

MEETING OF THE FEDERAL TRADE COMMISSION

September 7, 1917, 10:30 a. m.

William J. Harris, Chairman
Joseph E. Davies
William B. Colver
Victor Murdock

(Mr. Fort absent on account of illness.)

Mr. Victor Murdock, having been duly nominated by the President and confirmed by the Senate, and having taken the oath of office on September 4, 1917, as a member of the Federal Trade Commission for a term of office ending September 25, 1918, was present and met with the Commission.

The minutes of the meetings of August 27th and August 30th, respectively, were read and approved.

The work of the Commission with reference to the administration of the coal industry, in connection with Dr. Harry A. Garfield, Coal Administrator, was taken up, and after discussion it was agreed to arrange for a conference with Dr. Garfield for the purpose of advising him of the Commission's ideas regarding certain features of the coal situation, and also to ascertain the nature of the work that would be required of the Commission in connection with the coal administration.

Mr. Davies reported that the President had called him

by telephone and asked when certain data concerning the price of steel products would be prepared, and that he had advised the President that such data would be submitted at an early date; that the President suggested that he communicate and confer with the War Industries Board in reference to costs of certain steel products essential to the conduct of the war.

Mr. Davies further reported that misstatements had been found in the data submitted by certain steel companies; that in his opinion such misstatements indicated guilty intent, and he thereupon asked for authority of the Commission to investigate further and, if the facts justified, submit the matter to the Department of Justice with a recommendation that the offenders be vigorously prosecuted. Such authority was duly granted.

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

William J. Harris, Chairman
Joseph E. Davies
William B. Colver
Victor Murdock

The Commission reassembled at 2:30 p.m.

Dr. Harry A. Garfield and Mr. Nims met with the Commission and discussed at length the coal situation and the proposed plan for the administration of the coal business under the provisions of the Lever law.

September 8, 1917.

Thereupon, at the hour of 4:00 p.m., the Commission adjourned to meet Saturday, September 8, 1917, at 10:30 a.m.


Chairman.

Attest:



Secretary.

MEETING OF THE FEDERAL TRADE COMMISSION

September 8, 1917, 4:00 p.m.

William J. Harris, Chairman
Joseph E. Davies
Victor Murdock

The Commission considered a draft of the preliminary report to the President covering the cost of production of certain steel products essential to the conduct of the war, which after discussion was approved. Mr. Davies reported that the President had requested that a copy of the report be delivered to the War Industries Board for consideration. It was unanimously agreed that such copy would be delivered to Mr. Robert S. Lovett of that Board, in the absence of Chairman Scott.

Mr. Davies presented report setting forth the understanding reached between the Commission and Dr. Harry A.

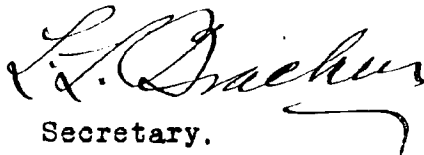
September 8, 1917.
September 11, 1917.

Garfield, Fuel Administrator, growing out of the conference on yesterday afternoon, covering the work to be done by the Commission in connection with the Fuel Administrator.
(See file Coal Mem 5 Dav 5)

Thereupon, at the hour of 6:00 p.m., the Commission adjourned to meet Tuesday, September 11, 1917, at 10:30 a.m.


Chairman.

Attest:


Secretary.

MEETING OF THE FEDERAL TRADE COMMISSION

September 11, 1917, 3:30 p. m.

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


The minutes of the meetings of September 7th and 8th, respectively, were read and approved.

The activities of the Commission in connection with work of Dr. Harry A. Garfield, Coal Administrator, were discussed; also the future work of the Commission in continuing its

investigation into the coal business independent of the coal administration was considered. The matter of recommending certain modifications in the pronouncements made by the President in reference to the prices of coal and the classification of mines by districts was taken up, and after discussion, by unanimous consent, was laid on the table for action as a special order of business at 11:00 a.m. tomorrow.

Mr. Davies presented a written report of a conversation with the President by which he was requested to submit the Commission's report on the prices of steel to the War Industries Board. The report also set forth the fact that the report had been delivered as directed. (See file 8910-2)

Thereupon, at the hour of 5:30 p.m., the Commission adjourned to meet Wednesday, September 13, 1917, at 10:30 a.m.


Chairman.

Attest:


Secretary.

MEETING OF THE FEDERAL TRADE COMMISSION

September 12, 1917, 10:30 a. m.

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

Mr. Davies presented report in re file 1-340, application of C. F. Pritchard for issuance of a complaint against The House of Rothschild. Report approved, and resolution embodied in report of Joint Board of Review, recommending dismissal of application, adopted.

