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ANNUAL REPORT

OF THE

FEDERAL TRADE COMMISSION

FOR THE

FISCAL YEAR ENDED JUNE 30, 1919

WASHINGTON
GOVERNMENT PRINTING OFFICE
1920

FEDERAL TRADE COMMISSION.

JOHN FRANKLIN FORT, *Chairman.*
VICTOR MURDOCK.
HUSTON THOMPSON.
WILLIAM B. COLVER.

J. P. YODER, *Secretary.*

ANNUAL REPORT OF THE FEDERAL TRADE COMMISSION 1919.

INTRODUCTION.

WASHINGTON, *D. C., November 15, 1919.*

To the Senate and House of Representatives:

During the first four months of the last fiscal year the Federal Trade Commission centered its activities on such work as would aid in successful prosecution of the war. Even after the signing of the armistice early in November and, indeed, for many months thereafter, the Commission has responded to calls from other branches of the Government to do post-bellum work, which necessarily has been of great importance.

This war work of the Commission, performed in every instance by direction or request, was chiefly that of cost finding for all the great array of materials necessary in the prosecution of war.

The Commission feels justifiably proud of its claim that it was among the first of all independent arms of the Government to demobilize its war forces and return to a peace-strength basis. When the armistice was signed on November 11, 1918, the Commission had a personnel of between 650 and 700 employees. While it was impossible immediately to reduce this staff to a peace strength, notable reductions were made from time to time as the work of the war grew lighter until on June 30, 1919, the Commission had 367 employees.

Nearly 25 per cent of its personnel was in the military or naval service. Federal Trade Commission employees responded to Liberty loan, Red Cross, Y. M. C. A., K. of C., Salvation Army, and other patriotic appeals with a total of more than $400,000.

ADMINISTRATIVE DIVISION.

There were no material changes in the arrangement of the different sections of the Administrative Division during the fiscal year, nor did the work materially change except in volume. These different sections are the ones usually employed in a governmental establishment to care for the business end of governmental work, and are under the direction and supervision of the assistant secretary of the Commission. They are:

Auditor's office, which has charge of the fiscal affairs.

Chief clerk's office, in charge of buildings and quarters, purchase of supplies and equipment, supervision of the mechanical force, laboring force, etc.

Personnel section, in charge of all matters relating to appointments, promotions, demotions, transfers, changes in designation, etc.

Section of mail and files, where the receipt and distribution of the mail takes place, and where all the papers and records of the commission except those of the docket division are finally receivable and cared for.

Section of publications and printing, in charge of all matters having connection with the Public Printer and the Superintendent of Documents. In this section are handled the distribution of publications, maintenance of mailing lists, preparation of multigraph and mimeograph duplicating work, and all of the clerical work necessary in keeping the records of this branch of the Commission's activities.

Stenographic section, from which is supplied to all of the force needed stenographic and typewriting assistance.

Reportorial section has charge of the official reporting for the Commission, the necessary correspondence connected therewith, the assignment of reporters to cases, the keeping and distribution of the official transcripts of hearings, etc.

Docket section is a section somewhat comparable to the office of a clerk of a court. All applications for the issuance of complaints pass through this section; it files all correspondence, exhibits, notices of assignments to attorneys, and field and office reports in connection with such applications. From it issue all formal complaints and their service is attended to by this section. It certifies copies of formal records to the different circuit courts of appeals when required, and keeps the current docket record for the inspection of the public. This section also answers all inquiries from the general public and interested parties with reference to the status of formal proceedings; and it also has the custody of the Commission's seal.

QUARTERS.

At the beginning of the fiscal year the Commission occupied quarters in the Davidson & Davidson Building, Fifteenth and K Streets NW., in which there was an available floor space amounting to 35,790 square feet. Temporary additional space in the Southern Building, amounting to 9,688 square feet, secured during the preceding year, was occupied by accountants and clerks engaged in the war work of the Commission. As the force increased, the above

units were not sufficient to house our employees, and there being no additional space procurable in the Southern Building the Commission on October 5, 1918, took over the lease of the Navy Department on the four upper floors of the Pope Building, 817 Fourteenth Street NW., which, after slight alterations to suit our needs, was used to care for the additional force of employees made necessary by our increased activities incident to the war. In securing these four upper floors it was very soon possible to relinquish the space in the Southern Building and combine all of our forces in the Davidson & Davidson and Pope buildings.

Under the act making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1920, approved March 1, 1919, there was created a Public Buildings Commission, "with a view to the control and allotment of space in owned or leased Government buildings in the District of Columbia." Under the powers granted that body it allotted space to this commission in the Fuel Administration Building No. 3, and directed that the property and employees of the Commission be immediately transferred to these new quarters. This action was under date of May 26, 1919, and the transfer was immediately undertaken. The Davidson & Davidson Building was finally vacated on June 6, and the lease for the Pope Building was terminated on June 30, in accordance with its terms. The building assigned for the commission's use is one of the temporary war structures of two stories in height and frame construction, and is located at Virginia Avenue, Twentieth and Twenty-first Streets. It is not a suitable building for the commission's needs, nor is it properly located to carry out in full completeness the commission's functions. The commission has been allotted in this structure approximately 49,000 square feet. This is only about half of the building's capacity; the other half contains the furniture, equipment, and files of the Fuel Administration pending the final disposition of the same in view of the ceasing of that body to function after June 30, 1919. The Public Buildings Commission has assigned to the Superintendent of State, War, and Navy Department Buildings the supervision of maintenance, protection, etc., of all the temporary Government buildings, in which is included the one which we now partly occupy.

PERSONNEL.

Changes in personnel.—On September 26, 1918, Victor Murdock, of Kansas, was nominated by the President to succeed himself as commissioner. This nomination was confirmed by the Senate October 3, 1918, and was for a full term of seven years ending September 25, 1925.

On January 17, 1919, Huston Thompson, of Colorado, entered upon duty as a commissioner to fill the unexpired term of William J. Harris, resigned. This nomination by the President was confirmed by the Senate January 7, 1919. Commissioner Thompson's term of office under that nomination and confirmation ends September 25, 1919.

On July 1, 1919, John Franklin Fort, formerly vice chairman, succeeded, under the rules of the commission, to the chairmanship for the term of one year, and at the same time Victor Murdock succeeded, under the rules, and for the same term, as vice chairman.

L. L. Bracken, of Indiana, who was the secretary of the commission from November 5, 1915, resigned, effective March 31, 1919, and was succeeded in this office April 1, 1919, by J. P. Yoder, of Kansas.

The entire number of new employees put to work in the commission during the fiscal year was 399, and the entire number who left its active service by resignation, termination of service, or death was 676.

The Federal Trade Commission began its career March 16, 1915, with a total of 144 employees and a total salary roll of $280,900. At the close of June 30, 1917, the personnel had increased to 193, with a total salary of $393,120. At the close of June 30, 1918, there were 640 employees in the actual service of the Commission (not including those absent in the military or naval service), with a total salary of $1,167,496. At the close of June 30, 1919, the Commission had 367 employees drawing a total salary of $731,095. A material reduction in the force occurred during the latter part of the fiscal year and was due to the cessation of a large amount of the work the Commission had been performing for other Governmental departments and establishments in the matter of ascertaining costs of production, etc., incident to the great war.

The following is an analysis of the personnel of the Federal Trade Commission and its staff at the close of June 30, 1919:

Employees of the Federal Trade Commission at the close of business June 30, 1919, showing salary rates.

4 commissioners	$10,000	
1 secretary	5,000	
		$45,000
4 clerks to commissioners	1,800	
		7,200
1 chief clerk	2,000	
		2,000
1 disbursing clerk	2,000	
		2,000
2 clerks	2,460	
1 clerk	2,280	
1 clerk	2,100	
2 clerks	2,000	
1 clerk	1,860	
8 clerks	1,800	
2 clerks	1,680	
9 clerks	1,600	
1 clerk	1,560	
1 clerk	1,520	
1 clerk	1,500	
2 clerks	1,440	
18 clerks	1,400	
1 clerk	1,380	
15 clerks	1,320	
1 clerk	1,260	
83 clerks	1,200	
3 clerks	1,140	
8 clerks	1,080	
1 clerk	1,000	
3 clerks	900	
		217,780
1 special attorney	3,300	
3 special attorneys	3,100	
2 special attorneys	2,280	
1 special attorney	2,100	
		19,260

1 attorney and examiner	$4,500	
7 attorneys and examiners	4,000	
1 attorney and examiner	3,750	
1 attorney and examiner	3,600	
2 attorneys and examiners	3,300	
2 attorneys and examiners	3,000	
1 attorney and examiner	2,920	
3 attorneys and examiners	2,820	
1 attorney and examiner	2,700	
2 attorneys and examiners	2,640	
1 attorney and examiner	2,500	
1 attorney and examiner	2,460	
1 attorney and examiner	2,280	
		$79,050
1 special agent	4,500	
1 special agent	4,000	
1 special agent	3,600	
1 special agent	3,300	
3 special agents	3,000	
3 special agents	2,750	
1 special agent	2,640	
1 special agent	2,500	
6 special agents	2,400	
2 special agents	2,280	
1 special agent	2,250	
1 special agent	2,220	
2 special agents	2,100	
3 special agents	2,000	
2 special agents	1,920	
2 special agents	1,800	
3 special agents	1,740	
1 special agent	1,620	
1 special agent	1,600	
1 special agent	1,500	
		88,800
1 special expert	4,800	
1 special expert	2,400	
1 special expert	2,100	
1 special expert	1,800	
		11,100
1 special examiner	6,500	
1 special examiner	5,000	
2 special examiners	4,500	
1 special examiner	2,520	
1 special examiner	2,500	
		25,520
1 examiner	5,000	
4 examiners	4,500	
1 examiner	4,200	
1 examiner	3,750	
4 examiners	3,600	
2 examiners	3,300	
1 examiner	3,250	
9 examiners	3,000	
3 examiners	2,820	
1 examiner	2,800	
2 examiners	2,750	
1 examiner	2,700	
2 examiners	2,640	
1 examiner	2,500	
2 examiners	2,460	
7 examiners	2,400	
1 examiner	2,380	
2 examiners	2,280	
2 examiners	2,250	
6 examiners	2,100	

3 examiners	$2,000	
2 examiners	1,920	
11 examiners	1,800	
3 examiners	1,680	
1 examiner	1,620	
3 examiners	1,600	
4 examiners	1,500	
1 examiner	1,440	
2 examiners	1,400	
1 examiner	1,320	
2 examiners	1,200	
1 examiner [1]	4,745	
		$218,605
1 messenger	1,000	
1 messenger	840	
2 assistant messengers	840	
5 assistant messengers	720	
9 messenger boys	480	
		11,440
1 multigraph operator	1,000	
		1,000
1 general mechanic	1,200	
		1,200
1 telephone operator	720	
		720
1 skilled laborer	720	
1 laborer	720	
3 laborers	660	
1 laborer	600	
		4,020
Grand total		731,095

Total number of employees, 367.

Military service.—One hundred and sixty-one employees of the Federal Trade Commission entered the military and naval service of the United States during the late war. Fifty-one of this number entered such service during the fiscal year covered by this report. Thirty-seven of these 161 former employees have returned to the actual work of the Commission. Of these 37 who returned to duty from military service, 14 have since left to take up positions elsewhere. This still leaves 124 of our employees who entered military service who have not as yet returned to the Commission for duty. It is expected that many of them will apply for reinstatement as soon as they are released from military service. So far as our records indicate, none of our employees were seriously wounded or killed in action. Two died in the service from natural causes, namely: Joseph G. McDonald, September, 1918; Charles L. Watts, October, 1918.

One of the serious things affecting this Commission is the employee turnover. Many of our employees are attracted by the opportunities in the business world, both in the matter of positions and salaries which the Commission can not afford to pay. To illustrate this turnover, since the organization of the Commission, March 16, 1915, the Commission has employed a total of 1,626 persons. Of this number, up to June 30, 1919, 1,259 have left our service. This remarkable percentage will fully illustrate in a statistical way one of the difficulties under which the Commission labors in the matter of personnel.

Patriotic activities.—The Commission feels a deep sense of pride in the attitude of its employees by reason of their responsiveness to

the calls made by the Government (in the matter of contributions and subscriptions to the various loans and other activities necessary to give support to every function of the Government) and our people in the winning of the war. Figures are not available for the first Liberty loan, at which time the organization of the Commission's units that subsequently took care of these matters was not fully developed, but the following will show the record made by our employees in the appeals made to them for war needs and war relief. They contributed and subscribed to all Liberty loan and other patriotic needs and appeals a total of upward of $400,000. This surely bears testimony to their loyalty and liberality, and the Commission has reason to be proud of this record.

In the matter of social work within our own ranks, the Commission is very much gratified by the way these various activities are handled by the unit organized among the employees and known as the "Fetracom." During the period of the influenza epidemic this organization not only cared for those of our number who were ill, but they generously volunteered their services to assist other governmental organizations, the Red Cross and other bodies, in rendering what service they could in that calamity. Entertainments for the personnel have been given, picnics, excursions, dances, etc., and the esprit de corps has been appreciably increased by the work of this organization.

APPROPRIATIONS AND EXPENDITURES.

The appropriations of the Commission for the fiscal year ended June 30, 1919, under the sundry civil appropriation act approved July 1, 1918, amount to $1,677,540. In addition to this amount the Commission had available the sum of $31,016.39, which was allowed by the ruling of the Comptroller of the Treasury under the second paragraph of section 3 of the act creating the Commission, said amount representing the unexpended balance of the appropriations for the Bureau of Corporations for the fiscal years ended June 30, 1913 and 1914.

The expenditures of the Commission for the fiscal year ended June 30, 1919, were $1,564,739.12. The appropriations [including unexpended balances of appropriations] for previous years, and expenditures are tabulated below:

Appropriation.	Amount available.	Amount expended.
Federal Trade Commission, 1919:		
Salaries, commissioners, secretary, etc.	[1] $177,540.00	[2] $139,480.82
All other authorized expenditures	[1] 1,500,000.00	[2] 1,336,784.83
Total, fiscal year 1919	[1] 1,677,540.00	[2] 1,476,265.65
Unexpended balances:		
Federal Trade Commission, 1918	66,363.66	28,793.07
Federal Trade Commission, 1913-1914	31,016.39	1,305.95
National security and defense fund, Federal Trade Commission, 1918.	62,928.82	57,629.23
Expenses—(trading with enemy)	6,096.22	745.22
Grand total	1,843,945.09	1,564,739.12

[1] Of the total amount appropriated for the fiscal year 1919, $1,677,540, the Commission was able to offer and the sundry civil act approved July 19, 1919, made it possible for the Commission to return, to the general funds of the Treasury the sum of $200,000.

[2] Includes charge for services rendered to the United States Fuel Administration of $24,096.52 and traveling expenses of $568.08 ,for which credit was received by transfer of appropriations.

It is estimated that the outstanding liabilities of the Commission as of June 30, 1919, amount to $29,000, payment of which will be made from the unexpended balances of the appropriations "Federal Trade Commission—1919" and "Federal Trade Commission—without year" (1913–1914).

A detailed analysis of the expenditures of the Commission is given in the following statement:

Detailed statement of the expenditures of the Federal Trade Commission for the fiscal year ended June 30, 1919.

ADMINISTRATIVE DIVISION.

	Office.	Field.
Annual leave	$76,388.11	
Sick leave	25,680.92	
Administration, general	65,877.70	$544.69
Mail and files section	26,062.97	
Disbursements and accounts section	13,031.46	
Purchases and supplies section	7,979.71	
Docket section	8,152.30	
Library	5,952.38	
Messengers	10,881.54	
Time excused by Executive or Commission's order	1,323.36	
Detailed to Congressional Reclassification Commission	474.10	
Printing and publications section	7,631.38	
Stenographic section	22,867.56	
Personnel section	12,900.27	
Labor, (watchmen, charwomen, etc.)	14,699.55	
Research section	4,745.13	8.00
Contingent expenses	51,249.05	
Rental of quarters	39,565.18	
Printing and binding	14,934.21	
Telephone and telegraph	7,248.33	
Total	417,645.21	552.69

ECONOMIC DIVISION.

Economic supervision	33,784.91	26.52
Detail	1,489.59	
Informal complaints	3,918.38	3,123.04
Formal complaints	1,106.97	976.47
Miscellaneous computing machine work	517.32	
Oil, general investigation	7,715.08	1,421.75
Resale prices	3.24	
Foreign trade	1.91	Cr. .05
Trading with the enemy		17.00
Alleged combination of salmon canners	863.81	
Miscellaneous economic	174.23	2,223.07
Coal	95,592.27	5,881.17
Steel	53,627.36	11,647.92
Oil, war costs	31,533.36	10,211.13
Lumber	37,830.79	19,127.69
Cement	8,858.80	2,355.93
Nonferrous metals	13,486.20	4,981.64
Aluminum	109.46	6.31
Canned goods	31,515.97	20,691.24
Navy yards	207.24	.33
Bread	192.09	312.23
Hoarding	8.06	6.44
Sisal binder twine	14.10	
Box shooks	17.42	33.25
Lard substitutes	81.94	318.83
Sulphuric acid	4,115.33	1,625.54
Cotton textiles	2,091.93	80,484.44
Hollow building tile	4,619.39	1,903.27
Sand and gravel	1,361.12	1,454.56
Beans		5.07
Locomotives	313.05	263.00
Cost system for packers	19,849.59	7,731.41
Chestnut extract	161.18	709.02
Fire brick	277.04	222.89
Meat packers' profits	733.16	2,030.80
Leather costs	8,120.87	5,786.36
Heavy forgings	45.01	1,339.76
Anchor chains		1,019.08

Detailed statement of the expenditures of the Federal Trade Commission for the fiscal year ended June 30, 1919—Continued.

