

MEETING OF THE FEDERAL TRADE COMMISSION

April 3, 1917, 10:00 a. m.

William J. Harris, Chairman
Joseph E. Davies
William B. Colver
John F. Fort

A letter from Attorney General Gregory, bearing date of April 2, 1917, stating the attitude of his Department in reference to holding criminal proceedings against certain print-paper manufacturers in abeyance was submitted. Mr. Heney, who was in attendance, stated that such letter was called to his attention on the afternoon of April 3d, and in the absence of the Commission he thought it proper to send a personal reply, a copy of which reply was presented, and after discussion approved and ordered filed.

The matter of transmitting a formal reply on the part of the Commission to the above letter was then considered, and after discussion Messrs. Davies and Heney were directed to prepare a draft of a letter, setting forth the Commission's views regarding such matter for submission to the Commission. (See file 8235-86.)

A letter from the President of the United States, dated March 31, 1917, with which was enclosed a letter from Commissioner McChord, of the Interstate Commerce Commission, to Hon. Franklin K. Lane, Secretary, Department of the Interior, in reference to a shortage of bituminous coal, and inquiring with reference to the investigation into the bituminous coal industry by the Federal Trade Commission, was submitted, and after discussion the matter was referred to the Advisory Economic Board for consideration and report. (See file 8329-2.)

At 1:00 o'clock a recess was taken until 2:30 p. m.

William J. Harris, Chairman
William B. Colver
John F. Port

The Commission reconvened at 2:30 p. m.

Mr. Colver reported orally in regard to his conference with Mr. Frank A. Scott, of the Council of National Defense, and others interested in such matter, and also submitted a copy of the report of the Advisory Economic Board, which was furnished Mr. Scott, setting forth plans by which manufacturing plants, or their products, might be taken over in case of war, at a fair and reasonable price; and also submitted a copy of a letter transmitting such report to Mr. Scott. Approved.

Mr. Colver further reported that the Secretary of the Navy was inter-

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ested in the matter, and a copy of such report, together with his letter to Mr. Scott, was ordered transmitted to the Secretary of the Navy.

(See file 8508-586)

On motion, the letter from the President of the United States, bearing date of March 31, 1917, in reference to the bituminous coal situation, was referred to Mr. Fort for a personal conference with the President, if necessary, and with directions to report to the Commission preliminary to the preparation of a formal reply to such letter by the Commission.

(File 8329-2.)

Thereupon, at the hour of 6 p.m. the Commission adjourned to meet Wednesday, April 4, 1917, at 10:30 a. m.



Chairman.

Attest:



Secretary.

MEETING OF THE FEDERAL TRADE COMMISSION

April 4, 1917, 10:00 a. m.

William J. Harris, Chairman
Joseph E. Davies
William B. Colver
John F. Fort

Mr. Davies presented a draft of a letter directed to the Attorney General of the United States, in reply to a letter from him bearing date of April 2, 1917, relating to the matter of the position of the Depart-

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ment of Justice in regard to holding criminal proceedings against certain news-print paper manufacturers in abeyance. After discussion the letter was approved, and ordered sent. (See file 8235-86.)

On motion, Messrs. Davies and Fort were appointed a committee, and authorized to confer with certain administrative departments of the Government in regard to the news-print paper situation.

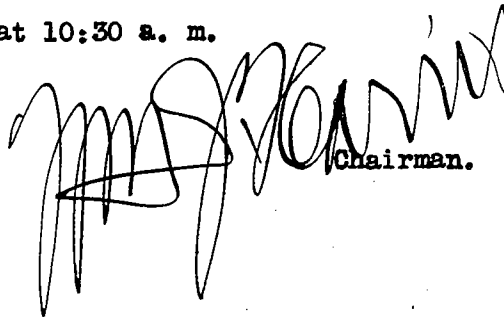
A recess was taken at 11:00 o'clock.

