Furniture in which the exposed surfaces are of more than one kind of wood shall be designated by the names of the principal woods used.

INTERPRETATION OF RULES

1. Exposed surfaces mean those parts of a piece of furniture which are exposed to view when the piece is placed in the generally accepted position for use.

2. The exposed surfaces of all furniture or parts thereof represented as solid shall be of solid wood of the kind or kinds designated. If veneered on the same wood, it may be designated as a wood of that particular kind. If veneered on a different wood, it shall be described as veneered

3. Cabinet woods, used for decorative purposes where the effect is solely to add to the artistic value, shall be named as decorations only.

4. A wood popularly regarded as of lesser value, if its use is essential to construction, need not be named under Rule II, if less than a substantial amount is used on exposed surfaces.

5. A wood popularly regarded as of higher value shall not be named under Rule II if an insubstantial amount of that wood is used, except as provided in interpretation 3, above.

6. Designations shall be made in the caption or body of each particular description without qualification elsewhere.

7. The word "Finish" to designate color shall only be used as a description following the name of the wood used.

8. Where furniture is catalogued, tagged, labeled, advertised, or sold by retailers it shall be in accordance with these rules and interpretations.

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

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

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

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

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

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

CASTILE SOAP INDUSTRY

Announcement--May 12, 1926

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

Lever Bros. Co., Cambridge, Mass.
 Armour & Co., Chicago, Ill.
 Larkin & Co. (Inc.), Buffalo, N. Y.
 Globe Soap Co., Cincinnati, Ohio.
 Swift & Co., Chicago Ill.
 Proctor & Gamble Co., Cincinnati, Ohio.
 John T. Stanley Co. (Inc.), New York City.
 Fels & Co., Philadelphia, Pa.
 James S. Kirk Co., Chicago, Ill.
 The Andrew Jergens Co., Cincinnati, Ohio.
 The Cincinnati Soap Co., Cincinnati, Ohio.
 Flash Chemical Co., Cambridge, Mass.
 Chas. L. Huisking (Inc.), New York City.
 Lockwood-Brackets Co., Boston, Mass.
 H. R. Lathrop & Co. (Inc.), New York City.
 Francisco Martin, New York City.
 J. D. Nordlinger (Inc.), New York City.

After a complete discussion of the questions involved, the following resolution was adopted by a majority of the manufacturers present:

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

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

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

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

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

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

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

“F. These regulations shall apply to castile’ soaps of foreign origin, handled and distributed in the United States by importers and shall apply to all castile soaps manufactured in the United States.”

After careful consideration of the above resolution, and the record presented at the conference, the commission desires to make the following announcement :

“(1) That it can not approve the resolution adopted by a majority of the soap manufacturers present at said submittal; and

“(2) That the term ‘Castile’ should be’ applied to pure olive oil soap; that is, soap made of olive’ oil with no admixture of any other fat.”

Notice of the action of the commission is being given all soap manufacturers using the term “Castile” in connection with the sale of their products. They are also being given an opportunity to voluntarily discontinue marking, labeling, and advertising soap contrary to the action of the commission.

MENDING-COTTON INDUSTRY

Announcement--October 31, 1925

In accordance with the desire expressed by a majority of the manufacturers of mending cottons, a trade-practice submittal was held by Commissioner Huston Thompson, in New York City, on June 23 and September 25, 1925, to consider the matter of the labeling or branding of mending or darning cottons, with the view of eliminating those practices which might be deemed unfair to competitors or misleading to the consumer, particularly with reference to the marking of yardage, ends and plies. Invitations to the conference were issued to all manufacturers in the industry of which the commission had knowledge. The following concerns were represented:

Clark Thread Co., Newark, N. J.
 Howard Manufacturing Co., Boston, Mass.
 Dexter Yarn Co., Pawtucket, R. I.
 Blodgett & Orwell Co., Pawtucket, R. I.
 American Thread Co., New York, N. Y.
 The Spool Cotton Co., New York, N. Y.
 Amherst Manufacturing Co., Amherst, Mass.
 D. E. Howard's Son & Co., New York, N. Y.
 J. & P. Coats (R. L) (Inc.); Pawtucket, R. I.
 Collingbourne Mills (Inc.), Elgin, Ill.

These concerns constitute a large majority of the industry and are estimated to produce 90 per cent of the darning cotton manufactured in the United States.

The action taken by the conference consisted in the unanimous adoption of the following resolution, which was likewise unanimously agreed upon as specifying the proper method to be followed by the industry in the branding or labeling of mending or darning cottons, and that any other method of marking would be unfair to competitors and involve confusion or deceptions of the consuming public:

“*Resolved*, That in the marketing, labeling, or branding of mending cotton the following and

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

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

“The number of ends.

“The number of plies per end.”

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

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

in the statement given out by the commission. The commission will thereafter entertain complaints against members who have failed to conform to the terms of the resolution adopted by the industry and approved by the commission.

“RAYON”

Announcement --October 31, 1925

The Federal Trade Commission by an official resolution has placed the stamp of its approval on the use of the word “Rayon” as properly designating artificial-silk products the basis and chief ingredient of which is cellulose.

There have been before the commission a number of cases involving the misbranding of textiles which have artificially been given the appearance of silk, and have been sold under trade names containing the word “silk” or a modification of the word “silk.” In deciding these cases the commission has consistently held that hosiery or other products which simulate silk but are not the product of the cocoon of the silkworm should be branded with the words “Artificial silk” or other words which correctly describe the materials composing the article branded.

The word “Rayon” has been adopted by many associations of manufacturers as a proper one for artificial-silk products and the term has been extensively advertised to the public. The commission, therefore, believing that both the trade and the public have come to accept and recognize the word “Rayon” as being applied to artificial silk or a substitute for silk, passed a formal resolution in which the term “Rayon” is accepted as a proper designation for artificial-silk products. The complete resolution follows :

“Whereas a material has been developed, the basis of which is cellulose, which is extensively used in many trades and industries as a substitute for silk, to which material the term ‘Rayon’ has been applied ; and

“Whereas the said term ‘Rayon’ has been adopted by many different associations of manufacturers as the official and proper designation for artificial silk; and

“Whereas the Federal Trade Commission in many decisions has consistently held that hosiery or other products made of materials which simulate silk but are not the product of the cocoon of the silkworm should be branded with the words ‘Artificial silk’ or other words which correctly describe the materials composing the article branded ; and

“Whereas the term ‘Rayon’ has been adopted by the trade, and is generally accepted and recognized by the trade and public to mean and indicate artificial silk, or a substitute for silk :

“*Be it resolved*, That the Federal Trade Commission hereby recognizes the term ‘Rayon’ as meaning and properly designating the artificial-silk products, the basis and chief ingredient of which is cellulose.”