ECONOMIC DIVISION—Continued.

	Office.	Field.
Common brick	$4,259.27	$2,465.16
Government paper contracts	3,845.24	1,703.53
Chip board	2,308.30	5,604.67
Woolen piece goods	1,308.64	1,601.38
Towing	1,127.69	630.53
Chile nitrate	41.44	80.49
Cottonseed oil	606.61	511.88
Wool dealers' profits	1,048.54	317.53
Mohair	40.30	----------
Chlorine and soda	3,958.14	1,898.02
Bleaching cotton linters	290.13	429.44
Locust treenails	93.40	87.03
Cooperage and wooden canned foods boxes	6,629.29	3,440.12
Wood chemicals	1,536.76	406.98
Brass and copper tubes	1,011.71	378.83
Towels	492.19	229.04
Woolen rags	3,910.68	11,044.31
Oakum	21.59	----------
Gypsum and fiber board	2,136.89	1,319.42
Asbestos	185.75	104.06
Dynamite and glycerine	67.15	1,853.03
Mahogany	2,143.61	909.61
Automatic sprinklers	50.37	----------
Cotton compresses	280.72	----------
Manganese	672.25	603.87
Tobacco and cigarettes	2,520.60	1,238.99
Armor plate	104.20	81.35
Hardware (building)	5.04	----------
Slaughtering	94.99	95.72
Hemlock and hardwoods	2,679.14	1,662.45
Rosin	2,790.44	2,015.59
Birch veneer and birch logs	88.89	72.19
Pintsch gas	2.88	1,867.40
Fusees and torpedoes	176.53	123.85
Sheepskin imports	1,956.75	3,131.66
Sausage casings	89.32	89.29
Insulated copper wire	384.09	200.82
Kersey-lined breeches	201.48	133.48
Thermometers (clinical)	1,908.30	1,061.37
Transportation of war workers home	----------	430.12
Cast-iron car wheels	521.97	154.77
Steel tires for locomotives	467.05	138.44
Syndolag	138.16	156.77
Locomotive driving springs and coil springs	141.05	57.62
Car couplers	400.80	262.44
Live stock and its products	35,518.11	2,521.54
Grain products	10,854.21	5,913.27
Grain and produce exchanges	50,565.07	14,032.82
Canned goods	1,817.08	584.12
Export trade	1,176.60	222.17
Paper schedules	12,597.43	----------
Paper prices	332.91	3,116.09
Leather and shoes	10,989.25	3,106.43
Farm-operating equipment	66,968.40	15,916.64
Marketing meat and perishable food products	24,735.95	4,791.21
Collars (men's)	440.35	104.42
Section 7, Clayton Act, general investigation	26.44	----------
Premiums, coupons, and trading stamps	606.69	----------
Section 8, Clayton Act, general investigation	113.54	----------
Merger of corporations	40.16	----------
Milk products	3,087.25	174.51
Total	636,945.95	287,013.08

NOTE.—The amount paid to accounting firms and for contract clerical assistance during the year, and included in field expenditures, is $112,162.45.

Detailed statement of the expenditures of the Federal Trade Commission for the fiscal year ended June 30, 1919—Continued.

LEGAL DIVISION.

	Office.	Field.
WASHINGTON, D. C., OFFICE.		
Requests for information	$278.62	
Legal supervision	18,298.53	$113.83
Special for the commissioners	1,014.44	584.89
Board of Review	3,612.70	
Preliminary work on informal complaints	726.28	158.44
Informal complaints	34,288.16	11,258.55
Formal complaints	39,887.81	22,441.53
Briefs	389.19	
Resale prices	49.79	
Rulings, resolutions, and orders of the Commission, including the reports of the Board of Review	258.39	
Trading with the enemy	8,702.29	956.14
Miscellaneous legal	486.44	77.02
Cement	15.83	
Live stock and its products	2,886.94	2,210.73
Grain products		149.28
Grain and produce exchanges	747.85	1,128.18
Export trade	3,816.83	58.83
Paper schedules	6.34	
Paper prices	224.28	50.88
Leather and shoes		171.83
Farm operating equipment	286.01	Cr. .38
Marketing meat and perishable food products		21.65
Section 7, Clayton Act, general investigation	2,776.80	1,063.98
Premiums, coupons, and trading stamps	3.45	
Section 8, Clayton Act, general investigation	361.04	114.86
Stock securities	2,006.65	391.22
Total	121,124.66	40,951.46
NEW YORK BRANCH OFFICE.		
Legal supervision	4,409.75	382.75
Stenographic	2,069.15	
Preliminary work on informal complaints	1,037.10	629.26
Informal complaints	6,013.39	2,746.49
Formal complaints	187.88	274.89
Briefs	38.28	
Combination of shoe-supply manufacturers	8.86	
Section 7, Clayton Act, general investigation	557.75	322.24
Section 8, Clayton Act, general investigation	419.33	302.52
Total	14,741.49	4,658.15
CHICAGO BRANCH OFFICE.		
Legal supervision	1,806.50	494.15
Stenographic	1,043.67	519.37
Preliminary work on informal complaints	263.54	131.30
Informal complaints	6,117.57	2,230.82
Formal complaints	534.87	281.56
Miscelaneous legal		18.35
Cost system for packers	171.55	
Woolen piece goods	24.17	
Live stock and its products	15.34	
Farm operating equipment	3.84	
Section 7, Clayton Act, general investigation	529.64	735.67
Total	10,510.69	4,411.22
SAN FRANCISCO BRANCH OFFICE.		
Legal supervision	204.35	
Stenographic	796.48	
Preliminary work on informal complaints	878.21	246.38
Informal complaints	1,258.51	851.78
Formal complaints	241.79	212.10
Lumber		10.00
Cost system for packers		30.08
Live stock and its products	31.30	91.65
Paper prices	41.81	17.11
Farm-operating equipment	4.32	
Section 7, Clayton Act, general investigation	295.73	128.10
Total	3,752.50	1,587.20

Detailed statement of the expenditures of the Federal Trade Commission for the fiscal year ended June 30, 1919—Continued.

LEGAL DIVISION—Continued.

	Office.	Field.
LEGAL SUMMARY.		
Washington, D. C.	$121,124.66	$40,951.46
New York, N. Y., branch	14,741.49	4,658.15
Chicago, Ill., branch	10,510.69	4,411.22
San Francisco, Calif., branch	3,752.50	1,587.20
Total legal	150,129.34	51,608.03

NOTE.—There is included in the field expenditures the sum of $10,085.55, which was paid to reporting firms for stenographically reporting hearings, etc., conducted by the Commission or its employees.

SUMMARY OF EXPENDITURES.

	Office.	Field.	Total.
Administrative	$417,645.21	$552.69	[1] $418,197.90
Economic	636,945.95	287,013.08	923,959.03
Legal	150,129.34	51,608.03	201,737.37
Total	1,204,720.50	339,173.80	1,543,894.30

[1] Includes all charges for salaries of the commissioners and secretary, administrative force, economic and egal supervision, annual and sick leave, contingent expenses, rental of quarters, printing and binding, etc.

Adjustments.—The following adjustments are made to account for the differences between the costs and the disbursements:

Total cost for the year ended June 30, 1919	$1,543,894.30
Less transportation issued	57,178.46
New total	1,486,715.84
Plus transportation paid	67,575.58
Adjusted total	1,554,291.42
Payments in July, 1918, taken into costs of June, 1918 (add)	12,927.08
New total	1,567,218.50
Payments in July, 1919, taken into costs of June, 1919 (subtract)	2,479.38
Disbursements for the year ended June 30, 1919	1,564,739.12

The appropriations for the Federal Trade Commission for the fiscal year ended June 30, 1919, were as follows:

For five commissioners, at $10,000 each; secretary, $5,000; five clerks to commissioners, at $1,800 each; chief clerk, $2,000; disbursing clerk, $2,000; clerks—four of class four, five of class three, ten of class two, seventeen of class one, twenty-one at $1,000 each, twenty-one at $900 each; messenger; four assistant messengers; nine messenger boys, at $480 each; general mechanics—one $1,200, one $840; three watchmen; two elevator conductors, at $720 each; two skilled laborers at $720 each; three unskilled laborers at $660 each; telephone operator, $720; forewoman, $300; eight charwomen at $240 each; in all, $177,540.

For all other authorized expenditures of the Federal Trade Commission in performing the duties imposed by law or in pursuance of law, including personal and other services and rental of quarters in the District of Columbia and elsewhere, supplies and equipment, law books, books of reference, periodicals, printing and binding, traveling expenses, per diem in lieu of subsistence not exceeding $4, newspapers, foreign postage, and witness fees and mileage in accordance with section nine of the Federal Trade Commission act, $1,500,000.

PUBLICATIONS ISSUED.

The following publications were issued by the Commission during the fiscal year ended June 30, 1919:

Annual Report of the Federal Trade Commission. December 9, 1918. 131 pages.

Summary of the Report of the Federal Trade Commission on the Meat-Packing Industry. July 3, 1918. 51 pages.

Report of the Federal Trade Commission on the Meat-Packing Industry, Part II (Evidence of Combination among Packers). November 25, 1918. 290 pages.

Report of the Federal Trade Commission on Canned Foods; Canned Salmon. December 27, 1918. 80 pages.

Report of the Federal Trade Commission on the Meat-Packing Industry, Part I (Extent and Growth of Power of the Five Packers in Meat and Other Industries). June 24, 1919. 574 pages.

Resale Price Maintenance. June 30, 1919. House Document 145, Sixty-sixth Congress first session. 3 pages.

Report of the Federal Trade Commission on the Meat-Packing Industry, Part III (Method of the Five Packers in Controlling the Meat-Packing Industry). June 28, 1919. 325 pages.

Cost Reports of the Federal Trade Commission—Copper. June 30, 1919. 26 pages.

Cost Reports of the Federal Trade Commission—Coal, No. 1—Pennsylvania—Bituminous. June 30, 1919. 103 pages.

ECONOMIC DIVISION.

The work of the Economic Division during the fiscal year ended June 30, 1919, as during the preceding year, was chiefly directed, under direction of the President, to obtaining information required by various branches of the Government in connection with the prosecution of the war. The cost of production of commodities was the chief matter of inquiry, but in connection therewith information was also generally obtained regarding actual prices realized and the facts regarding profits and investment. Even months after the armistice was signed such information was needed either for the use of other agencies charged with further temporary regulation of prices or for the settlement of war contracts.

Since the armistice the Railroad Administration and the Fuel Administration especially have made frequent requests for such information. For the Railroad Administration these requests have arisen from a current need of information in connection with its plans of purchasing supplies. Although the Fuel Administration released coal producers from price control on February 1, it continued closely to watch costs and prices.

Furthermore, for a short time during the latter part of the fiscal year the Industrial Board of the Commerce Department made frequent requests for reports on the costs of production previously ascertained.

The Commission while making every effort to furnish the information requested, with due regard to its confidential character, had no part in the fixing of prices by the Industrial Board or in the policies of the other branches of the Government to which it supplied information.

It may well be stated here that, during the whole period of the war, the work of the Commission with respect to the war activities was a cost-finding and expert accounting work and it at no time was a price-fixing agency.

The work of the Commission as cost-finding agency increased steadily during the first half of the fiscal year—that is, until shortly after the armistice. The suspension of hostilities resulted in a much smaller reduction in this war work than the Commission anticipated, this for the reason that price regulation was not immediately suspended and many reports on current work were called for. By the beginning of March, 1919, most of the work originated during the war was terminated.

New demands of a similar character, however, as noted above, necessitated the continuation of such work in certain lines on a substantial scale until the end of the year. This was especially the case with respect to coal costs for the Fuel Administration, iron and steel

costs for the Railroad Administration, and the costs of certain food products for the Purchasing Board serving the military branches of the Government. Indeed for some of these bodies it appears that the need of such information will extend considerably beyond the fiscal year here under consideration.

The cost-finding work of the Commission during the war resulted in the collection of an immense mass of facts regarding many important industries which are of great practical interest. The frequent deficiencies in numerous important industries of essential records of costs of production and other accounting data, due to inadequate methods—a subject to which this Commission frequently called attention before the war—was made painfully apparent during the war and constituted a handicap to the necessary coordination of industry. It will remain a handicap for the industries themselves until corrected.

The Commission proposes, therefore, to outline the principal defects and to indicate the general reforms in accounting which companies with such defective methods should set themselves to accomplish. A few brief reports on the more important of these industries are in the course of preparation for publication in the near future, which the Commission believes will have a wide interest for the business world.

Important general economic inquiries ordered by Congress or the President were also begun or continued during the fiscal year and engaged a considerable share of the efforts of the Economic Division. Among these so directed by the President or by Congress, or by both, may be mentioned especially the meat industry, the grain trade, the flour-milling industry, the salmon-canning industry, the farm-machinery industry, and the milk and dairy industry. The inquiry into the leather and shoe industry, interrupted for a time by more urgent war work on leather, was also resumed. With respect to several of these subjects a number of partial or full reports have already been published, and it is expected that most of the others will be published at an early day. Some of these reports published or authorized to be published before July 1 last and now available for distribution are:

Copper Bulletin.
Resale Price Maintenance.
Report on Canned Foods—Canned Salmon.
Cost of Producing Bituminous Coal in Pennsylvania.
Cost of Producing Anthracite Coal in Pennsylvania.
Report on Meat Packing Industry, Part I.
Report on Meat Packing Industry, Part II.
Report on Meat Packing Industry, Part III.
Report on Meat Packing Industry, Part IV.
Report on Meat Packing Industry, Part V.
Report on Meat Packing Industry, Part VI.
Report on Leather and Shoe Industries.
Wholesale Marketing of Foods.
Report on Woolen Rags.
Farm Machinery Report.
Report on Private Car Lines.

The economic work of the Commission during the war was, above all, cooperation with other branches of the Government. This was the whole basis of the cost-finding work. Reports on costs were made to the War Industries Board, the Food Administration, the

Fuel Administration, the Railroad Administration, the War Department, the Navy Department, the Post Office Department, the Shipping Board, the Emergency Fleet Corporation, the Public Printer, and to other branches of the Government.

But this cooperation was not limited to cost finding. At the request of the Fuel Administration, the Commission, through monthly reports, which covered nearly a year, acted as a check on the observance of price regulations, especially by jobbers and retailers of coal, and also assisted the Fuel Administration in various other ways.

With the War and Navy Departments and the Food Administration the Commission cooperated in the work of the Food Purchase Board, and it also cooperated with the Food Administration in the examination of profit reports made by the meat packers and in the study of the methods of determining costs and profits.

Members of the Commission and members of the economic staff were also called on to cooperate in the work of various interdepartmental committees.

The cost investigations and general economic inquiries conducted by the Commission during the fiscal year under report touched a large part of the industrial activities of the country. Most of the industries in question were covered in a comprehensive way both as to cost of production and investment. Embraced in these inquiries were the principal mining and quarrying industries, including coal, iron ore, copper, and other nonferrous metals, petroleum, clay, sand and gravel, and various mineral materials, the principal manufacturing industries, including iron and steel and their products, machinery and engines, cement, brick, tile, and other mineral building materials, acids, alkalis, and other chemicals, paper and paper products, lumber and its products, refined mineral oils, glycerin, vegetable oils, meat and its by-products, flour and bread, canned vegetables, fruits and fish, textiles and garments, leather and shoes, etc., besides various purely trading activities, such as in coal, grain, hides, wool, rags, cloth, food products, etc.

It has been roughly estimated that the total investment involved in these industries was in the neighborhood of $20,000,000,000 and that their annual output was worth about $30,000,000,000.

The total amount of money which has been saved through the work of the Commission is impossible of even approximate estimate, but the savings were undoubtedly very large.

For much of the work the Commission was, of course, an auxiliary agency which, by determining the costs, made it practicable for other agencies to fix prices on a far more reasonable level than the inflated basis then prevailing.

When it is considered that the prices of several hundreds of millions of tons of coal were reduced from one to two dollars per ton (and for smaller tonnages by much larger amounts), that the prices of some 40,000,000 tons of pig iron or steel products made therefrom were reduced by amounts ranging from $20 to $50 and more per ton, that hundreds of millions of yards of cotton textiles were reduced from 20 to 30 cents per yard, and so on for many other raw materials and finished products, it is evident that the amount of money thus saved to the Government and to the people of the United States amounted to billions of dollars.

As these prices were fixed largely on the basis of the costs ascertained by the Commission, it is also evident that for this saving the Commission may justly claim a substantial part of the credit. Moreover, from the beginning of the crisis the Commission, because it was well posted as to the general cost and price situation, had an active share in advising with regard to the general policy which should be pursued, and which was in fact adopted.

