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groups and cliques at noon and see the same men at the same tables. Perhaps it is all right but I have an idea that it is a good thing for me personally to occasionally take lunch with someone with whom I am not exceedingly well acquainted and whom I have not known for twenty years. I know that other railroad men feel as I do—that for the successful operation of a railroad we have got to get outside and away from our own environment, and the more we can get the viewpoint of the shipper or the patron of the road the better off we are. What is more, I am very glad indeed if the members of a well known railway supply company are going to lunch here at this table occasionally, as I feel that the viewpoint of the supply man is a big help to the railroad man."

"I am sure we shall be delighted to help you all we can," broke in the sales manager.

Our senior vice-president grinned a little because if anyone had replied to the vice-president of the railroad it would seem that it ought to have been our president. I knew what was going on in the sales manager's mind; he had never met the vice-president of the railroad before and I could see that he was a good deal nettled because I had been the one to introduce him, and he wanted to impress upon that particular vice-president his own importance and add him to his valued list of acquaintances.

The railroad vice-president thanked the sales manager, but I could see that back in his mind he was sizing up our sales manager for just what he was worth. He went on, though, undisturbed, to say that the railroad man, in whatever department, did a wise thing in broadening his acquaintance with the men who sold to the railroads.

"The railroad supply man," he said, "is a friend of every railroad man—he is friendly to the railroads as an institution."

"Yes indeed," again broke in the sales manager, very alert, and paying no attention to his luncheon.

"I like to talk with the railroad supply man," said the railroad vice-president, "for the reason that he is a friend and he is going to give us friendly advice. We need friendly help these days, need it more in railroading than we have ever needed it before. We need friendly criticism and I think the supply man will give it to us. A railroad man has a feeling nowadays that in business he has very few friends and for that reason he is clinging all the more tenaciously to the few that are left to him."

"Don't you think that the new year is opening up pretty well?" asked our president. "There is an increase in railroad earnings, larger movement of freight, and with it all a very marked tendency on the part of the people as a whole to treat the railroads more justly and give them their due. This is going to be reflected in legislation and I believe we are entering an era of real prosperity for the railroads,—and if for them, then for the nation as a whole."

"Perhaps," said the railroad vice-president, "the people are beginning to appreciate the fact that prosperity for all is dependent upon treating our transportation systems justly. The reason for this may be that the people are coming to have a better superficial knowledge of railroading and what it means."

"I hope our Autocrat keeps still on his fool notion about teaching railroading to school children."

"What's that?" asked the railroad vice-president, who had misused the sales manager's remark.

"Oh, I was just referring," said the sales manager, "to a fool idea of the Autocrat's—something that he sprung on us here a few months ago, to the effect that in teaching geography in the public schools more emphasis ought to be placed upon the railroad than upon rivers and mountains, that you don't need to take our Autocrat seriously; none of us."

The sales manager said this as much as to say that I was the originator of certain fool ideas which I put forth regularly.

The railroad vice-president made no reply to the sales manager. At that moment he got up, and after expressing pleasure at having met our organization, left the dining room.

"I guess the vice-president of that railroad is disgusted with your fool ideas all right, Autocrat," said the sales manager to me.

"What fool idea in particular did you have in mind?" I replied.

"Oh, the one about teaching railroading to school children."

"Do you know where I got that idea?" I asked him. "You might be particularly interested in knowing that the man who first brought up that question with me and who is intensely interested in having something practical done along the line of making the teaching of geography to children include railroads, is our particular friend the railroad vice-president who just left."

I think I am going to be able to stay happy for the rest of the year in remembering the look on the sales manager's face. I knew he wanted to "cultivate" the vice-president of the railroad; he had neglected his lunch to do it and then as a final climax had managed to put both feet into it by trying to make capital with that particular vice-president by making fun of me.

Activities of the Federal Trade Commission.

The activities of the Federal Trade Commission and its attitude towards new problems are matters of keen interest to all branches of business at the present moment. Joseph E. Davies, chairman of the commission, delivered an address before the American Manufacturers' Export Association, in New York City, December 21, in which he outlined certain phases of the commission's recent work. He spoke in part as follows:

The Federal Trade Commission has been in existence nine months. During that time the energies of the commission have been largely devoted to a survey of the industries of the country. The sound basis for action comes only from an accurate and thorough appreciation of conditions. The processes of industry, the constituent parts thereof, and the inter-relations that exist between different kinds and classes of industrial activities are matters of intricate and extensive importance. Information of this kind has been compiled, and is now available.

During that time the commission has come into personal contact with practically two-thirds of the industries of the country, measured in value of investment: not only to know the men engaged in the businesses, respectively, but to see first hand some of the problems that confront them. There is at hand, and will be immediately available for the commission on preparedness which it is reported the president of the United States is considering the appointment of, for the consideration of the mobilization of the industrial resources of this country, a record not only of the industries available, but their respective capacities, actual and potential, the degree of their integration, physical and financial. This is the first survey of these factors, assembled through governmental agency.

The investigations of specific subjects, formerly conducted by the bureau of corporations, have been continued. Under the directorship of Vice-Chairman Hurley, the facilities of the accounting branch of the organization have been extended to such businesses as desire assistance in matters of cost accounting and efficiency methods in manufacture or commerce. This cost accounting service has not been imposed upon anyone, but exists for those who might wish to avail themselves

of it. It has been met with great favor by all classes of business.