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

WHEREAS, There are now pending in the Commission several cases, to wit, the American Radiator case, the National Biscuit case, the Coca-Cola case, and others, the disposition of which is dependent upon the determination of a question of policy; therefore

BE IT RESOLVED, That a date and time certain be set for the consideration of the following question: "Is accumulative discount paid by a producer at the end of a fixed period to a customer, contingent upon the gross amount of purchase at the end of a period of time, an unfair method of competition in operating either in effect as a tying contract or as an unfair method of competition in full line forcing where the seller handles more than one commodity?" and

BE IT RESOLVED, That in the consideration the Economic Advisory Board, Board of Review, and such examiners as have worked upon the cases be requested to appear to present their views to the Commission.

By unanimous agreement the hearing ordered in the above resolution was set for special order of business September

20th, 1917, at 2:30 p.m.

On motion of Mr. Fort, the Chief Examiner was directed to again assemble all applications for complaints and pending formal complaints involving questions of resale price maintenance and report the same to the Commission, after which time a date certain would be fixed for the consideration of such cases by the Commission.

Messrs. Harris and Colver, committee on docket, calendar, organization and procedure, presented a written report. After some discussion it was unanimously agreed that the matter would be laid on the table until 3:00 p.m. this afternoon.

At 1:00 o'clock p.m. a recess was taken until 3:00 p.m.

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

The Commission reassembled at 3:00 p.m.

The Commission considered the reports on the prices of oil and lumber.

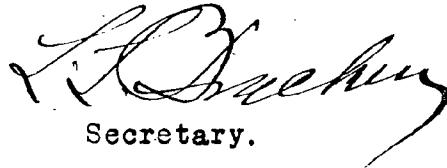
September 13, 1917.

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Thereupon, at the hour of 5:00 p.m., the Commission adjourned to meet Thursday, September 13, 1917, at 10:30 a.m.


Chairman.

Attest:


Secretary.

MEETING OF THE FEDERAL TRADE COMMISSION

September 13, 1917, 10:30 a. m.

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

The Commission considered the report of Messrs. Harris and Colver, committee on docket, calendar, organization and procedure, which report was discussed and by unanimous consent laid on the table for special order of business for the meeting to be held this afternoon at 2:30 o'clock.

Mr. Colver presented memoranda and recommendations in reference to certain changes in the Executive Orders of August 22d and 23d concerning coal, as follows:

(1) Brazil Block Indiana -- Recommending that such coal be classified separately from other Indiana coal.

(2) Jobbers, Registration of Same -- Recommending that jobbers of coal and coke be required by the President to enroll themselves with the Commission, the idea being that it might be necessary in the future to license such jobbers.

(3) Contracts -- Recommending that an executive order require filing with the Commission copies of contracts for the purchase and sale of coal and coke.

(4) Anthracite Pea Coal Prices -- Recommending increase in the price of pea coal.

(5) Classification of Jellico Districts -- Recommending the price of certain grades of bituminous coal mined in sections of Kentucky, Tennessee and Virginia.

(6) Cartage at wagon mines -- Recommending that cartage be allowed as a cost at wagon mines under license by the Fuel Administrator.

(7) Alabama Coal Prices -- Analysis of coal prices -- No specific recommendations.

On motion of Mr. Murdock, duly seconded, the Secretary was directed to transmit at once the above memoranda and recommendations, together with supporting data, to Dr. Harry A. Garfield, the Fuel Administrator.

Mr. Davies moved that a corps of investigators and accountants be provided by the Commission and sent simultaneously into the several coal fields of the United States for the purpose of ascertaining cost of production and other facts in connection with the coal business. After some discussion the matter was laid on the table for consideration at a future meeting.

September 13, 1917.

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


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

The Commission reassembled at 2:30 p.m.


The Commission briefly considered the report of the committee on docket, calendar, organization and procedure.

After discussion Mr. Murdock moved that the matter be laid on the table until tomorrow morning at 10 o'clock, at which time it was to be taken up as a special order of business with the understanding that it remain before the Commission until disposed of.

Thereupon, at the hour of 5:45 p.m., the Commission adjourned to meet Friday, September 14, 1917, at 10:30 a.m.


Chairman.

Attest:.


Secretary.

MEETING OF THE FEDERAL TRADE COMMISSION

September 14, 1917, 10:00 a. m.

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

Mr. Davies moved that the Commission consider the Oil Report and Lumber Report prepared at the request of the President before taking up the report of the committee on docket, calendar, organization and procedure which was made the special order of business for this hour. The motion was duly seconded and carried.

Dr. Haney was called into conference and the Commission discussed and considered the Oil Report prepared for and submitted to the President.

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

MOVED, That a letter be directed today to the Fuel Administration setting forth the fact that the "Memorandum on the Cost of Producing Gasoline and Fuel Oil, June, 1917, by the Federal Trade Commission," now in the hands of the Fuel Administration, was drawn, as stated in said memorandum, only for the purpose of determining the costs of production of certain petroleum products already used and to be used by the Navy Department in order that proper compensation for such products used by the Navy might be determined.

Also that this memorandum was not drawn in aid of any price fixing as to petroleum products to the public.

September 14, 1917.

The memorandum was so drawn in response to a request of the Secretary of the Navy, through the President.