For some industries the companies reported their costs to the Commission according to their own methods of accounting, as generally for the principal iron and steel products, where the accounting methods are fairly good and more or less uniform. For other industries, as for example, coal, the Commission required the costs to be reported according to a prescribed form partly on account of the defective methods frequently in vogue, partly because the immense work of tabulation made it necessary that the returns should be in the most comparable form.

The urgency of the work necessitated prompt action along the most practicable lines, and the Commission adjusted its procedure in each case to meet the particular exigencies of actual conditions and the time limitations. For this reason also it was sometimes obliged to engage the assistance of large accounting firms in order to have a sufficient personnel to get the necessary information promptly. In such cases, however, the work was done under the general direction and supervision of the Commission.

The methods of investigation varied considerably, but the examination of the books of account by the staff of the Commission was deemed necessary at least for a considerable part of the companies whose costs were obtained and especially for those whose costs were reported to be high.

The results obtained unless they conformed substantially with those of the companies in question were communicated to the companies, and they were given a hearing before a final report was made. Consequently, the reports of the Commission were almost invariably accepted both by other branches of the Government and by the producers in question as an accurate and impartial statement of costs. This spared the price-fixing and purchasing branches of the Government much trouble and delay and facilitated the prompt dispatch of a business so essential to the prosecution of the war.

In no instance did the Federal Trade Commission act as a price-fixing body.

In all this work the best plans would have little availed, however, if the Commission had not met with willing cooperation from the business world. It is a fact which the Commission takes great pleasure in stating that the business men of the country, with rare exceptions, showed a patriotic readiness in furnishing information and often under conditions which involved no inconsiderable expense and inconvenience. The liberal policy of the Government in its control of prices as well as the dangers to business and the country at large if no check had been placed on the extraordinary conditions which impelled prices upward, made this attitude as sensible as it was patriotic.

A brief description is given below of the principal lines of cost inquiry to indicate the character and diversity of this work. These

descriptions do not attempt to indicate the relative importance or volume of the work involved. Thus the investigation relating to coal was so extensive and that relating to iron and steel was so complicated that an adequate description of them would be too lengthy for this report.

COAL.

During the fiscal year ending June 30, 1919, the work of the Commission in determining the cost of production of anthracite and bituminous coal was continued in the manner described in the last annual report, by obtaining monthly reports in a form prescribed by the Commission from all except very small mining operations.

These monthly cost reports which were begun in August, 1917, were collected up to and including December, 1918. This information was compiled for the use of the Fuel Administration, but as that body did not desire such information for periods subsequent to December, 1918, the collection of these reports was discontinued thereafter. Much work had to be done for the Fuel Administration, however, subsequent to December, 1918, in the compilation and analysis of the information thus collected.

The Commission now has records showing the costs in detail from January, 1917, through December, 1918, of operators who mined about 99 per cent of the anthracite tonnage produced during those two years. It has similar detailed records covering about 95 per cent of the total bituminous tonnage produced and including all of the bituminous coal producing districts in the country. Such records cover a period from August, 1917, to December, 1918, inclusive, or a period of 17 months. In addition, similar detailed information has been obtained for operators mining about 200,000,000 tons annually for the three years 1916, 1917, and 1918. The principal fields of Pennsylvania, West Virginia, Ohio, Indiana, Illinois, Kentucky, and eleven other States are represented in these 1916–1918 costs.

The Commission has in preparation a series of reports which it contemplates issuing for the principal coal-producing States in the United States, showing the cost of producing both anthracite and bituminous coal.

PETROLEUM.

The investigation of petroleum costs during the fiscal year was continued generally along the same lines as for the previous year.

Refined products.—Information on costs of producing fuel oil and gasoline was furnished to the Navy Department as a basis for its determination of its purchase prices. This work was carried on by means of cost reports from refiners, which in many cases and so far as appeared necessary were verified by examiners. Costs were thus obtained from practically all the refiners in the country. As obtaining the cost of refined products on a strict cost accounting basis would not be useful for fixing prices, because some of the most valuable products normally cost the least to produce, the Commission for such price fixing purposes allocated the total cost of refining to the different products on the basis of the yield and value of each at the refinery. Costs were determined in this manner for the second quarter of 1918 and also for last six months of the same year.

At the request of the Navy Department, a special investigation was made of the cost of various lubricants used by the Navy.

From time to time the results of these cost determinations were furnished not only to the Navy Department, but also to other Government departments which requested them.

In response to a request from the Fuel Administration, a special inquiry was instituted to ascertain the stocks of gasoline, kerosene, and crude oil held by various refining, producing, and pipe-line companies in the territory east of the Rocky Mountains.

Crude petroleum.—Work previously undertaken in connection with the cost of producing crude oil in 1917 was practically completed, and the data secured from the different oil fields are now being studied with a view to determining the salient facts regarding the operations of representative producers.

Wyoming field.—In February an investigation into the situation in the Wyoming oil field was instituted and is still in progress.

The Commission has under consideration the publication of a report on the cost of production of petroleum products, and the accounting problems involved.

MINERAL BUILDING MATERIALS.

The investigation of the costs of a number of mineral building materials and related products were continued during the fiscal year and certain additional investigations were made at the request of various branches of the Government.

Cement.—In the investigation of cement costs for the War Industries Board monthly reports were required, as during the previous fiscal year, from all companies in the United States throughout the latter half of the calendar year 1918. There are about 90 cement-producing companies, operating about 120 plants and producing about 80,000,000 barrels of cement, from each of which a monthly cost report has been received for the entire calendar year 1918.

Special reports on cement costs were prepared for the Industrial Commission of the Department of Commerce, the Railroad Administration and the State of Illinois, and a report is now in course of preparation for the Department of Agriculture.

A report on the costs of cement with particular reference to the accounting problems of the industry is under consideration.

Common brick.—In July, 1918, the Commission, at the request of the War Industries Board, started an investigation to ascertain the cost of producing common brick by 29 companies located in New York, Philadelphia, Baltimore, and Washington. Costs were obtained covering the year 1917 and the first six months of 1918.

In August, 1918, the War Industries Board requested the investigation of a large number of additional brick companies, but its request was modified later and confined to 63 companies located east of the Mississippi River. Costs were obtained from 46 of the 63 companies for a period covering January to October, 1918.

During January, 1919, another request was received for cost data from 93 companies covering the complete year of 1918. Costs were secured from 78 companies.

Subsequently a report was prepared showing a summary of costs for the Industrial Board of the Department of Commerce.

A report is in preparation for publication on the cost of production of common brick, with particular reference to the accounting problems of this industry.

Hollow building tile.—The cost findings on the production of hollow building tile were continued during the year for the use of the War Industries Board in fixing prices. A report was made which covered 63 representative plants in all parts of the country, giving costs for the second quarter of the year 1918 and the months of July and August. The costs reported by the companies were checked by the Commission's examiners so far as appeared necessary.

The Commission received monthly reports from the producers from January, 1918, up to and including the month of September, 1918, for about 78 plants. A report giving a general survey of the Commission's findings, together with suggestions for improvement in accounting methods, has been compiled.

Sand and gravel.—In accordance with a request from the War Industries Board, an investigation of the cost of producing sand and gravel by companies located in the vicinity of Norfolk was ordered by the Commission in August, 1918. Six companies were examined for periods covering the year 1917 and the first six months of 1918.

Towing.—At the request of the War Industries Board an investigation was made of the costs and profits in the towing business in New York Harbor and vicinity. This investigation developed in connection with examination of the costs of sand and gravel companies whose increased costs were partly due to increased towing charges. Nine companies were examined for periods covering the year 1917 and the first six months of 1918, but owing to the extremely poor records encountered the results were not very satisfactory.

Riprap stone.—At the request of the War Department Board of Appraisers, the commission in January, 1919, began an investigation to determine the cost of producing granite riprap. This investigation involved the costs of seven companies located in the States of Georgia, Alabama, and North and South Carolina.

Gypsum wall and fiber board.—At the request of the War Industries Board, the commission in August, 1918, began an investigation into the cost of gypsum wall and fiber board. The request specified a list of 44 companies, from only 20 of which, for various reasons, were cost data secured. Owing to the deficient character of the cost records in this industry, it was imperative that examiners be sent direct to the companies' offices in practically all cases. The period covered was from January to October, 1918, inclusive.

Asbestos fiber.—At the request of the War Department in August, 1918, an investigation of the cost of producing asbestos fiber was undertaken. An examination was made covering the year of 1917 and the first six months of 1918.

Syndolag.—An investigation of the cost of producing syndolag, a patented construction material, was ordered by the commission in February, 1919, in accordance with a request from the paymaster general of the Navy, but owing to the refusal of this company to allow an examination of its records this work was not completed.

Legal proceedings have been instituted against the recalcitrant company.

NONFERROUS METALS.

The commission's cost findings for nonferrous metals was continued during the year, reports being submitted to the War Industries Board and other branches of the Government from time to time. The metals covered were copper, lead, zinc, aluminum, and quicksilver. In each case the cost of producing the metal was determined, together with the cost of the main semifinished products manufactured from the metal, and this information was supplemented by the ascertainment of investment and average price realized. The facts were generally obtained by direct audit of the companies' books, such audits being supplemented by cost schedules to be filled in and certified by the companies.

Copper.—About 100 copper companies were covered, producing 2,250,000,000 pounds of refined copper annually. This is over 95 per cent of the total United States production and over 90 per cent of the production of the Western Hemisphere. The costs cover mining, concentrating, smelting, and refining. Several reports were submitted to the War Industries Board giving comparative costs by months, the last report being submitted in January, 1919.

A report giving a general survey of the extent and methods of this investigation, together with statistics for the year 1918, has been published and is available for distribution.

Lead.—The investigation of lead costs was not continued, because prices were not fixed, the supply being greater than the demand.

Zinc.—Two reports concerning the cost of producing zinc were made to the War Industries Board, covering not only zinc spelter, but also high-grade zinc, and zinc plates and sheets. A report was also made to the Treasury Department covering the cost of the reduction of zinc concentrates to both common and grade "A" spelter. The Commission also made an extensive investigation of the cost of producing zinc concentrates covering practically the whole Joplin district, together with representative companies of other districts.

Aluminum.—This metal is practically all produced by one company, the Aluminum Co. of America, which is also the largest producer of semifinished material. Its operations extend from mining of bauxite to the manufacture of finished wares, and costs were ascertained and reported for the various stages of production. A report was made thereon to the War Industries Board covering the first six months of 1918 and the month of June, 1918.

Quicksilver.—At the request of the War Industries Board, the cost of producing quicksilver during the years 1913 to 1917, inclusive, and also the first six months 1918 and the months of July and August, 1918, was investigated. A report submitted to the War Industries Board covered 15 companies, whose production amounted to 88 per cent of the total output of the country.

Brass and copper products.—In August, 1918, the Navy Department requested the Commission to ascertain cost of production of brass and copper rods, sheets, and seamless tubing. An examination was made of 13 companies and report compiled for various sizes of sheets, rods, and tubings. Costs were as a whole compiled from tests, which was the only practicable method under the circumstances.

Insulated copper wire.—At the request of the War Department the Commission investigated the costs of producing No. 17 B. & S.

copper-clad distributing wire, twisted pair outpost wire, and conductor for outpost wire. This investigation covered not only the company with whom the contract for furnishing this wire was made, but in addition cost data were secured on the six subcontractors who furnished approximately 95 per cent of the wire for the contracting company. The period covered was for the five months ending November 30, 1918. All data were secured by examiners from the records of the companies.

Manganese ore.—At the request of the War Industries Board, the cost of producing manganese ore in the Philipsburg, Montana District, was investigated. Investment and costs were obtained for eight companies, covering practically the total production. Costs were compiled for last six months in 1917, first six months in 1918, and the third quarter for 1918.

A report was also compiled for the Bureau of Mines, Department of Interior, from the same data.

IRON AND STEEL.

The principal work in the iron and steel investigation was the determination of the costs of production of the raw materials, intermediate products, and principal finished products, this being a continuation of the work undertaken in the previous fiscal year and was done at the request of the War Industries Board.

Chief materials and products.—Costs were obtained monthly from several hundred companies for each of the various materials and products produced or manufactured, and these were tabulated and summarized and reported quarterly to the War Industries Board. The costs reported by the producing companies were carefully examined and revised to assure comparability of method, and whenever it appeared necessary special audits were made of the books of the companies to insure accuracy in the returns, especially for companies whose costs were unusually high.

A continuous monthly record of cost was thus obtained, which began with October, 1917, of the previous fiscal year and was brought to an end with the costs for December, 1918, after which date the War Industries Board ceased to concern itself with the price regulation of iron and steel.

The principal commodities for which the costs were tabulated and reported included coke, pig iron, steel ingots, slabs, blooms and billets, plate shapes and rails, merchant bar, wire rods, sheet and tin plate. The costs of iron ore were not obtained by months, but generally for periods of six months or more, as monthly figures were of little practical value.

Summarized reports of certain of these costs were also furnished to the Navy Department, the War Department, the Railroad Administration, the Tariff Commission, and to the Industrial Board of the Department of Commerce.

Information was also obtained from most of the steel companies regarding their monthly average selling prices and the margins of profit obtained thereon, as well as financial data as to earnings and investment for the whole year.

The commission has under consideration the publication of a brief report on the iron and steel industry, with particular reference to problems of accounting.

Special inquiries.—A number of special investigations into the costs of iron and steel products were made at the request of various branches of the Government, including the War Industries Board, the War Department, the Navy Department, and the Railroad Administration. These investigations involved careful audits of the books of the companies and often presented very difficult cost accounting problems.

Malleable castings.—The costs of malleable iron and steel castings for railway use were examined for 12 companies at the request of the War Industries Board.

Cast-iron pipe.—The costs of cast-iron pipe for two companies were examined for the same branch of the Government.

Locomotive cranes.—At the request of the War Department, an inquiry was made into the cost of locomotive cranes as made by nine manufacturers.

Acid-proof iron castings.—Also at the request of the War Department, the cost of making acid-proof iron castings was determined for one company.

Forged billets.—The Navy Department requested information as to the cost of forged billets as made by one company.

Nickel and carbon bars.—The costs of nickel and carbon bars for one company were investigated for the Navy.

Davis wheels.—The cost of a special kind of wheel, known as the Davis wheel, was determined by the Commission for the Navy Department.

Locomotives.—At the request of the Railroad Administration, an inquiry was made into the costs of various types of locomotives for two of the principal builders.

Fusees and torpedoes.—For the same branch of the Government, the costs of fusees and torpedoes were investigated for three manufacturers.

The following cost investigations, also requested by the Railroad Administration, are now in process, namely, (1) locomotive tires for three companies, (2) locomotive springs for six companies, (3) car couplers for five companies, (4) cast-iron car wheels for nine companies. The same branch of the Government has also requested a general report on the cost of lake iron ore for the whole year 1918 and costs for the principal materials and products of ten important steel manufacturers for the month of April, 1919.

LUMBER AND LUMBER PRODUCTS.

The Commission continued its work in cost finding for lumber and lumber products. All of the work was undertaken at the request of the War Industries Board, with the exception of the investigation of locust treenail costs for the Shipping Board. In most instances the information was secured by cost schedules prepared for each of the various lumber-producing sections, the returns being made monthly and subject to verification by examiners. The species of lumber included in the Commission's investigation were yellow pine, fir, spruce, hemlock, hardwoods, birch, locust, and mahogany.

Yellow pine.—An average of 275 companies reported monthly up to and including December, 1918, the costs of producing short and long leaf yellow-pine lumber in the States of Alabama, Arkansas, Louisiana, Mississippi, Oklahoma, Texas, Georgia, Florida, North and South Carolina, and Virginia. The annual production represented was about 1,000,000,000 feet.

Fir.—Costs of fir, spruce, and hemlock in the States of Washington and Oregon covered were reported monthly up to and including December, 1918, by about 110 companies, with an annual production of about 3,500,000,000 feet. In the Pacific Northwest logging, to a great extent, is a distinct industry. Costs were secured monthly from an average of 75 loggers in Washington and Oregon, with an annual production of 2,500,000,000 feet.

New England spruce.—Spruce costs were obtained from 15 mills located in New Hampshire, Vermont, and Maine for the months of June to September, 1918, inclusive, representing an annual production of 2,500,000,000 feet.

Pennsylvania hemlock.—Costs were secured from producers of hemlock in Pennsylvania, which represented about 98 per cent of the total production in the State.

Cypress.—The Commission prepared cost schedules and instructions for securing information on the cypress industry, but as the armistice was signed before the work was begun reports were not required. The cypress manufacturers used these instructions, however, as a basis for formulating a cost system for their industry.

Retail yards.—An investigation was made of the operating costs, sales, and margins for 25 representative retail dealers located in the vicinity of New York City, New Jersey metropolitan district, Philadelphia, and Baltimore. The period included the first eight months of 1918, and the average footage received and handled was over 200,000,000 feet.

Mahogany.—On August 27, 1918, the War Industries Board, at the request of the War Department, ordered an investigation of the costs, investments, and profits of companies producing African and Central American mahogany in order to ascertain whether the price paid for propeller stock was excessive. Seven companies were investigated, whose annual output of 15,500,000 feet represented about 85 per cent of the total quantity milled in the United States.

Hardwoods.—Costs were obtained from 56 companies for July, August, and September, 1918, producing hemlock and hardwoods in the Appalachian regions and Arkansas.