The principal reason for which the Federal Trade Commission was created is undoubtedly to prevent practices of unfair competition in industry. The object was to destroy monopoly in the seed, and to protect the great majority of business units in industry, whose chief menace comes from practices of unfair competition which might be employed by not a more efficient but by a more powerful rival. Complaints covering many varieties of unfair methods have been filed with the commission, such as, false advertising, bogus independents, price discrimination, bribery of employes, boycotts, misbranding of goods, rebates and the like. These complaints have come from all classes of industry, covering the fields of mining, agriculture, manufacturing, and distribution. Of these complaints, and their disposition, the public has not heard much. This is so because of two conditions which the Federal Trade Commission has imposed upon its procedure, for the public interest. No information is given out, or is obtainable upon any application for a complaint which is made to the Federal Trade Commission, until the case has been investigated and until it has been determined that a formal complaint is to be served by the commission against the parties complained of. The reasons for this are, first, to protect those who in good faith make the complaint, from reprisals by those against whom the charges are made; and, second, to protect legitimate business from the injury which the publication of malicious or improper applications or complaints might subject them to. The other policy which has been adopted is that of advising the party complained against, of the nature and character of the charges made, before formal complaint is made and filed by the commission, to the end that either the party complained of may establish the lack of public interest, or be given an opportunity, if the situation is clear, to agree that neither as to the complainant nor as to the general public will there be a continuance of such illegal practice. These policies tend to obscure the amount of work done by the commission, so far as the publicity of its work is concerned; but it has been felt that a larger service was being performed by the proper protection of legitimate interests of business and by the speedy accomplishment of the relief to the general public and to the parties complained of.

The Federal Trade Commission was created out of a desire to bring into the relations between government and business and society, a constructive agency. It was designed by those who created it not as a punitive, but as a corrective force. It was hoped that it would serve to bring about a more simple, direct and informal agency for adjustment of matters than would be afforded through a strictly judicial or a strictly administrative agency. The fact that there may be comparatively few complaints brought by this body is therefore not an indication that relief is not being accorded; but may be in fact an indication that the effectiveness of this agency is being demonstrated along the lines contemplated by those who sought its enactment. A few illustrations of the manner in which this operates will illustrate the situation.

A corporation engaged in the business of selling typewriters circulated among dealers in many cities a letter falsely stating that a competitor had moved its factory from Chicago, and that the customers of such factory would be compelled to make new arrangements for obtaining typewriters, which need the advertising corporation was prepared to fill. A letter directed to the corporation complained of resulted in a retraction, and in the circulation of such retraction extensively, and the applicant for a complaint thereupon requested the dismissal of the matter.

In still another case, a corporation engaged in the manufacture of an article, published advertisements in which were statements disparaging the goods of a competitor in an improper way. The practice was called to the attention of the commission, with the result that it was immediately discontinued.

Recently complaints as made by one of the large so-called

independents against an alleged price-discrimination practice indulged in by a larger competitive rival. Upon a complaint being made by the commission with the competitor, the assurance was voluntarily given that the price vice would be discontinued, not only as to the party complaining but also as a general practice, and as to all persons in the trade. Thus it happens that the relief which the commission could give, to wit the procurement of the stopping of the practice, is secured with immediate relief to those injured, instead of going through a long process of litigation and procedure that might involve months, or possibly years, for its final determination.

It is contemplated that by the publication of a ruling upon each case, as it is disposed of, that ultimately a body of cases will be built up which will operate as a code of what establish fairness and unfairness in trade, to the benefit of industry in this situation where formal complaints do not come to trial.

The Steel Market.

The steel market is gradually edging its way into a condition or position where even commercial experts will be in the dark when attempting a forecast. Present conditions indicate oversold capacity with some gaps, especially in pig iron and rails, for six months; but it is well to keep in mind that in the hurley-burly of events and announcements of contracts, foreign and domestic, there is no clear conception as to just how much of January 1 to June 30 capacity has been sold and how much has not been sold. Nor is it altogether clear how much sound warrant there is and has been for the inordinate advance in prices and the cause, whether in higher pig iron, higher semi-finished steel or higher coal and coke and labor. The advancing prices may represent what anxious buyers are willing to pay for delivery favors, but such prices are not legitimate and there is a limit to the time and conditions under which they can be exacted. A very large percentage of accepted domestic business and a fair percentage of foreign business has been taken and is being executed at relatively low prices. The manufacturers are safe only because they covered in time. The volume of unaccepted and of possible business is increasing steadily and what awaits it is just now a matter of uncertainty. There may be a larger percentage of steel unsold capacity for the first half of 1916 than is suspected which would absorb that much of the present volume of unplaced business.

Supply Trade Notes.

—Edward F. Carry, first vice-president and general manager of the American Car & Foundry Co., has resigned to become president of the Haskell & Barker Car Co. Mr. Carry was formerly connected with the Wells & French Car Co. in various capacities, being secretary of the company at the time of its consolidation with the American Car & Foundry Co. He was then made district manager and later third vice-president. From June, 1903, to May 1, 1907, he was second vice-president. He was elected first vice-president and general manager and assumed the duties of this office May 1, 1907. He has been also a director and a member of the executive committee since 1903.

—Effective January 1, 1916, Hal C. Bellville is appointed assistant to the president of the Commonwealth Steel Co. Mr. Bellville entered the employ of the Commonwealth about ten years ago as clerk and stenographer, and through close application to his duties was chosen as President Howard's secretary about five years ago. His promotion is a recognition of merit, and is in line with the policy of the company to award their faithful co-workers by advancement as they prove themselves worthy of increased responsibilities.