That the Commission is engaged in procuring cost figures for the whole industry under the resolutions of Senators Gore and Owen. Such figures would be useful in aid of price fixing as to the public.

The following motion was offered by Mr. Fort:

In fixing the final cost figures in any industry or business there shall be added to the cost total, as found by the actual computation of the items going into the costs, a percentage of five per cent of the amount of such costs so specifically ascertained, to cover possible expense or damage for contingencies incident to the conduct of the business, which percentage shall be tabulated and included in the cost estimate in every case.

Seconded by Mr. Colver.

After discussion it was unanimously agreed that such motion be referred to a committee consisting of Messrs. Harris, Fort and Murdock for consideration and report; such committee to report on Tuesday, September 18, 1917.

Mr. Davies moved that a hearing be granted to oil companies affected by the cost determination as to fuel oil and gasoline which have been supplied to the Navy, or are under contract for supplying the Navy, as requested by some of the companies. The motion was duly seconded, and an aye and nay vote taken, Messrs. Harris, Davies and Fort voting in the affirmative, and Messrs. Colver and Murdock in the negative. The Chairman declared the motion carried.

At the hour of 1:00 p.m. a recess was taken until 2.30 p.m.

William J. Harris, Chairman
Joseph E. Davies
William B. Colver
John F. Fert
Victor Murdock

The Commission reassembled at 2:30 p.m.

Upon motion of Mr. Colver the consideration of the report of the committee on docket, calendar, organization and procedure was made a special order of business for 10:00 a.m. Monday, September 17, 1917.

Mr. Davies moved that the services of a corps of investigators and accountants be provided by the Commission, and that such employees be sent into the several coal fields of the United States, simultaneously, for the purpose of ascertaining costs and other material facts in connection with the production and distribution of coal. Such motion was duly seconded and carried.

Mr. Davies presented draft of a formal complaint in the matter of file 1-390, application of the Federal Trade Commission for issuance of a complaint against the Association of Flag Manufacturers of America, et al., and moved the approval and issuance of such formal complaint. Motion duly carried and issuance of complaint ordered.

September 17, 1917.

Thereupon, at the hour of 6:00 p.m., the Commission adjourned to meet Monday, September 17, 1917, at 10:30 a.m.

Attest:

L. L. Baepur
Secretary.

Wm J Harris
Chairman.

September 15, 1917. No meeting held.

September 16, 1917. Sunday.

MEETING OF THE FEDERAL TRADE COMMISSION

September 17, 1917, 10:00 a. m.

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

The minutes of the meetings of September 13th and 14th were read, and, after certain corrections, approved.

Mr. Davies reported that Mr. Baruch, in behalf of the War Industries Board, had asked for a conference with the Commission for this afternoon at 2:30 o'clock. By unanimous consent it was agreed to confer with members of such Board at the time mentioned.

September 17, 1917.

The members of the Advisory Economic Board were called into the room and various methods of determining the prices of the materials essential to the conduct of the war were discussed at length.

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

MOVED, That the committee report on organization and procedure set down as a special order for today, and displaced by the steel report, be made a special order for 10:00 o'clock a.m. tomorrow, September 18, 1917.

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

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

The Commission reassembled at 2:30 p.m.

Messrs. Robert E. Lovett, B. M. Baruch, R. S. Brookings, Rear-Admiral F. F. Fletcher, Hugh Frayne, and Lieut.-Col. P. E. Pierce, members of the War Industries Board, conferred with the Commission with reference to methods of determining the prices of materials essential to the conduct of the war.

September 18, 1917.

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Thereupon, at the hour of 5:00 p.m., the Commission adjourned to meet Tuesday, September 18, 1917, at 10:30 a.m.


Chairman.

Attest:


Secretary.

MEETING OF THE FEDERAL TRADE COMMISSION

September 18, 1917, 10:00 a.m.

William J. Harris, Chairman
Joseph E. Davies
John F. Fort
Victor Murdock

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

RESOLVED, That the Secretary employ whatever additional first-class stenographers are needed, to be paid out of the funds allotted to us by the President from the National Security and Defense Fund.

The Secretary reported that Dr. Garfield had advised that he did not deem the plan of securing copies of contracts from the coal operators by Presidential order as feasible. After discussion the following motion by Mr. Fort was adopted:

MOVED, That the Secretary forthwith put into operation the proper steps for securing all existing bona fide contracts for the sale of coal which the operators themselves deem legal and enforceable at law.

The resolution heretofore adopted, on September 14, 1917, directing the further and simultaneous investigation into the coal industry, was considered; whereupon it was unanimously agreed that the Secretary be directed to see that the work ordered by the resolution be projected, and, further, that the Secretary be authorized to communicate and cooperate as the representative of the Commission, when necessary, with the Fuel Administrator, and report to the Commission.

At 1:00 p.m. a recess was taken until 3:00 p.m.

William J. Harris, Chairman
Joseph E. Davies
John F. Fort
Victor Murdock

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

The Commission considered the reports, prepared at the direction of the President, in connection with the cost of production of lumber and cement.