Birch veneer and birch logs.—A report was prepared concerning 12 representative companies in Michigan and Wisconsin producing birch logs for the purpose of showing costs of face stock of ply wood entering into the construction of aircraft.

Sashes and doors.—An investigation of representative sash and door manufacturers in New England, the South, middle West, and Pacific coast was made in order to determine whether increases in materials justified an increase in price of certain types of doors and windows purchased by the Government. Costs, investments, and profits were secured from 10 companies for the period 1913, 1917, and the first six months of 1918.

Boxes and barrels.—Reports on the costs of production and prices of canned foods boxes and of vinegar and pickle barrels were made to the War Department.

Locust treenails.—A report was prepared at the request of the Shipping Board showing costs, investments, and profits for 41 companies producing locust treenails. These companies were located in the Eastern, Southern, and Middle Western States, and represented 100 per cent of the treenails produced in the United States.

Rosin.—A report was prepared showing the costs of producing and marketing rosin for 38 companies, whose production amounted to 337,077 commercial barrels.

Chestnut-wood extract.—Pursuant to a request of the War Industries Board, the commission made an investigation of the cost of producing chestnut-wood extract. An examination was made of the books and records of six representative companies, producing 30 per cent of the output, and a report prepared covering the year 1917 and the month of April, 1918.

PAPER.

The Commission made various inquiries into the cost of paper and paper products during the year. It also obtained periodical statistical reports from manufacturers of paper, as well as certain data from consumers, which were compiled and published periodically.

Cost inquiries.—The principal cost inquiries with respect to paper were as follows:

Chip board.—At the request of the War Department the cost of production of chip board was investigated and a report made thereon.

Printing paper and fine paper.—At the request of the Government Printing Office the cost of producing printing paper and various kinds of fine paper (ledger, bond, writing paper, etc.) was determined and reported on for a number of companies.

Envelopes and miscellaneous stationery.—At the request of the Postmaster General the costs of envelopes, of postal guides, blank books, receipt books, etc., the printing of blank forms and other stationery, together with various other items, were investigated and reports made thereon.

Statistical reports.—Weekly and, later, monthly reports were made by paper manufacturers on the output of various grades including newsprint, book, wrapping, and hanging paper, together with information as to prices. Similar reports were received periodically from pulp makers for various kinds of product. Publishers also made reports of their consumption both of newsprint and book paper. The operations of jobbers and certain other aspects of the paper trade were also reported. The facts so received were compiled and monthly reviews were issued for different branches of the trade giving the more important data. After March, 1919, the scope of these reports was considerably reduced.

CHEMICALS.

Several investigations were made of the costs of production of chemicals which were not of a continuous character.

Alkalies.—During 1918 the Commission received various requests from the War Industries Board, the Navy Department, and the War Department for information concerning the cost of production of certain chlorine and sodium products. In response to these requests the Commission in December, 1918, transmitted to the Navy Department a special report on caustic soda, and in January, 1919, it made a report on bleach to the War Department. In March, 1919, a final report was made embodying all the results of its investigation into chlorine and sodium products. This report covered the records of 12 companies, 5 of which used the Solvay process and 7 the electrolytic process. These companies are the principal producers of alkalies in the United States. Costs were obtained for the 12 months' period January to December, 1917; the 6 months' period, January to June, 1918; and the 2 months' period, July and August, 1918. This final report presents costs for 31 of the principal chemicals which are produced by these companies.

Sulphuric acid.—The reports were made to the War Industries Board on the costs of producing sulphuric acid, one giving the costs for first six months of 1918 and the months of June and July, and covering six companies producing over 50 per cent of the total United States production, and another for the third quarter of 1918, covering 28 companies operating 49 plants, which constitutes a very large percentage of the total production. All the data for these two reports were compiled from the books and records of the companies.

Wood chemicals.—At the request of the War Industries Board a comprehensive inquiry was made into the cost of production of wood chemicals—namely, wood alcohol and acetate of lime—and incidentally the costs of charcoal. The period covered by the cost report was for the year 1918 and covered the costs of 45 companies.

Glycerin.—At the request of the Navy Department, an investigation was made by the Commission into the cost of manufacturing glycerin by three prominent firms of soap manufacturers. An examination was made of their books and a report embodying the results was transmitted to the Navy Department in December, 1918.

RAW COTTON, WOOL, AND RAGS.

Several inquiries were made by the Commission regarding the treating or handling of raw cotton, woolen rags, and similar raw materials for textiles.

Ginning cotton and crushing cotton seed.—At the request of the United States Food Administration, the Commission ascertained the cost per ton of crushing cotton seed and the cost per bale of ginning cotton. Reports were made to the Food Administration upon this subject in July of the fiscal year 1919.

The investigation of the cost of ginning cotton covered the operations of 256 ginneries, distributed over the principal cotton-growing States. Costs were obtained for a total of more than 360,000 bales.

The investigation of the cost of crushing cotton seeed covered 148 oil mills operated by 82 companies. The information furnished the Food Administration included the cost per ton of crushing cotton seed and the production of oil, meal, linters, and hulls per ton of

seed. These mills were scattered throughout the cotton belt and are truly representative of the industry as a whole.

Cotton compress.—At the request of the War Industries Board, the Commission estimated the increase in cotton-compressing rates necessary to cover the increases in the cost of compressing cotton. Reports were obtained from 72 companies, of which 48 were used, the balance being incomplete. Statements were obtained covering the cost of labor and other items of expense during the years 1915–16 and 1917–18 and estimates made for October 1, 1918.

Wool dealers.—At the request of the War Industries Board, the Commission examined the books of the various wool dealers to determine whether they had been living up to the Government regulations. The Commission also cooperated with the War Industries Board in the preparation of report forms for the wool dealers to report their transactions.

Woolen rags.—At the request of the War Industries Board an investigation was made by the Commission into the conduct of the woolen-rag trade. The main use of woolen rags is for the manufacture of shoddy, a substitute for raw wool. After the Government commandeered the raw-wool supply there ensued much speculation in woolen rags market. Information regarding the prices in the industry and the cost of doing business was obtained from the records of some of the principal firms in the industry.

Mohair.—The War Industries Board requested the Commission to make a preliminary survey of the mohair trade, as at that time it had under consideration the possible necessity of commandeering this commodity. A preliminary investigation was made by the Commission, and the results were reported to the War Industries Board in August, 1918, which decided not to take any regulative action in regard to mohair.

Cotton and woolen textiles.—An extensive investigation was made into the costs of production of the principal cotton yarns and fabrics and certain other miscellaneous textile goods. An inquiry was also made into speculation in woolen piece goods.

Cotton textiles.—There were two main lines of investigation into the cost of production of cotton textiles.

The first was instituted at the request of the War Industries Board, which desired to obtain cost of production of certain types of cotton textiles for consideration in fixing the prices of cotton goods. Information was obtained from the books of about 120 companies, and included most of the principal producers of cotton yarn, duck, denims, prints, gauze, and sheetings.

The Commission contemplates issuing a general report on the information collected on this part of the investigation of cotton textiles.

The second line of investigation was undertaken in response to a request of the Board of Appraisers of the War Department, which desired information regarding the cost of production of duck which had been made in response to commandeer orders, placed by the War Department with mills which were not regular manufacturers of duck. Twenty-eight reports were made to the War Department, each report covering the audit of a company specified by the War Department.

Towels.—At the request of the Quartermaster Division of the War Department the Commission instituted an investigation of the cost of producing towels on a series of contracts which were taken by a large towel-manufacturing company in the South.

Woolen piece goods.—In July, 1918, a request was made by the War Industries Board for an investigation into the supply and prices of woolen piece goods in the hands of the jobbers on account of alleged speculation therein. This work was terminated in accordance with the suggestion of the War Industries Board on August 30, 1918, on the ground that the Commission's inquiry had checked speculation and thus accomplished the main purpose for which it was requested.

Kersey-lined breeches.—At the request of the Board of Appraisers of the War Department an investigation was made of the cost of producing kersey-lined breeches. This involved an examination of the books of the concern which had the contract with the War Department.

LEATHER AND SHOES.

Cost of leather.—At the request of the War Industries Board in the latter part of the fiscal year 1918, the Commission undertook to ascertain costs as to 11 classes or groups of leather. Before the work was completed the armistice was signed and the work was discontinued. The cost of producing sole leather and upper leather, including calf, kip, and side upper, was procured and reports were made to the War Industries Board. The report on sole leather involved the production of more than 60,000,000 pounds, and the report on the cost of upper leather covered the production of 69,000,000 square feet.

Cost of importing pickled sheepskins.—At the request of the liquidating officer of the War Industries Board, the Commission found the cost of importing pickled sheepskins from New Zealand. Certain importers of sheepskins agreed with the War Industries Board to make importations and sell the skins at the cost of importing and delivering. The books and records of a number of importers were examined and reports were made to the liquidating officer in complete detail as to the importations of two large concerns—the cost of the skins to the importers, the legitimate charges for bringing in and delivering those skins to the tanners, and the amount of commission the importers were entitled to. The value of the skins involved in this investigation was more than $1,800,000.

General leather and shoe investigation.—In 1917 complaint came to the Commission that the prices of shoes had advanced unduly compared with the advances in the prices of hides. Accordingly the Commission directed a general investigation of the leather industry, including the conditions in the hide market and an investigation of the boot and shoe industry, including the merchandising of boots and shoes. The investigation was begun in January, 1918.

An investigation was made of the hide market, covering the principal centers for hides east of the Rocky Mountains. A comparative study was made of the price relation between country hides and packer hides to determine whether or not a parity between these two classes of hides had been maintained.

The books of account of a number of tanning concerns were examined by the accountants of the Commission to determine the cost of producing leather and the profits of tanners.

From more than 250 shoe manufacturers balance sheets and earning statements were obtained, and from these data were computed their rates of earnings upon investment. The cost of producing standard staple shoes was obtained from 34 factories, which are fairly representative of the entire production of boots and shoes made of leather.

The records of wholesale and retail merchants dealing in shoes were examined to ascertain the prices they paid for shoes and the prices which they charge the public.

The results are the subject of a report which has been issued since close of the last fiscal year.

TOBACCO PRODUCTS.

At the request of the War Industries Board, the Commission ascertained the cost of producing those grades and brands of chewing and smoking tobacco and cigarettes that were purchased in large quantities by the War and Navy Departments. Reports were made during the latter half of the present fiscal year. These reports were needed by the War Department and Navy Department in adjusting prices and making settlements with the manufacturers. More than 20 brands of tobacco and cigarettes were covered.

PINTSCH GAS.

The Railroad Administration requested the Commission to ascertain the cost of producing Pintsch gas and the profits in production. This commodity is produced by one company only and is used in illuminating railroad cars. Costs and profits were secured for the first nine months for the calendar year 1917 and the first nine months for the calendar year 1918. There was also secured cost of production for a full calendar year 1917, and estimates were made as to the probable increase in cost during the last quarter of the calendar year 1918. These data were compiled and a report was submitted to the Railroad Administration about the middle of this fiscal year.

AUTOMATIC SPRINKLERS.

At the request of the War Industries Board the Commission conducted an investigation on the cost of automatic sprinklers. Reports were compiled covering costs of all contracts which had been completed since July 1, 1918, and the cost of the port of Newark terminal job was estimated under conditions existing on October 1, 1918. Reports were obtained from five companies, comprising practically the whole industry.

CLINICAL THERMOMETERS.

The Commission made an investigation of the cost of clinical thermometers at the request of the War Department. An examination was made of 12 companies and costs secured for periods ranging from 6 to 12 months during the year 1918.

COST FINDINGS FOR FOOD PURCHASE BOARD.

During the fiscal year ending June 30, 1919, the Commission has continued to conduct investigations begun in August, 1917, into the cost of canned-food and dried-fruit products.

It became evident in August, 1917, that the bid and tender plan of purchasing resorted to by the Army and Navy would not enable these departments to secure an adequate supply of canned-food and dried-fruit products. Consequently the Food Purchase Board was formed, consisting of a representative of the Army, the Navy, the United States Food Administration, and the Federal Trade Commission.

Whenever any difficulty was experienced in securing a supply of canned-food and dried-fruit products, the Food Purchase Board would order that such commodities be allotted to all producers of such products proportionately.

The Federal Trade Commission was then requested to make cost investigations to assist the Food Purchase Board in determining recommendations of "fair and just" prices for the approval of the Secretary of War and the Secretary of the Navy.

For the products produced in 1917, but two divisions were made in the country—east of the Rocky Mountains and west of the Rocky Mountains. For the products produced in 1918, however, in order to establish prices to correspond with crop and manufacturing conditions, the country was split up into zones, each zone representing an area wherein crop and manufacturing conditions were fairly uniform.

The Commission has made approximately a thousand investigations to date in determining costs of the following canned-food and dried-fruit products:

Apricots.
Apples.
Pears.
Cherries.
Corn.
Spinach.
String beans.
Peaches.
Dried prunes.
Dried apples.
Prunes in sirup.
Tomatoes.
Asparagus.
Salmon.
Pineapple.
Catsup.
Evaporated and condensed milk.
Dried peaches.
Raisins.

SAUSAGE CASINGS.

The Commission was requested by the Food Administration to make an examination into the costs of sausage casings, so that the Food Administration could place this product under license, but after working on the case for a short time the Food Administration canceled all sausage-casing dealers' licenses, thus obviating the necessity for making any further investigations.

CANNED SALMON.

The canned salmon investigation, which was started during the preceding year as a part of the general food investigation, was finished and the report published during the fiscal year. This report covers the cost of production, prices, investments, and profits in the industry during 1916 and 1917.

The cost figures covered 89 per cent of the total production of canned salmon in 1917. The report shows that the success or failure of a salmon cannery depends largely upon obtaining an adequate supply of fish. As the supply of fish is uncertain, the profits of individual canners fluctuate widely from year to year. Most canners made large profits in both 1916 and 1917. In spite of the fact that 13 per cent of the canners reported losses in each of these years, the average net profit on investment was 22.1 per cent in 1916 and 52.7 per cent in 1917.

There are relatively few large companies in the industry, but many of the small companies were bound together into groups by common ownership or sales contracts. Five groups of companies canned 53 per cent of the total pack in 1917. Some of the Chicago meat packers have extensive interests in the salmon-canning industry, and at least two of these groups are dominated by Chicago meat-packing firms.

The reports shows that the large companies have an advantage in the cost of fish and containers, but on other items they have higher costs of production than the small companies.

MEAT.

The field investigation of the meat industry, which was undertaken in accordance with the directions of the President, was substantially completed before July, 1918, and a summary of the Commission's report, together with a letter of submittal, was sent to the President and released for publication by him on August 8 of the fiscal year.

Several detailed reports supporting the summary were also issued during the fiscal year.

GRAIN TRADE.

At the close of the last fiscal year (June 30, 1918) the field work in the investigation of the grain trade was well advanced, although all field work was not finally completed until about the close of the calendar year 1918.

Except during the first few months of the present fiscal year, practically all of the force was engaged in digesting and analyzing field reports and in tabulating, compiling, classifying, and analyzing the very comprehensive and extensive statistical information obtained by examiners in the field and by schedules. This work is comprehended in four main divisions: First, country elevators and country marketing; second, terminal markets and terminal market operations; third, cash and future prices and future trading; fourth, the costs and profits of grain marketing.

Country elevators and country marketing.—The study of country elevators and country marketing involved the classification of schedule returns from more than 5,000 country stations, and the compilation of the answers made by these elevators to the various questions. These questions, among other matters, related to the form of organization, i. e., corporation, partnership, etc.; type of organization, i. e., line, cooperative, etc.; construction; capacity; market

news and quotations service employed; markets and trade factors to which grain is shipped; quantities of grain bought; methods of selling; side lines handled; cleaning facilities; use of hedging; sources and amounts of loans. During the fiscal year this information was practically all tabulated, also analyzed and written up. Other information in regard to country elevators was obtained by the agents of the Commission and the Department of Agriculture directly from the country elevators. In the Northwest territory, moreover, a large amount of correspondence was obtained from the files of line elevator companies and others bearing upon the operation of country elevators, especially relating to such matters as competition, cooperation, etc. Practically all the information obtained from these two sources was digested, analyzed, and written up during the year.

Terminal markets.—On terminal markets the principal sources of information are schedule returns from various firms operating on the exchanges in these markets, the reports of field agents as to conditions existing in various markets and published reports and statistics of the various grain exchanges. The schedule information obtained from terminal market concerns includes, among other matters, the character of organization, classes of the grain business engaged in, amounts of money borrowed and character of loans, interests in other grain concerns, interlocking directorships, and methods of purchase and sale. Hundreds of returns received in answer to this schedule were also classified, tabulated, and partially written up during the year. A canvass of the published sources of information on grain exchanges and grain marketing was also made and the relevant material analyzed and digested. A large proportion of the hundreds of field reports on the various terminal markets was also digested and written up.