William J. Harris, Chairman
William B. Colver
John F. Fort

The Commission reconvened at 3:00 o'clock p. m.

The Commission considered the chapters of the gasoline report containing conclusions and recommendations of the Commission, and after discussion, on motion of Mr. Colver seconded by Mr. Fort, the same were approved; and further, that the entire gasoline report be printed and transmitted to the Senate at the earliest possible moment.

Thereupon, at the hour of 5.45 p.m., the Commission adjourned to meet Thursday, April 5, 1917, at 10:30 a. m.


Chairman.

Attest:


Secretary.

MEETING OF THE FEDERAL TRADE COMMISSION

April 5, 1917, 10:30 a. m.

William J. Harris, Chairman
Joseph E. Davies
William B. Colver
John F. Fort

(Mr. Parry absent on account of illness.)

Mr. Heney presented a letter from the Attorney General, addressed to him, bearing date of April 3d, 1917, in reply to his letter to the Attorney General under date of April 2d. After consideration, the letter was ordered filed. (See file 8235-86.)

Messrs. Davies and Fort reported the results of their conference with certain administrative departments of the Government in regard to the news-print paper situation.

The following resolution, offered by Mr. Davies, was unanimously adopted:

WHEREAS, developments in the news-print matter make the letter dated April 2d, sent to the Attorney-General, of no practical effect because of developments which had occurred;

BE IT THEREFORE RESOLVED: That the Chairman be authorized to advise the Attorney General that the Commission withdraws its recommendations contained in such letters.

The following resolution, offered by Mr. Davies, was unanimously adopted:

WHEREAS it now seems probable that in conjunction with the National Council of Defense, State, War and Navy and other Departments of the Government of the United States, the Federal Trade Commission may be called upon to pass upon matters appertaining to costs of war or other supplies furnished to the Government, and

WHEREAS this will require an additional force of attorneys, experts and accountants, therefore

April 5, 1917.

BE IT RESOLVED that the Federal Trade Commission do hereby request the President of the United States to consider the advisability of recommending to the Senate Committee on Appropriations the following: that in that part of the Federal Trade Commission appropriation passed by the House of Representatives which reads as follows:

"For all expenses necessary to carry out the order of the President of the United States to investigate within the scope of his powers and to report the facts relating to any alleged violations of the antitrust Acts by any corporation in the production, ownership, manufacture, storage, and distribution of foodstuffs and the products or by-products arising from or in connection with their preparation and manufacture, \$400,000"

be stricken therefrom, and that the following be inserted in lieu thereof:

For all expenses necessary to carry out the order of the President of the United States to investigate within the scope of its power all matters of costs of manufacture, distribution, and sale in industry appertaining to materials to be purchased by the United States in connection with the national defense, and to investigate within the scope of its powers and to report the facts of any violations of the antitrust Acts by any corporation in the production, ownership, manufacture, storage, sale, and distribution of foodstuffs and the products or by-products arising from or in connection with their preparation and manufacture, \$400,000. Such special attorneys or experts to be employed as may be directed or approved by the President of the United States at a compensation to be fixed or approved by him.

Or such other form of amendment as would cover this situation.

On motion, duly seconded and carried, Messrs. Colver and Harris were directed to confer with the Postmaster General at once regarding the matter of a revision of the order of the Post Office Department fixing the time periodicals and newspapers may be transmitted through the mails as second-class matter after the expiration of the subscription date for such periodicals and newspapers.

The following resolution, offered by Mr. Colver, was unanimously adopted:

RESOLVED: That the legal staff and personal attorneys to the Commissioners be directed to assemble and lay before the Commission at once all pending cases in which the question of jurisdiction is the controlling question, or in which the question of jurisdiction must be disposed of before the case

can proceed; and that these matters be made the special order of the Commission for eleven o'clock, Tuesday morning, April tenth, and shall come before the Commission automatically at eleven o'clock each day until disposed of.