Cash and future trading.—The sources of information on cash and future prices and future trading are the published daily cash and future prices, the field reports of the Commission's agents, and a considerable quantity of schedule information in regard to future trading. From the daily cash and future prices for the different grains monthly and yearly averages for a series of years were compiled to furnish the basis for a study of price movements. The cash averages were carefully studied, and from these figures a detailed discussion of cash price movements was practically completed during the course of the year. The study of the movement of future prices was also begun. In addition a small proportion of the field reports relating to future trading was digested, analyzed, and written up. It is important to ascertain the volume of grain-future trading, and probably the most accurate figures available have been secured. For Chicago, the largest future market, the Commission was able, with the assistance of the Food Administration, to obtain not only detailed figures of the volume of future trading, but also a considerable amount of detailed information as to the classification of trades, deliveries on future contracts, volume of open trades, volume of pit scalping, etc. The greater proportion of this schedule information was obtained during the present fiscal year and has been partly compiled.

Cost and profits of marketing grain.—The material obtained regarding costs and profits in marketing grain may be divided into two classes: First, costs and profits of country elevators; second, costs and profits of terminal market operators. Information regarding country elevators was obtained from the books of line elevator companies and from schedules sent out to country elevators. Over 5,000 schedules were prepared and sent out to country elevators, and the work of editing, classifying, and tabulating this information was well under way at the close of the year. Costs and profits data were taken from the books of about 300 terminal-market grain operators. These accounts included those of commission men, terminal elevators, brokers, warehouses, etc., the data in question being obtained from several different markets, including Chicago, Minneapolis, Duluth, Milwaukee Kansas City, Buffalo, New York, and the Pacific coast. During the present fiscal year practically all of these 300 accounts were consolidated, analyzed, and the results written up.

There will be several volumes of the grain report, the first of which the Commission hopes to issue shortly.

FLOUR.

During the first half of the fiscal year the field work on the costs of wheat-flour milling was continued. The primary purpose of the work during this six months was cooperation with the Enforcement Divison of the Food Administration in the examination of millers' records covering the 10 months' period ending July 1, 1918, but later the work was extended to cover the collection of data for the entire mill year 1917–18. The preparation of a report on the operations of the larger commercial milling companies of the country was not completed at the end of the fiscal year.

FARM-OPERATING EQUIPMENT.

The farm-operating equipment investigation was started just at the close of the last fiscal year in response to a resolution of the Senate directing the Commission to investigate and report upon (*a*) the causes of the high prices of farm machinery, (*b*) whether these high prices prevented the farmers making a fair profit, and (*c*) the facts in regard to the existence of any unfair methods of competition on the part of manufacturers and dealers in respect to restraint of trade.

Scope of the information secured.—Thirty of the more important manufacturing companies have been examined with respect to their costs of production and expenses for particular machines and their investments and profits in the farm machinery business as a whole, together with such other information as was necessary to the understanding of their manufacturing and marketing methods. Information from seven other manufacturers was obtained through the use of schedules which were filled out by the companies themselves.

Information was also secured regarding the costs, profits, and investments of 214 retail dealers, and similar facts were secured from 94 dealers through schedules. Prices paid by the dealers for selected implements and prices charged the farmers by the dealers were se-

cured by means of schedules from about 8,500 dealers located in over 2,000 counties throughout the United States. The Department of Agriculture also furnished the Commission with over 1,300 schedules compiled by its county agents, showing the prices paid by farmers for agricultural implements.

The correspondence and records of several of the more important trade associations, both of manufacturers and of dealers, have been examined in response to the third part of the Senate resolution as outlined above.

The field work was practically completed in May, 1919, besides a large part of the necessary tabulations and the writing of the draft report was partly completed.

Inadequate accounting records.—The investigation has emphasized a condition which the Commission has frequently called attention to—namely, the inadequate, and in many cases complete, lack of essential accounting records of business concerns. This is often true even of large implement manufacturers and even more pronounced among retail dealers. Of the 12,000 dealers who returned schedules to the Commission, about 1,200 reported they had prepared financial statements for the last three years. On further inquiry and examination by agents of the Commission it developed that many of these had no records from which adequate profit and loss statements and balance sheets could be made up. It is estimated from this examination that only about 4 per cent of the retail implement dealers of the country keep adequate records of their business.

While in most cases the manufacturers kept records from which specification or estimated costs could be compiled, and records from which the profits and investment could be ascertained, there was, however, much essential information that was lacking and such a complete lack of uniformity both in their cost and financial accounting systems that it necessitated an immense amount of detail work by the Commission's accountants in order to render their statements comparable.

MILK.

A general investigation of the milk industry, particularly canned milk and other milk products, was ordered by Senate Resolution No. 431. The Commission was also directed in this resolution to investigate the activities of the Food Administration with respect to the milk industry during the war. At about the same time that the Senate ordered the milk investigation the Commission was requested by the War Department to audit the accounts of the producers of canned milk who sold to the War Department during 1918. The Commission's audit is to be used as the basis for any possible refund which the producers may have to make, as in accordance with their agreement with the War Department.

This investigation has therefore three phases—study of the canned-milk industry, a study of the raw-milk industry, and a study of the butter and cheese industry. The Commission has already made considerable progress in analyzing the accounts of the producers in these industries for the five-year period specified in the Senate resolution.

LIBRARY.

The library of the Commission is peculiar to its functions and consists more largely of corporation reports, association records, current financial and statistical service publications, newspapers, financial and trade journals, catalogues, trade lists, and addresses than of books ordinarily found in libraries even of a technical character. Much of this material is furnished gratuitously and much of it is of a confidential character. In other words, the library is an adjunct to investigation, and is adapted to furnish leads for examinations rather than substantive information on the subject matter. For ordinary library facilities the Commission relies generally on other Government libraries in Washington.

LIST OF COST REPORTS.

There is given below a list of the principal confidential reports furnished to various branches of the Government regarding costs of production and other matters which are not, of course, available for public distribution. The printed publications of general economic investigations are listed elsewhere (see p. 15) and were not so numerous as usual on account of the extraordinary demands of this war work:

Cost reports submitted during year 1918–19.

Date.	Subject.	For—
1918.		
July 2	Cost of producing sulphur	Navy.
3	Report covering cost and sales realization for 12,619,274 tons of coal mined during April, 1918, in West Virginia, Pennsylvania, Ohio, Indiana, Illinois and Kentucky	Fuel Administration.
6	Cost of producing sand and gravel in New York district	War Industries Board.
10	Cost of producing sand, gravel, and crushed stone in the Norfolk district, year 1917 and six months ended June 30, 1918.	Do.
10	Government contract with Hawthorne Paper Co	Public Printer.
12	Cost of producing sole leather	War Industries Board.
16	Cost of producing aluminum	Navy.
16	Cost of producing sand, gravel, and crushed stone in Philadelphia district during 1917 (supplement).	War Industries Board.
16	Cost of crushing cotton seed	Food Administration.
16	Cost of ginning cotton	Do.
17	Report on the cost of retailing coal in the city of Washington, D.C.	Fuel Administration.
20	Rail costs from ore to finished rails	Navy.
29	Data showing increased cost of copper resulting from 50 cent wage increase.	War Industries Board.
30	Statement of prices paid for ice by Fruit Growers Express Co	Food Administration.
31	Government contract with American Writing Paper Co	Public Printer.
Aug. 1	Cost of producing refractory brick, one company, April, May, June, 1918.	War Industries Board.
2	Production and distribution of domestic mohair (preliminary)	Do.
6	Cost of producing copper during month of May, 1918, and first five months of 1918.	Do.
6	Government contract with a paper company	Post Office.
6	....do	Do.
6	....do	Do.
6	Anthracite coal, cost of production tonnage of 99 companies, May, 1917–1918.	Fuel Administration.
8	Government contract with a paper company	Post Office.
8	Cost of producing common brick, one company, for period ending June 30, 1918.	War Industries Board.
9	Cost of producing forged billets of company supplying Navy	Navy.
10	Average selling price on certain dimensions of hemlock lumber produced by two companies, January, 1913 to August, 1918.	War Industries Board.
12	Cost of producing hemlock lumber in State of Pennsylvania, months of April, May, June, and July, 1918.	Do.
12	Cost of producing 3½ per cent nickel and basic carbon bars of company supplying Navy.	Navy.

Cost reports submitted during year 1918–19—Continued.

Date.	Subject.	For—
1918.		
Aug. 13	Government contract with a paper company	Public Printer.
16	....do	Do.
17	Table showing number of animals slaughtered by local wholesale slaughterers in 1916 and first six months of 1917.	Food Administration.
17	Cost of producing "Grade A" zinc, sheet and plate, April and May, 1918.	War Industries Board.
19	Cost of producing aluminum products, first six months 1918 and July, 1918.	Do.
19	Anthracite coal, cost of production tonnage of 99 companies, period May, 1917, May, 1918.	Fuel Administration.
20	Cost of producing locomotives on Government orders of company supplying Railroad Administration.	Railroad Administration.
23	Cost of producing copper and nickel products of one company, April and May, 1918.	War Industries Board.
23	Cost of producing sand, gravel, and crushed stone in the Boston district, year, 1917.	Do.
24	Cost and profits of six Philadelphia flour jobbers for first half of 1918.	Food Administration.
26	Report showing differences between costs reported by 16 anthracite coal companies direct to the Fuel Administration and the costs reported by those companies to the Federal Trade Commission.	Fuel Administration.
27	Cost of six producers of chestnut-wood extract, August, 1918	War Industries Board.
27	Government contract with a paper company	Public Printer.
29	Cost of producing cast-steel slugs, one company	War Industries Board.
Sept. 6	Bituminous coal, cost of production tonnage, 2,751 companies, for January–May, 1918.	Fuel Administration.
7	Government contract with a paper company	Public Printer.
11	....do	Do.
13	Cost of coke, pig iron, and steel, November, 1917, and April, May, June, 1918.	War Industries Board.
13	Cost pig iron in June, 1918, in certain States	Railroad Administration.
17	Cost of production of steel (preliminary)	War Industries Board.
17	Cost of manufacturing a certain type of wheels, one company	Navy.
17	Cost of producing sand, gravel, and crushed stone in the Norfolk district, year 1917 and first six months 1918.	War Industries Board.
17	Cost of producing yellow-pine lumber and timber—southern pine group—States of Alabama, Arkansas, Louisiana, Mississippi, and Texas, May, June, and July, 1918.	War Industries Board.
19	1918 tinned spinach costs, spring pack, in Baltimore, Md	Food Purchase Board.
19	Cost of producing sulphuric acid, first six months and June and July, 1918.	War Industries Board.
20	Cost of producing yellow-pine lumber and timbers, Virginia-Florida group, July, 1918.	Do.
22	Cost of producing quicksilver, first six months of 1918, and June, July, and August, 1918.	Do.
23	Government contract with a paper company	Public Printer.
24	Costs and profits of several chip and container board manufacturers under contract with Ordnance Department.	War Industries Board.
24	Report on Pittsburgh, Chicago, and St. Louis flour jobbers	Food Administration.
25	Cost of producing common brick in New York and Philadelphia districts, year ending Dec. 31, 1917, and six months ending June, 1918.	War Industries Board.
26	Cost of producing sand, gravel, and crushed stone in the Norfolk district, year 1917, and six months ended June 30, 1918, and month of June, 1918.	Do.
30	Cost of bleaching cotton linters	Do.
Oct. 3	Comparative cost of steel ingots, plates, and shapes of one company.	Do.
8	Cost of producing fir, spruce, and hemlock lumber in the States of Washington and Oregon, May, June, and July, 1918.	Do.
8	Tanning costs of upper leather	Do.
10	Cost and prices of certain lubricating oils produced by one company.	Navy Department.
10	Cost and prices of certain lubricating oils produced by one company.	Do.
11	Cost of producing fir, spruce, and hemlock logs in the States of Washington and Oregon, May, June, and July, 1918.	War Industries Board.
14	Use of Cuban ores at plant of a certain steel company	Tariff Commission.
14	Cost of producing common brick in Baltimore and Washington, year 1917 and first six months, 1918.	War Industries Board.
14	Memorandum on operations of a certain company covering cost of production of asbestos fiber, air cell pipe covering, and 3-ply flexstone roofing and return on investment, 1917 and first six months 1918.	War Department.
16	Cost of producing Portland cement for seven months, 1917, and April, May, and June, 1918.	War Industries Board.
17	Intercompany profits on rails	Railroad Administration.
17	Government contract with a paper company	Post Office.
18	....do	Do.
19	Mahogany—average selling price of New York companies, January–September, 1918.	War Industries Board.
21	Costs of locomotives	Railroad Administration.
21	Cost of producing gypsum wall board, one company	War Industries Board.
24	Cost of producing gypsum plaster board and plaster board of one company, first 6 months, 1918.	Do.

Cost reports submitted during year 1918–19—Continued.

Date.	Subject.	For—
1918.		
Oct. 24	Prices paid by various eastern refining companies for Mexican crude oil delivered on recent contracts.	War Industries Board.
24	Increase in cost of compressing cotton and average profit based on comparison of the season 1915–16 with October, 1918.	Do.
26	Cost of producing locust treenails, January to August, 1918	Do.
29	Cost of canned salmon	Food Administration.
29	Prices paid for pickle and vinegar barrels, 1917 and 1918	Quartermaster General.
30	Report on raisin prices	Food Purchase Board.
30	Costs of producing charcoal, alcohol, and acetate of lime for 1917 and January to July, inclusive, 1918.	War Industries Board.
Nov. 4	Report showing in detail the costs of each coal operator in the central Pennsylvania field, by months, January–May, 1918.	Fuel Administration.
6	Cost of high-speed tool steel, one company	Navy Department.
7	Cost of producing gypsum plaster board by one company	War Industries Board.
9	Profits from tanning leather	Do.
11	Salaries paid officials of locomotive company for year 1917	Railroad Administration.
12	Cost of producing copper, June and July, 1918	War Industries Board.
13	Cost of producing certain types of windows and doors purchased by the Government, years 1913, 1917, and six months, 1918.	Do.
14	Cost of high-speed tool steel, one company	Navy Department.
15	Slaughtering meat animals (one company)	War Industries Board.
16	Cost and profits in towing industry in New York Harbor and vicinity during 1917 and 1918.	Do.
16	Cost of canned peas in Maryland, New Jersey, Pennsylvania, Indiana, Illinois, Ohio, Michigan, Delaware, New York, and Baltimore, Md.	Food Purchase Board.
18	Cost of cigarettes and tobacco for four companies	War Industries Board.
19	Comparative costs of birch logging and stumpage values, Michigan and Wisconsin, year 1917.	Do.
19	Government contract with a paper company	Post Office.
19	....do	Do.
20	Profits of shoe manufacturers	War Industries Board.
20	Government contract with a paper company	Post Office.
20	....do	Do.
20	....do	Do.
20	....do	Do.
20	....do	Do.
20	....do	Do.
23	....do	Public Printer.
24	Wool dealers' profits	War Industries Board.
25	Salaries paid officials of locomotive company for year 1917	Railroad Administration.
27	1918 tinned spring spinach in Ohio	Navy Department.
27	1918 tinned spring spinach in California	Do.
29	Cost of producing cast-iron pipe	Do.
29	....do	War Industries Board.
29	Cost of producing wood chemicals	Do.
29	Cost per pound of producing copper, August, 1918, also comparison with cost for year 1917 and months March, April, May, June, and July, 1918.	Do.
29	1918 report on a raisin company	War Department.
29	....do	Navy Department.
29	Report on rice protests	War Department.
31	Cost of producing nickel and monel metal, year ending Mar. 31, 1917, and July, 1917.	Navy Department.
Dec. 4	Report showing comparative figures of royalties paid per ton and tonnage produced by anthracite coal operators for May–August, 1917, and May–August, 1918.	Fuel Administration.
9	Cost of coke, pig iron, and steel, June, July, August, September, October, 1918.	War Industries Board.
10	Earnings of a steel company	Do.
10	....do	Do.
10	Cost of 1918 canned corn in New York State	Food Purchase Board.
10	Cost of 1918 canned tomatoes in New York State	Do.
10	Cost of 1918 canned string beans (green and wax)	Do.
13	Cost of producing Portland cement, months July, August, September, and October, 1918.	War Industries Board.
14	Woolen piece goods	Do.
14	Cotton textiles	Agricultural Department.
16	Cost of gasoline and fuel oil, first six months, 1918, and refinery investment and estimates covering the fiscal year ended June 30, 1918.	Navy Department.
17	Costs, prices, and profits of box manufacturers, first six months 1918, and estimate for October, 1918.	Quartermaster General.
19	Cost of Portland cement	War Industries Board.
19	Cost of duck on Army order	War Department.
20	Glycerine costs of three companies	Navy.
20	Report showing in detail the costs of each bituminous coal operator in the Ohio fields by months, January–May, 1918.	Do.
24	Manganese ore in Philipsburg, Mont., district, six months, ending December 31, 1917, and six months ending June 30, 1918, and three months September, 1918.	Tariff Commission.

Cost reports submitted during year 1918–19—Continued.

Date.	Subject.	For—
1918.		
Dec. 24	Cost of production of a special illuminating gas	Railroad Administration.
26	Cost of production of gypsum and fiber wall board, first six months 1918, July–October, 1918.	War Industries Board.
28	Cost of caustic soda (five companies)	Navy.
31	Cost of production of common brick for January–October, 1918	War Industries Board.
1919.		
Jan. 8	Railway steel and malleable iron castings (eight companies)	Navy Department.
9	Cost of producing bleaching powder, (two companies)	War Department.
13	Cost of producing common brick (supplemental), January–August, 1918.	War Industries Board.
14	Cost of production of duck of one company on Army order	War Department Board of Appraisers.
14	Cost of equipment and preparatory expenses of company to manufacture duck.	Do.
17	Cost of construction of plant to manufacture duck	Do.
17	....do	Do.
17	Cost of production of duck of one company on Army order	War Department, Board of Appraisers.
17	....do	Do.
21	....do	Do.
21	....do	Do.
21	Kersey lined breeches costs of one company on Army order	Do.
24	Gasolene, kerosene, and crude oil	Fuel Administration.
25	Riprap stone costs of seven companies	War Department, Board of Appraisers.
29	Mahogany, six to eight months of 1918	Department of Justice.
29	Post office contract with a paper company (complete report)	Post Office.
30	Cost of production of insulated wire, various periods for each subcontractor.	War Department, Signal Corps.
30	Brass and copper products (sheets, rods, and seamless tubing), latter part 1918.	Navy Department.
Feb. 3	Cost of production of duck of one company on Army order	War Department, Board of Appraisers.
3	Manufacturing costs of open-hearth and bessemer standard steel rails, October, 1917–September, 1918.	Tariff Commission.
3	Cost of production of duck of one company on Army order	War Department, Board of Appraisers.
5	Cost of production of tape and webbing, one company	Do.
5	Cost of production of duck of one company on Army order	Do.
5	....do	Do.
5	....do	Do.
5	....do	Do.
5	....do	Do.
13	Special steel castings manufactured by a certain company, May–November, inclusive, 1918.	Do.
15	Cost of production of duck, one company, on Army order	Do.
15	....do	Do.
15	Post Office contract with a paper company	Post Office Department.
25	Sand, lime, brick, year 1918	War Industries Board.
26	Reducing zinc concentrates, representative month first half May, September, 1918.	Treasury Department.
28	Cost of production of rosin first 10 months of 1918	War Industries Board and Navy.
28	Cost of importing sheepskins by one company	War Industries Board.
25	Cost of production of clinical thermometers	Medical Corps, War Department.
Mar. 3	Cost of production of duck of one company on Army order	War Department Board of Appraisers.
3	....do	Do.
3	Investment and profits of certain representative cement companies, year 1918.	Industrial Board, Department of Commrece.
7	Cost of manufacture of fusees and torpedoes, January–November, 1917.	Railroad Administration.
12	Alkaline chemicals (various periods for different companies)	War Industries Board, Navy Department, Tariff Commission, Board of Appraisers.
17	Post Office contract with a paper company	Post Office Department.
17	Open-hearth and bessemer steel rails (five companies), October and November, 1918.	Railroad Administration.
18	Cost of production of duck of one company on Army order	War Department, Board of Appraisers.
18	Cost of importing sheepskins (one company)	War Industries Board.
24	Cost of production of duck of one company on Army order	War Department, Board of Appraisers.
Apr. 2	....do	Do.
2	Locomotive cranes (five companies)	War Department.

Cost reports submitted during year 1918–19—Continued.

Date.	Subject.	For—
1919.		
Apr. 2	Cost of production of duck of one company on Army order	War Department, Board of Appraisers.
11	Open-hearth and bessemer steel rails, December, 1918	Railroad Administration.
14	Beehive coke in Birmingham district, November, 1917, February, May, August, November, 1918.	Do.
14	Bituminous coal costs, December, 1917–October, 1918	Fuel Administration.
21	Bituminous coal costs, southwest field of Pennsylvania, January–December, 1918.	Do.
23	Cost data on pig iron of two corporations	Nitrate Division, War Department.
25	Bituminous coal costs, central field of Pennsylvania, January–December, 1918.	Fuel Administration.
25	Tobacco and cigarettes (specific brands), Jan. 1 to Sept. 30, 1918	Navy Department, Marine Corps, War Industries Board, and Army.
26	Bituminous coal costs, Pocahontas field, January–December, 1918	Fuel Administration.
28	Portland cement, costs of Illinois companies	Industrial Board, Department of Commerce.
May 1	Bituminous coal costs in New River field of West Virginia, January–December, 1918.	Fuel Administration.
1	Bituminous coal costs in Nos. 3, 4, and 6 fields of Illinois, January–December, 1918.	Do.
6	Bituminous coal costs in various fields of the State of Alabama, January–December, 1918.	Do.
6	Portland cement cost data, four months ending Oct. 3, 1918	Railroad Administration.
8	Bleached sulphite pulp, cost of manufacture by company on contract, December, 1917, [12 months ended Nov. 30, 1918, December, 1918,] four months ended Mar. 31, 1919.	Post Office Department.
19	Steam coal: Total f. o. b. mine costs and sales (commercial) realization during 1918 in various fields of Alabama.	Fuel Administration.
26	Smoking tobacco (supplemental report), costs of two companies, various periods.	Navy Department.
28	Bituminous coal costs in the State of North Dakota, January–December, 1918.	Fuel Administration.
28	Bituminous coal costs for the Milburn By-products Coal Co. producing coal in Kanawha field, W. Va.	Do.
June 9	Bituminous coal costs for Nos. 3, 4, and 6 fields of Illinois, showing revised costs by months, 1918.	Do.
9	Coal: cost of production for the month of December, 1918, in the Fairmont field of West Virginia and the upper Potomac field in West Virginia and Maryland.	Do.
14	Certain information for 429 bituminous coal operators producing coal in fields Nos. 2, 3, 4, 5, 7, 8, 9, 10, 11, 12, 13 of West Virginia, January–December, 1918.	Do.
14	Certain information for 63 bituminous coal operators producing coal in fields Nos. 1, 2, and 5 of the State of Illinois, January–December, 1918.	Do.
21	Cost of production, selling expenses, and realization of bituminous coal in Nos. 1, 2, 3, 3a, 4, 5, 6, 7, 8, 9, and special-price fields, Ohio, January–December, 1918.	Do.
24	Tabulation showing Portland cement costs for three months ending June 30, 1918, and four months ending Oct. 31, 1918.	Department of Agriculture.
25	Certain information from 130 bituminous coal operators in field No. 142, Indiana, January–December, 1918.	Fuel Administration.
26	Certain information of 273 bituminous coal operators in fields Nos. 1, 2, 3, 4, and 5, Kentucky, January–December, 1918.	Do.
27	Certain information of 88 bituminous coal operators producing coal in fields Nos. 1, 2, and 3 of the State of Colorado.	Do.
27	Cost of production, selling expenses, and realization of bituminous coal in fields Nos. 1 and 2, Oklahoma, January–December, 1918, 62 companies.	Do.

PERSONNEL OF THE ECONOMIC DIVISION.

The personnel of the Economic Division at the beginning of the fiscal year numbered 421, at the date of the armistice 499, and at the close of the fiscal year 195.

SALARIES AND COST OF LIVING.

The war, which compelled the Commission to greatly expand its economic staff, was accompanied by such a marked increase in the

cost of living that it became necessary to pay higher salaries than those prevalent in the service of the Commission before the war, at least for new appointments, although many accepted employment at rates of salary lower than they had been obtaining elsewhere from patriotic motives. After the close of the war the heavy reduction of the force, resulting partly from the diminution of the work required and partly from the necessary economizing of expenditures in addition thereto, led to extensive resignations, but in almost every case such members of the expert staff of the Economic Division left the service to accept employment at higher rates of salary than they received with the Commission. In a number of cases, indeed, they received double and even triple the salaries paid them by the Commission. In several instances the salaries so obtained in private employment ranged from $10,000 to $12,000 per annum, and for a large proportion of the cases they were $5,000 or more. Even those who accepted employment in other branches of the Government service almost invariably obtained larger salaries than they had received from the Commission. In many instances those resigning did so with great reluctance and after waiting till they could go with the least inconvenience to the Commission, though compelled to do so by the greatly increased cost of living in relation to their personal financial responsibilities.

LEGAL DIVISION.

The functioning of the Federal Trade Commission in the business life of our country has brought forth questions of great importance. The Commission was given jurisdiction over "unfair methods of competition in commerce," and the power and duty to initiate proceedings whenever it had reason to believe that proceedings against those practicing such unfair methods were in the public interest.

Previous to the creation of the Commission the courts had ruled upon various forms of unfair practices. Their decisions are designated as cases arising under the common law. But upon the creation of the Commission it was empowered to leave the shores defined by the common law and, taking the knowledge of those decisions with it, to embark on an uncharted sea, using common sense plus the common law for its compass.

In the clear language of Mr. Justice Baker in the opinion in the case of Sears, Roebuck & Co. *v.* the Federal Trade Commission in the Seventh Circuit of the United States Circuit Court of Appeals, the commissioners, representing the Government as parens patriæ are "to exercise their common sense, as informed by their knowledge of the general idea of unfair trade at common law, and stop all those practices that have a capacity or a tendency to injure competitors directly or through deception of purchasers quite irrespective of whether the specific practices in question have yet been denounced in common-law cases."

The legal duty laid upon the Commission was, if anything, still more enlarged by the language of the Clayton Act, since the Commission was there empowered not only to stop certain unfair methods of competition, but to do so at their inception, or as soon thereafter as discovered, for it was empowered to begin at any initial stage where the effect of the act prohibited might be to substantially lessen competition or tend to create a monopoly. This was another great departure from the substantive law, since formerly under the Sherman Antitrust Act the Department of Justice could not proceed until the monopoly was full flowered.

Not only did the Clayton Act require the Commission to function when the matter complained of might tend toward a monopoly, in the judgment of the Commission, but when it might substantially restrain trade. The Government through the Department of Justice could not act until a wrong had been committed, or until the monopoly was complete and the injury to the competitor such as, in most cases, to have put him out of business. The Federal Trade Commission act and the Clayton Act, then, offer relief to the injured competitor and the public long before the trouble complained of has reached the state of legal rigor mortis. The offending party has his warning and opportunity to cease in abundant time to avoid the indictment day under the Sherman Antitrust Act that awaits him, if his restraint of trade or tendency shall, finally, culminate in a monopoly.

While the use of "common sense," such as suggested by Justice Baker, and the advice of counsel learned in the common law should, in most cases brought before the Commission, have saved the respondent from the annoyance of being brought before it upon complaint of a competitor or on behalf of the public, nevertheless, there are a relatively few which can be fairly said to be within a zone of doubt in the business mind, owing to the economic question involved or some custom which, while almost universally practiced, is wrong per se.

The legislative mandate thus far defined is broad enough to challenge the interest of the most ambitious, but when it is realized that the Commission must substitute a constructive measure for a destructive measure, revive an economic principle, or remove an uneconomic factor, the task devolving upon the Commission and its legal department must appear almost overwhelming. Were it not for the efficient service of the economic department, the work imposed would be impossible. Once, however, the facts are investigated, established, and classified by the latter, the legal question becomes much simplified.

The geographic scope of the Commission has been enlarged in the Webb-Pomerene law, enacted April 10, 1918, so that the Federal Trade Commission "shall have all the powers, so far as applicable, granted to it by its organic act" to restrain the export associations organized under it from engaging in unfair competition toward each other in any foreign country.

In staking out the lines outside of which unfair competition falls the Commission has up to the close of this fiscal year passed on many hundreds of applications for complaints initiated, in a large per cent of the cases, by one competitor against another, or a group of competitors, and only in a few cases through the initiative of the Commission. In many of these cases the Commission has concluded that a complaint should issue. Many of those formerly charged have stipulated an admission of the facts complained of and agreed without contest that an order issue against them to cease and desist from such practices. Only five have appealed, and upon these and other appeals of the future there will undoubtedly be set within a few years the legal corner stones that will clarify the general principles, defining what is unfair competition and put the business mind at rest as to much that now seems to it to be a zone of legal doubt.

The decision in the case of Sears, Roebuck & Co., heretofore referred to and decided April 29, 1919, from which there has been no application to the Supreme Court for review, established the constitutionality of the act of Congress approved September 26, 1914, creating the Commission. The charge against the respondents was that in doing an interstate merchandise business they had made misrepresentations in the advertisement of their goods which were false, misleading, and injurious to their competitors.

The court found that although the respondents had discontinued the methods in question sometime previous to the issuance of the complaint, nevertheless, there was no assurance in sight that if respondent could shake the Commission's "hand from its shoulders it would not continue its former course," and hence so long as the respondent continued to contest the Commission's authority, it could

not avail itself of the defense that it had ceased to do the act charged before the complaint was issued.

The court also held that the phrase "unfair methods of competition" was not void for indefiniteness even though the methods referred to were such as were not necessarily condemned at common law. It supported its position by stating that the "general idea of dishonesty and fraud are so well, widely, and uniformly understood" that the commissioners by the exercise of "their common sense, as informed by their knowledge of the general idea of unfair trade at common law," had the power to declare whether the act complained of came within the language of the statute.

The restraining order that might issue would be provisional, being subject to review by the appellate tribunal. The court rejected the suggestion that this function of the Commission was a transgression of a legislative or judicial power. It also found that selling below cost was not prohibited by the language of the act and only came within the purview of the statute when the sale or representations concerning the same had a "capacity or tendency to injure or discredit competitors and to deceive purchasers as to the real character of the transaction."

Previous to the floating of the Victory Liberty loan the Secretary of the Treasury, chairman of the Federal Reserve Board, Capital Issues Committee, and many citizens requested that they be allowed to appear before the Commission with counsel and present argument in support of their claim that the Commission had jurisdiction to prohibit the sale of what are commonly termed "wild-cat stocks and securities" when transported from one State to another and sold in competition with bona fide stocks and securities. The hearing was had and after a full presentation of the matter the Commission decided that according to the latest utterances of the courts the sale of stocks, when stocks were taken from one State to another and sold, constituted an act in interstate commerce, and when by misrepresentation through advertisements or otherwise they were sold in competition with other stocks and securities that are bona fide, the Commission would take jurisdiction of such circumstances.

Where the evidence sustained the complaint an order would be issued against the respondent to cease and desist from misrepresentations in respect to the value or status of the "wild-cat stocks." A division, organized to handle this litigation, prepared and issued hundreds of questionnaires to companies complained of and has received hundreds of responses. A number of applications for complaints have been filed, and some complaints have already been issued by the Commission. Testimony in these cases is in the process of being taken.

The Commission finds in the "blue-sky" cases that frequently its order to cease and desist does not issue until some overt practice has occurred. Those desiring to evade the order put on a campaign under high pressure, which results in complete sale of the stocks or securities floated before the Commission can act. Legislative action in respect to the control of the advertisements or representations of the promoters of the stock will be the most effectual way of keeping the situation in statu quo until the Commission's processes can function. The law should provide that the advertising be in a form

requiring every individual, corporation, or association offering for sale to the public in interstate commerce, bonds, stocks, or other evidences of ownership in any corporation to print on the front page of any and all circulars, prospectuses, letters, literature, and in the body of any advertisements describing or mentioning the securities for sale, in type larger than the type otherwise used, the rate of commission or commissions, the profits received by those promoting, consolidating, underwriting, or selling said securities, and the net amount to be received from said sale by the issuing entity, corporation, or association.

PROCEEDINGS PENDING JUNE 30, 1919.

Complaint No. 5.—Federal Trade Commission *v.* The Shredded Wheat Co. Charge: Unfair methods of competition against the Ross Food Co., in alleged violation of section 5 of the Federal Trade Commission act. Status: Testimony has been taken in this proceeding, and the briefs on behalf of the Commission and the respondent are in course of preparation.

Complaint No. 15.—Federal Trade Commission *v.* The Curtis Publishing Co. Charges: Stifling and suppressing competition by refusal to sell its publications to dealers who will not agree not to sell or distribute the publications of certain of its competitors, in alleged violation of section 5 of the Federal Trade Commission act; and, further, attempting to create a monopoly by means of price fixing conditioned on the nonsale of competitors' publications, in alleged violation of section 3 of the Clayton Act. Status: Evidence has been taken in this proceeding and the matter has been submitted to the Commission for final decision.

Complaint No. 19.—Federal Trade Commission *v.* Mishawaka Woolen Manufacturing Co. Charges: (1) Unfair methods of competition by fixing a schedule of resale prices, by requiring purchasers to agree to maintain such prices, by refusing to sell unless such agreement is entered into, and by refusing to sell if agreement is violated, in alleged violation of section 5 of the Federal Trade Commission act; (2) price discrimination, the effect of which may be to substantially lessen competition or tend to create a monopoly, in alleged violation of section 2 of the Clayton Act. Status: Evidence has been taken in this proceeding and the matter has been submitted to the Commission for decision after argument.

Complaint No. 24.—Federal Trade Commission *v.* Galena Signal Oil Co. Charge: Stifling and suppressing competition in the manufacture and sale of lubricants, etc., by price discrimination, in alleged violation of section 2 of the Clayton Act; and by fixing its sales price or discount or rebate thereof on the condition that the purchaser shall not use the goods of competitors, in alleged violation of section 3 of the Clayton Act, the effect of both practices being to substantially lessen competition or to tend to create a monopoly. Status: This proceeding is at issue upon the complaint of the Commission and the answer of the respondent, and evidence is being taken by the Commission in support thereof.