Mr. Colver offered the following motion, which was duly seconded and carried:

"Moved, That a complaint be prepared by the Legal Department forthwith against the members of the Print Paper Manufacturers' Association under which proceedings may be brought for the relief of the news-print industry."

And that such complaint be brought before the Commission for further consideration, and order.

Mr. Colver reported the case of The Flavell Company, Inc., for the issuance of a complaint against United Rendering Co. (File 1-259.)

Report approved, and resolution dismissing application adopted.

The following resolution, offered by Mr. Fort, concerning certain phases of the Bituminous Coal industry, was unanimously adopted:

WHEREAS, There has been an extraordinary increase in the price of bituminous coal during the past winter and present prices are not only extraordinarily high but also, it is alleged, that there is great difficulty and delay in obtaining supplies thereof, and

WHEREAS, Such extraordinarily high prices of bituminous coal and the difficulty and delay in obtaining supplies thereof operate to the grave disadvantage in the transportation of goods and to manufacturing industries, upon whose uninterrupted operations depend the prosperity and safety of the country, and

WHEREAS, Such extraordinarily high prices of bituminous coal also directly increase the cost of living of the people, which is already excessively high, and

WHEREAS, The Commission has been directed by the House of Representatives, according to a resolution dated August 18, 1916, to make an investigation into the fundamental economic conditions of the bituminous coal industry, for the purpose of determining primarily the reasons for the alleged unprofitableness of the said industry, and the consequent difficulty of proper conservation of the natural resources in coal and of the welfare of those engaged in coal mining, and

WHEREAS, The present conditions in the bituminous coal industry, demanding immediate attention for the protection of the general welfare and national safety, are of a different character, therefore be it

RESOLVED: That the Commission proceed forthwith to make an expeditious investigation of the bituminous coal industry of the United States, pursuant to the provisions of Section 6 of the Federal Trade Commission Act, and to gather and compile information concerning the organization, business, conduct, practices and management of all corporations engaged in interstate commerce in the bituminous coal industry and their relations to other corporations, and to individuals, associations and partnerships, and particularly as to the causes of the extraordinarily high prices of bituminous coal and the difficulty and delay in obtaining supplies thereof, to the end that immediate remedial action may be secured therefor, and be it

FURTHER RESOLVED: That representatives of such corporations and others who may have information in reference to said matters, be invited to appear before the Commission at the earliest convenient time, to give information to the Commission on matters pertinent to the subject of said investigation, and particularly as to the causes of such extraordinarily high prices of bituminous coal and the difficulty and delay in obtaining supplies thereof.

FURTHER RESOLVED: That the work necessary under this resolution be conducted in connection with the investigation of the bituminous coal industry heretofore ordered in accordance with the resolution of the House of Representatives aforesaid.

Messrs. D. B. Wentz, Alan C. Dodson, and Percy C. Madeira appeared before the Commission and presented their views regarding the anthracite coal situation. (See stenographic file 8517-90.)

A recess was taken at 2:00 p. m.

William J. Harris, Chairman
William B. Colver
John F. Fort

The Commission reconvened at 3:00 o'clock p. m.

Messrs. Frank P. Glass, H. L. Rogers, and A. G. McIntyre, appeared before the Commission and discussed certain phases of the news-print paper situation.

Mr. Nicholas W. Hacker, counsel for the Lehigh Valley Coal Sales Co., appeared before the Commission and replied in person to the Commission's letter of March 26, 1917. (File 8626-31.)

Thereupon, at the hour of 5:00 p. m., the Commission adjourned to meet Friday, April 6, 1917, at 10:30 a. m.


Chairman.

Attest:


Secretary.

MEETING OF THE FEDERAL TRADE COMMISSION

April 6, 1917, 10:30 a. m.

William J. Harris, Chairman
Joseph E. Davies
William B. Colver
John F. Fort

(Mr. Parry absent on account of illness.)