Complaint No. 25.—Federal Trade Commission *v.* J. F. Hillerich & Son Co. Charge: Unfair methods of competition in connection with the manufacture, marketing, and sale of baseball bats by fixing resale prices and refusing to supply those who do not agree to maintain such selling prices or who do not sell at the prices fixed, in alleged violation of section 5 of the Federal Trade Commission act; price discrimination, the effect of which may be to substantially lessen competition or tend to create a monopoly in alleged violation of section 2 of the Clayton Act. Status: Proceeding now awaits completion of negotiations for agreed statement of facts.

Complaint No. 28.—Federal Trade Commission *v.* Ward Baking Co. Charge: Stifling and suppressing competition by fixing resale prices and refusing to sell to those who will not agree to maintain such standard resale prices or who do not resell at such standard selling prices, in alleged violation of section 5 of the Federal Trade Commission act. Status: Proceeding awaits completion of negotiations for agreed statement of facts.

Complaint No. 30.—Federal Trade Commission *v.* Western Clock Co. Charge: Attempting to eliminate competition in the sale of certain alarm clocks by fixing resale prices and refusing to sell to those who fail to maintain such prices,

in alleged violation of section 5 of the Federal Trade Commission act; price discrimination, the effect of which may be to substantally lessen competition or tend to create a monopoly in alleged violation of section 2 of the Clayton Act. Status: This proceeding is at issue upon the complaint of the Commission and the answer of the respondent, and is awaiting the taking of testimony.

Complaint No. 31.—Federal Trade Commission *v.* National Biscuit Co. Charge: Stifling and suppressing competition in certain bakery products by means of a system of rebates and discounts calculated to cause the trade to purchase its goods either largely or exclusively, and by making contracts with advertising agencies which tend to stifle and suppress competition, all in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue on the complaint of the Commission and the answer of the respondent, and is awaiting the completion of the taking of testimony.

Complaint No. 33.—Federal Trade Commission *v.* American Radiator Co. Charge: Stifling and suppressing competition in the manufacture and sale of radiators by offering to the trade certain rebates or discounts, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is awaiting the disposition of complaint No. 31, Federal Trade Commission *v.* National Biscuit Co. (ante).

Complaint No. 40.—Federal Trade Commission *v.* The Colorado Milling & Elevator Co. Charge: Attempting to eliminate competition by fixing resale prices and by refusing to sell to those who will not agree to maintain such prices in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission, and the answer of the respondent and is awaiting the taking of testimony.

Complaint No. 82.—Federal Trade Commission *v.* Photo-Engravers' Club of Chicago. Charge: Adopting a standard scale or uniform price at which the members sell their products, with the intent of stifling and suppressing competition in the manufacture and sale of photo-engravings; the respondent having entered into an agreement with the Chicago Photo-Engravers' Union No. 5, I. P. E. U., by the 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 photo-engraver 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 photo-engraving 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. Status: This case is pending before the Commission on a motion by respondent to dismiss the proceedings.

Complaint No. 83.—Federal Trade Commission *v.* American Mailing Device Corporation. Charge: Stifling and suppressing the competition of its sole and only competitor, the Cutler Mail Chute Co., in the manufacture, sale, and installation of its product in interstate commerce, by selling its products at and for a price which is at or less than the cost of producing the same, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is awaiting the final introduction of testimony by respondent.

Complaint No. 84.—Federal Trade Commission *v.* Cutler Mail Chute Co. Charge: Stifling and suppressing the competition of its sole and only competitor, the American Mailing Device Corporation, in the manufacture, sale, and installation of its product in interstate commerce, by selling its products at and for a price which is at or less than the cost of producing the same, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue on the complaint of the Commission and the answer of the respondent and is awaiting the further taking of testimony by the Commission.

Complaint No. 85.—Federal Trade Commission *v.* Standard Oil Co. of Indiana. Charges: Unfair methods of competition in the manufacture, sale, and distribution of petroleum products by refusing to sell in quantity lots outside of its territory except to other Standard companies at prices below the tank-wagon prices maintained by it in its own territory; selling at tank-wagon prices direct to customers in certain local competitive areas, etc., in alleged violation of section 5 of the Federal Trade Commission act; price discrimination and price fixing contingent on the nonuse of competitor's products by the purchaser, tending to create a monopoly and substantially lessen competition, in alleged violation of sections 2 and 3 of the Clayton Act. Status: This pro-

ceeding is pending before the Commission for final disposition on an agreed statement of facts.

Complaint No. 86.—Federal Trade Commission *v.* F. E. Atteaux & Co. Charges: Unfair methods of competition in the manufacture and sale of dyestuffs and chemicals by giving gratuities and making gifts to employees of its own and its competitors' customers, and by loaning and offering to loan money to such employees, all with the intent of inducing the respective employees to purchase materials from the respondent, or to influence such employees to refrain from dealing or contracting to deal with its competitors, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is awaiting the final introduction of evidence by respondent.

Complaint No. 87.—Federal Trade Commission *v.* Crescent Mfg. Co. Charge: Stifling and suppressing competition in the manufacture, marketing, and sale of baking powder, spices, teas, coffees and flavoring extracts by fixing resale prices and refusing to sell those who will not agree to maintain such specified standard resale prices, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue on the complaint of the Commission and the answer of the respondent, and negotiations are now in progress with a view to agreeing on the facts and submitting the matter to the Commission for final disposition.

Complaint No. 88.—Federal Trade Commission *v.* Beech-Nut Packing Co. Charge: Stifling and suppressing competition in the manufacture, marketing, and sale of chewing gum by fixing specified standard resale prices and refusing to sell to those who will not agree to maintain such prices, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue on the complaint of the Commission and the answer of the respondent, and negotiations are now in progress with a view to agreeing on the facts and submitting the matter to the Commission for final disposition.

Complaint No. 89.—Federal Trade Commission *v.* L. E. Waterman Co. Charge: Stifling and suppressing competition in the manufacture, marketing, and sale of fountain pens by fixing standard specified resale prices and refusing to sell to those who will not agree to maintain such prices, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue on the complaint of the Commission and the answer of the respondent, and is awaiting the taking of testimony.

Complaint No. 90.—Federal Trade Commission *v.* Cluett, Peabody & Co. (Inc.). Charge: Stifling and suppressing competition in the manufacture, marketing, and sale of men's collars by fixing and maintaining resale prices, requiring its purchasers to maintain such prices, and refusing to sell to those who refuse so to maintain such prices, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue on the complaint of the Commission and the answer of the respondent, and is awaiting the taking of testimony.

Complaint No. 91.—Federal Trade Commission *v.* Massachusetts Chocolate Co. Charge: Stifling and suppressing competition in the manufacture, marketing, and sale of candy by fixing resale prices and refusing to sell to those who will not agree to maintain such specified standard resale prices, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue on the complaint of the Commission and the answer of the respondent, and negotiations are now in progress with a view to agreeing on the facts and submitting the matter to the Commission for final disposition.

Complaint No. 92.—Federal Trade Commission *v.* Standard Oil Co. of New York. Charge: Acquiring a large part of the stock of the Magnolia Petroleum Co., the effect of which may be to substantially lessen competition between the two companies and to restrain commerce in petroleum or tend to create a monopoly in that business, in alleged violation of section 7 of the Clayton act. Status: This proceeding is at issue on the complaint of the Commission and the answer of the respondent. Stipulation has been made as to certain essential facts, and negotiations are in progress in an effort to agree on all the facts and submit the matter to the Commission on an agreed statement of facts for its final disposition.

Complaint No. 97.—Federal Trade Commission *v.* S. M. Hexter & Co. Charge: Stifling and suppressing competition in the sale of cotton fabrics by offering its cotton fabric to the public under the trade name of "Sol Satin," which simulation is designed and calculated to, and does deceive the public and cause purchasers to believe that respondents' fabric is composed of silk, in alleged

violation of section 5 of the Federal Trade Commission act. Status: This proceeding is awaiting the further taking of evidence by the Commission.

Complaint No. 123.—Federal Trade Commission *v.* American Can Co. Charges: Price discrimination and price fixing on condition that the purchasers shall not use or deal in the product of competitors, the effect of which is to substantially lessen competition and to tend to create a monopoly in the tin-can business in alleged violation of sections 2 and 3 of the Clayton Act; stifling and suppressing competition in the manufacture and sale of tin cans by attempting to induce customers to enter into long-term contracts, by giving certain customers more favorable terms than others in reference to allowances for leaky cans, and storage privileges, by rebating if prices are lowered, and by other discriminations, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue on the complaint of the Commission and the answer of the respondent, and is awaiting the decision of the Commission as to the date to be set for the taking of testimony.

Complaint No. 126.—Federal Trade Commission *v.* Ironite Co., Masters Builders Co., and United Products Co. Charge: Stifling and suppressing competition in connection with the manufacture and sale of cement and concrete hardener containing crushed iron particles by entering into an agreement by which a consent decree was obtained with the intent and purpose of securing a patent monopoly, by threatening suit for alleged infringement against those who refuse to enter into license agreements, by misleading statements as to the extent and effect of the consent decree, by concealing the true agreement by which the suit was settled, by misleading statements as to the scope of their patent, by false and disparaging statements regarding competitors, and by resale price fixing, in alleged violation of section 5 of the Federal Trade Commission act. Status: The proceeding is at issue on the complaint of the Commission and the answer of the respondent.

Complaint No. 127.—Federal Trade Commission *v.* Meccano (Ltd.) and The Meccano Co. (Inc.). Charge: Unfair methods of competition in the sale of "Meccano" mechanical toys by vague and indefinite threats, not made in good faith, to institute legal proceedings against their competitors' customers for alleged unfair and unlawful competition with the Meccano outfits and books of instruction, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue on the complaint of the Commission and the answer of the respondent and is awaiting the taking of testimony.

Complaint No. 128.—Federal Trade Commission *v.* The Vaudeville Managers Protective Association, The National Vaudeville Artists (Inc.), The United Booking Office, et al. Charge: Combining in restraint of trade and creating a monopoly of the vaudeville theater, burlesque theater, and circus business by insisting, except in isolated cases, that performers be members of the National Vaudeville Artists (Inc.); that they be not members of the White Rats Actors Union and Associated Actresses of America, by circumventing the law relative to maximum fees to be paid by performers to secure engagements, by controlling and dominating the vaudeville industry, by requiring actors to advertise in "Variety," by publishing blacklists, etc., in alleged violation of section 5 of the Federal Trade Commission act. Status: All the testimony has been taken in this proceeding and briefs are now being prepared by attorneys for the Commission and respondent.

Complaint No. 130.—Federal Trade Commission *v.* Gilbert & Barker Mfg. Co. Charges: Unfair methods of competition in the manufacture and sale of automatic-measuring oil pumps, tanks, etc., by falsely representing the product of certain of its competitors to be unsatisfactory, defective, and that such would not operate and was being sold at exorbitant prices; by inducing competitors' customers to cancel orders; and by holding itself out to be the agent of its competitors, quoting exorbitant prices, in alleged violation of section 5 of the Federal Trade Commission act; price discrimination, the effect of which may be to substantially lessen competition or tend to create a monopoly, in alleged violation of section 2 of the Clayton Act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent, and is awaiting the taking of testimony.

Complaint No. 131.—Federal Trade Commissoin *v.* Atlantic Refining Co. Charges: Unfair methods of competition in the sale of petroleum and in the sale of automatic-measuring oil pumps, tanks, etc., the product of the Gilbert & Barker Mfg. Co. (see complaint No. 130), by falsely representing the product of certain of its competitors to be unsatisfactory, defective, and that such would not

operate and was being sold at exorbitant prices; by inducing competitors' customers to cancel orders; selling and lending pumps, etc., without adequate consideration; threatening to sell oil direct by retail unless leaders used the Gilbert & Barker product; and by holding itself out to be the agent of its competitors as well as of the Gilbert & Barker Mfg. Co., quoting exorbitant prices, in alleged violation of section 5 of the Federal Trade Commission act; price discrimination, the effect of which may be to substantially lessen competition or tend to create a monopoly, in alleged violation of section 2 of the Clayton Act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent, and a proposed agreed statement of facts has been submitted to the respondent for its final approval.

Complaint 132.—Federal Trade Commission *v.* Standard Oil Co. of Ohio. Charges: Unfair methods of competition in the sale of petroleum and in the sale of automatic measuring oil pumps, tanks, etc., the product of the Gilbert & Barker Mfg. Co. (see complaint No. 130), by falsely representing the product of certain of its competitors to be unsatisfactory, defective, and that such would not operate and was being sold at exorbitant prices; by inducing competitors' customers to cancel orders; selling and lending pumps, etc., without adequate consideration; threatening to sell oil direct by retail unless dealers used the Gilbert & Barker product; and by holding itself out to be the agent of its competitors as well as of the Gilbert & Barker Mfg. Co., quoting exorbitant prices, in alleged violation of section 5 of the Federal Trade Commission act; price discrimination, the effect of which may be to substantially lessen competition or tend to create a monopoly, in alleged violation of section 2 of the Clayton Act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent, and a proposed agreed statement of facts has been submitted by respondent to the Commission for final approval.

Complaint 133.—Federal Trade Commission *v.* Standard Oil Co. of Indiana. Charges: Unfair methods of competition in the sale of petroleum and in the sale of automatic measuring oil pumps, tanks, etc., the product of the Gilbert & Barker Mfg. Co. (see complaint No. 130), by falsely representing the product of certain of its competitors to be unsatisfactory, defective, and that such would not operate and was being sold at exorbitant prices; by inducing competitors' customers to cancel orders; selling and lending pumps, etc., without adequate consideration; threatening to sell oil direct by retail unless dealers used the Gilbert & Barker product; and by holding itself out to be the agent of its competitors as well as of the Gilbert & Barker Mfg. Co., quoting exorbitant prices, in alleged violation of section 5 of the Federal Trade Commission act; price discrimination, the effect of which may be to substantially lessen competition or tend to create a monopoly, in alleged violation of section 2 of the Clayton Act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent, and a proposed agreed statement of facts has been submitted by respondent to the Commission for final approval.

Complaint No. 134.—Federal Trade Commission *v.* Standard Oil Co. of New York. Charges: Unfair methods of competition in the sale of petroleum and in the sale of automatic measuring pumps, tanks, etc., the product of the Gilbert & Barker Mfg. Co. (see complaint No. 130), by falsely representing the product of certain of its competitors to be unsatisfactory, defective, and that such would not operate and was being sold at exorbitant prices; by inducing competitors' customers to cancel orders; selling and lending pumps, etc., without adequate consideration; threatening to sell oil direct by retail unless dealers used the Gilbert & Barker product; and by holding itself out to be the agent of its competitors as well as of the Gilbert & Barker Mfg. Co., quoting exorbitant prices, in alleged violation of section 5 of the Federal Trade Commission act; price discrimination, the effect of which may be to substantially lessen competition or tend to create a monopoly, in alleged violation of section 2 of the Clayton Act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent, and a proposed agreed statement of facts has been submitted by respondent to the Commission for final approval.

Complaint No. 135.—Federal Trade Commission *v.* Standard Oil Co. of Louisiana. Charges: Unfair methods of competition in the sale of petroleum and in the sale of automatic measuring pumps, tanks, etc., the product of the Gilbert & Barker Mfg. Co. (see complaint No. 130), by falsely representing the product of certain of its competitors to be unsatisfactory, defective, and that

such would not operate and was being sold at exorbitant prices; by inducing competitors' customers to cancel orders; selling and lending pumps, etc., without adequate consideration; threatening to sell oil direct by retail unless dealers used the Gilbert & Barker product; and by holding itself out to be the agent of its competitors as well as of the Gilbert & Barker Mfg. Co., quoting exorbitant prices, in alleged violation of section 5 of the Federal Trade Commission act; price discrimination, the effect of which may be to substantially lessen competiton or tend to create a monopoly, in alleged violation of section 2 of the Clayton Act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent and is awaiting the taking of testimony.

Complaint No. 136.—Federal Trade Commission *v.* American Tank & Pump Co. Charge: Unfair methods of competition in the manufacture and sale of automatic measuring oil pumps, etc., by inducing and attempting to induce, by divers means and methods, its customers and the customers of its competitors to cancel and rescind orders and contracts for the purchase of the product of its competitors with the intent and effect of stifling and suppressing competition, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent and is awaiting the taking of testimony.

Complaint No. 138.—Federal Trade Commission *v.* Tokheim Mfg. Co. Charge: Unfair method of competition in the manufacture and sale of automatic measuring oil pumps, etc., by inducing and attempting to induce, by divers means and methods, its customers and the customers of its competitors to cancel and rescind orders and contracts for the purchase of the products of its competitors with the intent and effect of stifling and suppressing competition, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent and is awaiting the taking of testimony.

Complaint No. 139.—Federal Trade Commission *v.* Guarantee Liquid Measure Co. Charge: Unfair methods of competition in the manufacture and sale of automatic measuring oil pumps, etc., by inducing and attempting to induce, by divers means and methods, its customers and the customers of its competitors to cancel and rescind orders and contracts for the purchase of the product of its competitors and by falsely representing certain products of its competitors to be old style and to have been or to be about to be condemned by public officials, with the intent and effect of stifling and suppressing competition, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent and is awaiting the taking of testimony.