A letter from Attorney General Gregory, bearing date of April 5, 1917, in reply to the Commission's letter of April 3d, was read and ordered placed on file. (See File 8235-86.)

A letter from Secretary Redfield, dated April 4, 1917, again calling attention to the order of the Department of Commerce excluding people after office hours from the Commerce Building, who are without passes, was read. (See File 8115-2-2.)

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Messrs. Colver and Harris reported orally the results of their conference with representatives of the Post Office Department, in regard to the revision of the order of the Department fixing the time in which periodicals and newspapers may be sent through the mails as second-class matter after date of expiration of subscriptions.

Mr. Fort brought up the matter of the appearance before the Commission on Thursday, April 5, 1917, of Percy C. Madeira, and other independent anthracite coal operators, and after consideration it was unanimously agreed to advise Mr. Madeira and his associates that it is their right and duty, individually, to sell coal without reference to what they describe as "the circular rate," issued by other anthracite coal operators. (See File 8626-5.)

The following motion, offered by Mr. Colver, was unanimously adopted:

MOVED: That the Legal Staff and personal attorneys to the Commissioners be directed to assemble and lay before the Commission at once all pending cases in which the question of passing off is the controlling question; and that these matters be made the special order of the Commission for eleven thirty o'clock, Thursday morning, April twelfth, and shall come before the Commission automatically at eleven thirty o'clock each day until disposed of.

The matter of the rumored sale of the Susquehanna Coal Company properties to the Delaware & Hudson Company was brought up, and upon motion of Mr. Davies the following order was adopted: (8517-94-1 corres. -2 trans.)

That the economist in charge of the anthracite coal investigation compile data regarding the relations between the Susquehanna Coal Company and the Delaware & Hudson Company, and submit same to the Secretary.

That the Secretary write a letter requesting the principal officers of such companies to appear before the Commission, at its offices in Washington, at 10:30 o'clock a. m., April 16th, 1917, and bring with them all records and files bearing on the matter of such rumored sale.

The following resolution, offered by Mr. Davies, was adopted:

RESOLVED: That in all economic investigations the Secretary shall cause to be assigned an attorney, or attorneys, who shall be charged with following the legal phases of such investigations, and with reporting to the Commission any remedial action in the public interest which the Commission might invoke during such investigation.

ORDERED: That from and after this date the regular sessions of the Commission, for the transaction of general business, shall be held from ten thirty a. m. to twelve-forty-five p. m., each day, except Saturdays.

Mr. Colver presented the case of James W. Houston Company for the issuance of a complaint against P. Lorillard Company (file 1-253).

Report approved, and resolution dismissing application adopted.

Thereupon, at the hour of 6 p.m., the Commission adjourned to meet Monday, April 9, 1917, at 10:30 a. m.


Chairman.

Attest:


Secretary.

April 7, 1917. No meeting held.

April 8, 1917. Sunday.

MEETING OF THE FEDERAL TRADE COMMISSION

April 9, 1917, 10:30 a. m.

William J. Harris, Chairman
Joseph E. Davies
William B. Colver
John F. Fort

(Mr. Parry absent on account of illness.)

The matter of the Commission's appropriation for the coming fiscal year was brought up and discussed briefly.

Dr. Haney was called in and reported briefly in reference to the present status of the gasoline report, and inquired as to whether or not he should attach the signatures of all the Commissioners. After discussion Mr. Colver agreed to see Mr. Parry, and ascertain whether or not he approved the report, and was willing to have his name attached thereto.

Mr. Durand appeared before the Commission and presented certain facts in reference to the anthracite coal report, particularly in regard to the time such report would be completed.

The matter of securing the services of a man for work in connection with the proposed food investigation was brought up, and same referred to Messrs. Davies and Colver for consideration and report.

The advisability of preparing an action calendar, and having calendar days, was discussed, and by unanimous consent was referred to Messrs. Harris and Colver for consideration and report.