Complaint No. 141.—Federal Trade Commission *v.* The Evans Dollar Pen Co. Charge: Stifling and suppressing competition, in the manufacture, marketing, and sale of its fountain pens, as a means of securing the trade of dealers and with the purpose of eliminating competition in the selling price of its fountain pens by fixing certain specified standard resale prices and by refusing to sell to those who will not agree to maintain such resale prices, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent, and a proposed agreed statement of facts has been submitted to the respondent for its final approval.

Complaint No. 144.—Federal Trade Commission *v.* Weyl-Zuckerman Co. Charge: Stifling and suppressing competition in the sale and distribution of farm products and foodstuffs by obtaining the use of freight cars by means of a preferential order secured through statements made that cars were to be employed in the transportation of farm products, foodstuffs, and perishable commodities to be used by the Government in prosecution of the war, and then diverting certain of such cars to its private use, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent and is awaiting the taking of testimony.

Complaint No. 145.—Federal Trade Commission *v.* Consolidated Rendering Co., New Haven Rendering Co., Atlantic Packing Co., and L. T. Frisbie Co. Charge: Stifling and suppressing competition in the rendering business by purchasing and offering to purchase in certain local areas raw materials necessary in the manufacture of their products at and for prices unwarrnted by trade conditions and so high as to be prohibitive to small competitors in such areas, in alleged violation of section 5 of the Federal Trade Commission act.

Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent and is awaiting the taking of testimony.

Complaint No. 156.—Federal Trade Commission *v.* Purity Preserving Co. and R. J. McGuiar Co. Charge: The same interests are alleged to control and direct the two companies. The Purity Preserving Co., between January and September, 1917, entered into a large number of contracts for sale of tomato catsup; during September, October, and November a sharp rise in price occurred in the catsup market; the company made no effort to fill contracts; the McGuiar Co. took over the Purity Co. plant, and, during November and December offered for sale, in open market, catsup manufactured in the Purity plant by the employees of said company and under the direction and supervision of the officers of the Purity Co. at prices higher than the prices at which the Purity Co. agreed to sell said catsup, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent and is awaiting the taking of testimony.

Complaint No. 157.—Federal Trade Commission *v.* Saenger Amusement Co. Charge: Stifling and suppressing competition in the purchase and sale, lease, and exhibition of moving-picture films by forcing exchanges to accept its terms on threat to cause exhibitors to refuse to handle otherwise; causing contracts between exhibitors and exchanges to be broken by divers means and methods, including prior exhibition of films in neighboring theaters after "first exhibition" had been advertised by the other; threatening withdrawal of patronage if exchanges continued to supply exchanges; threatening curtailing supply unless exhibitors dealt with respondent; inducing employees of competitors to leave their employment, all in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding is awaiting the final introduction of testimony by respondent.

Complaint No. 159.—Federal Trade Commission *v.* The United Rendering Co., M. L. Shoemaker & Co. (Inc.), The Berg Co., The D. B. Martin Co., Consolidated Dressed Beef Co., Baugh & Sons Co., Winfield S. Allen, Nathan Berg, F. W. English, Christopher Offenhauser. Charge: Stifling and suppressing competition in the business of refining animal fats and the manufacture and sale of products therefrom, by engaging in a combination or conspiracy to purchase and offer to purchase raw materials in certain local areas at prices unwarranted by trade conditions and prohibitive to small competitors, thus punishing the latter for refusing to enter into a working arrangement to eliminate competitive bidding, and by interfering with competitors' business by causing their trucks to be followed for the purpose of spying on competitors' business and customers, in alleged violation of section 5 of the Federal Trade Commission act. Status: This proceeding has been submitted to the Commission for final decision upon the evidence submitted on behalf of the Commission and respondent and the briefs filed.

Complaint No. 163.—Federal Trade Commission *v.* Armour & Co. Charge: Stifling 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 butter fat or cream; and by purchasing and offering to purchase butter fats 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. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent and is awaiting the taking of testimony.

Complaint No. 167.—Federal Trade Commission *v.* United Electric Co. Charge: Stifling and suppressing competition in the manufacture, marketing, selling, and reselling of its vacuum cleaning machines by fixing standard resale prices and refusing to sell to those who fail to maintain such prices, in alleged violation of section 5 of the Federal Trade Commission act; price fixing and establishing discounts or rebates on condition that the purchaser shall not use or deal in the goods of competitors, the effect of which is to substantially lessen competition or to tend to create a monoply, in alleged violation of section 3 of the Clayton Act. Status: This proceeding is at issue upon the complaint of the Commission and answer of the respondent and is awaiting the taking of testimony.

Complaint No. 168.—Federal Trade Commission *v.* The National Wholesale Druggists Association et al. Charge: Wrongfully and unlawfully engaging in a combination or conspiracy among themselves with the intent, purpose, and

effect of discouraging, stifling, and suppressing competition in the wholesale drug trade and of unfairly hampering and obstructing certain of their competitors by inducing or compelling manufacturers to refuse to recognize competitors as jobbers and as entitled to the benefits of such competitors as jobbers would receive by means of oral and written notices to manufacturers to the effect that certain competitors, not eligible to membership in the association, were not entitled to recognition as jobbers; the appointment of committees to confer with manufacturers to the end that they adopt sales methods in harmony with the policies of the association; written and oral notices by the secretary of the association to manufacturers to effect that competitors are selling below the manufacturers' established resale price or that such competitors are persistent price cutters; the compilation and distribution among manufacturers and wholesalers of lists of so-called legitimate jobbers, and by bringing influence to bear on various local associations of drug jobbers and wholesalers to adopt policies in harmony with the policies of the association in alleged violation of section 5 of the Federal Trade Commission act. Status: This case is pending before the Commission on motion by respondent to dismiss the proceeding.

Complaint No. 170.—Federal Trade Commission *v.* Kryptok Sales Co. Charge: (Ante.) Status: Proceeding at issue under the complaint of Commission and answer of the respondent, and the matter is now pending negotiations for an agreed statement of facts.

Complaint No. 171.—Federal Trade Commission *v.* Goodyear Tire & Rubber Co. Charge: (Ante.) Status: Proceeding is at issue under the complaint of the Commission and answer of the respondent and is awaiting the taking of testimony.

Complaint No. 173.—Federal Trade Commission *v.* D. M. Ferry & Co. Charge: (Ante.) Status: Proceeding is at issue under the complaint of the Commission and answer of the respondent and is awaiting the taking of testimony.

Complaint No. 182.—Federal Trade Commission *v.* Hoover Suction Sweeper Co. Charge: (Ante.) Status: Proceeding is at issue under the complaint of Commission and answer of the respondent, and the matter is now pending negotiations for an agreed statement of facts.

Complaint No. 183.—Federal Trade Commission *v.* Vortex Mfg. Co. Charge: (Ante.) Status: Proceeding is at issue under the complaint of Commission and answer of the respondent, and the matter is now pending negotiations for an agreed statement of facts.

Complaint No. 184.—Federal Trade Commission *v.* Enders Sales Co. (Inc.). Charge: (Ante.) Status: Proceeding is at issue under the complaint of the Commission and answer of the respondent and is awaiting the taking of testimony.

Complaint No. 189.—Federal Trade Commission *v.* H. L. Hildreth Co. Charge: (Ante.) Status: Proceeding is at issue under the complaint of the Commission and answer of the respondent and the matter is now pending negotiations for an agreed statement of facts.

Complaint No. 196.—Federal Trade Commission *v.* De Miracle Chemical Co. Charge: (Ante.) Status: Proceeding is at issue under the complaint of the Commission and answer of the respondent and is awaiting the taking of testimony.

Complaint No. 198.—Federal Trade Commission *v.* Closset & Devers. Charge: (Ante.) Status: Proceeding is at issue under the complaint of the Commission and answer of the respondent and is awaiting the taking of testimony.

Complaint No. 199.—Federal Trade Commission *v.* National Grocery Co. Charge: (Ante.) Status: Proceeding is at issue under the complaint of the Commission and answer of the respondent and the matter is now pending negotiations for an agreed statement of facts.

Complaint No. 200.—Federal Trade Commission *v.* The Rogers Co. Charge: (Ante.) Status: Proceeding is at issue under the complaint of the Commission and answer of the respondent and is awaiting the taking of testimony.

Complaint No. 201.—Federal Trade Commission *v.* Schwabacher Bros. Co. (Inc.). Charge: (Ante.) Status: Proceeding is at issue under the complaint of the Commission and answer of the respondent and is awaiting the taking of testimony.

Complaint No. 202.—Federal Trade Commission *v.* Seattle Grocery Co. Charge: (Ante.) Status: Proceeding is at issue under the complaint of the Commission and answer of the respondent and is awaiting the taking of testimony.

Complaint No. 203.—Federal Trade Commission *v.* Washington Retail Grocers & Merchants Association. Charge: (Ante.) Status: Proceeding is at issue under the complaint of the Commission and answer of the respondent and is awaiting the taking of testimony.

Complaint No. 204.—Federal Trade Commission *v.* The Commonwealth Color & Chemical Co. et al. Charge: (Ante.) Status: This proceeding is pending before the Commission on briefs of counsel and the examiner's report awaiting final disposition by the Commission.

Complaint No. 205.—Federal Trade Commission *v.* The Tobacco Products Corporation et al. Charge: (Ante.) Status: Proceeding is at issue under the complaint of the Commission and answer of the respondent and is awaiting the taking of testimony.

Complaint No. 206.—Federal Trade Commission *v.* The Marinello Co. of Wisconsin. Charge: (Ante.) Status: Proceeding is at issue under the complaint of the Commission and answer of the respondent and is awaiting the taking of testimony.

Complaint No. 207.—Federal Trade Commission *v.* The Cleveland Marconi Co. Charge: (Ante.) Status: Proceeding is at issue under the complaint of the Commission and answer of the respondent and is awaiting the taking of testimony.

Complaint No. 208.—Federal Trade Commission *v.* Royal Cinema Corporation et al. Charge: (Ante.) Status: Proceeding is at issue under the complaint of Commission and answer of the respondent, and the matter is now pending negotiations for an agreed statement of facts.

Complaint No. 210.—Federal Trade Commission *v.* Joseph Simmonds, doing business under the trade name and style of W. H. Productions Co. Charge: (Ante.) Status: The evidence on behalf of the Commission has been concluded and the proceeding is awaiting the introduction of testimony by respondent.

Complaint No. 211.—Federal Trade Commission *v.* Henry Miller Foundry Co. Charge: (Ante.) Status: The proceeding is at issue under the complaint of the Commission and the answer of the respondent and is awaiting the disposition of Docket No. 31.

Complaint No. 212.—Federal Trade Commission *v.* A. T. McClure et al. Charge: (Ante.) Status: Evidence has been concluded on behalf of the Commission and respondent and the proceeding is awaiting the filing of briefs.

Complaint No. 213.—Federal Trade Commission *v.* American Thermos Bottle Co. Charge: (Ante.) Status: Proceeding is at issue under the complaint of Commission and answer of the respondent, and the matter is now pending negotiations for an agreed statement of facts.

Complaint No. 214.—Federal Trade Commission *v.* Winsted Hosiery Co. Charge: (Ante.) Status: Proceeding is at issue under the complaint of the Commission and answer of the respondent and is awaiting the taking of testimony.

Complaint No. 215.—Federal Trade Commission *v.* Minerals Separation (Ltd.) et al. Charge: (Ante.) Status: Proceeding is at issue under the complaint of the Commission and answer of the respondent and is awaiting the taking of testimony.

Complaint No. 216.—Federal Trade Commission *v.* Gregory Furniture Mfg. Co. Charge: (Ante.) Status: Proceeding is at issue under the complaint of the Commission and answer of the respondent and is awaiting the taking of testimony.

Complaint No. 217.—Federal Trade Commission *v.* Klaxon Co. Charge: (Ante.) Status: Proceeding is at issue under the complaint of the Commission and answer of the respondent and is awaiting the taking of testimony.

Complaint No. 218.—Federal Trade Commission *v.* The Proctor & Gamble Co. et al. Charge: (Ante.) Status: Proceeding is at issue under the complaint of the Commission and answer of the respondent and is awaiting the taking of testimony.

Complaint No. 221.—Federal Trade Commission *v.* Vapo-Cresolene Co. Charge: (Ante.) Status: Proceeding is at issue under the complaint of Commission and answer of the respondent, and the matter is now pending negotiations for an agreed statement of facts.

Complaint No. 224.—Federal Trade Commission *v.* National Bridge Co. et al. Charge: (Ante.) Status: Proceeding is at issue under the complaint of the Commission and answer of the respondent and is awaiting the taking of testimony.

Complaint No. 226.—Federal Trade Commission *v.* Kinney-Rome Co. Charge: (Ante.) Status: Proceeding is at issue under the complaint of the Commission and answer of the respondent and is awaiting the taking of testimony.

Complaint No. 227.—Federal Trade Commission *v.* Helvetia Milk Condensing Co. Charge: (Ante.) Status: Proceeding is at issue under the complaint of the Commission and answer of the respondent and is awaiting the taking of testimony.

Complaint No. 235.—Federal Trade Commission *v.* Brown Portable Conveying Machinery Co. Charge: (Ante.) Status: Proceeding is at issue under the complaint of the Commission and answer of the respondent and is awaiting the taking of testimony.

Complaint No. 236.—Federal Trade Commission *v.* Carter Paint Co. Charge: (Ante.) Status: Proceeding is at issue under the complaint of the Commission and answer of respondent and is awaiting the taking of testimony.

Complaint No. 237.—Federal Trade Commission *v.* General Chemical Co. Charge: (Ante.) Status: Proceeding is at issue under the complaint of Commission and answer of the respondent, and the matter is now pending negotiations for an agreed statement of facts.

Complaint No. 239.—Federal Trade Commission *v.* Royal Easy Chair Co. Charge: (Ante.) Status: Proceeding is at issue under the complaint of the Commission and answer of the respondent and is awaiting the taking of testimony.

Complaint No. 240.—Federal Trade Commission *v.* Buffalo Specialty Co. Charge: (Ante.) Status: Proceeding is at issue under the complaint of the Commission and answer of the respondent and is awaiting the taking of testimony.

Complaint No. 241.—Federal Trade Commission *v.* Malzo Coffee Co. Charge: (Ante.) Status: Proceeding is at issue under the complaint of Commission and answer of the respondent, and the matter is now pending negotiations for an agreed statement of facts.

Complaint No. 242.—Federal Trade Commission *v.* Niles Normalizing Machine Co. (Inc.). Charge: (Ante.) Status: The evidence has been concluded and the proceeding is awaiting the filing of briefs.

Complaint No. 245.—Federal Trade Commission *v.* The Harrison Specialty Co. Charge: (Ante.) Status: Proceeding is at issue under the complaint of Commission and answer of the respondent, and the matter is now pending negotiations for an agreed statement of facts.

Complaint No. 248.—Federal Trade Commission *v.* Aluminum Co. of America. Charge: (Ante.) Status: Proceeding is at issue under the complaint of Commission and answer of the respondent, and the matter is awaiting the taking of testimony.

Complaint No. 249.—Federal Trade Commission *v.* Corcoran Mfg. Co. Charge: (Ante.) Status: Proceeding is at issue under the complaint of the Commission and answer of the respondent and is awaiting the taking of testimony.

Complaint No. 250.—Federal Trade Commission *v.* Borden's Farm Products Co. (Inc.). Charge: (Ante.) Proceeding is at issue under the complaint of the Commission and answer of the respondent and is awaiting the taking of testimony.

Complaint No. 251.—Federal Trade Commission *v.* American Sheet & Tin Plate Co. Charge: (Ante.) Proceeding is at issue under the complaint of the Commission and answer of the respondent and is awaiting the taking of testimony.

Complaint No. 252.—Federal Trade Commission *v.* Mercury Tire Co. (Inc.). Charge: (Ante.) Status: Proceeding is at issue under the complaint of the Commission and answer of the respondent, and the matter is awaiting the taking of testimony.

Complaint No. 253.—Federal Trade Commission *v.* William H. Batcheller et al. Charge: (Ante.) Status: Proceeding is at issue under the complaint of the Commission and answer of the respondent, and the matter is awaiting the taking of testimony.

Complaint No. 254.—Federal Trade Commission *v.* Western Sugar Refining Co. et al. Charge: (Ante.) Status: Proceeding is at issue under the complaint of the Commission and answer of the respondent and is awaiting the taking of testimony.

Complaint No. 255.—Federal Trade Commission *v.* Ruud Mfg. Co. et al. Charge: (Ante.) Status: Proceeding is at issue under the complaint of the Commission and answer of the respondent, and the matter is now pending negotiations for an agreed statement of facts.

Complaint No. 256.—Federal Trade Commission *v.* Universal Battery Service Co. Charge: (Ante.) Status: Proceeding is at issue under the complaint of the Commission and answer of the respondent and is awaiting the taking of testimony.

Complaint No. 257.—Federal Trade Commission *v.* Twin City Binders' Roller Co. Charge: (Ante.) Status: Proceeding is at issue under the complaint of the Commission and answer of the respondent and is awaiting the taking of testimony.

Complaint No. 258.—Federal Trade Commission *v.* McKnight Keaton Grocery Co. et al. Charge: (Ante.) Status: Proceeding is at issue under the complaint of the Commission and answer of the respondent and is awaiting the taking of testimony.

Complaint No. 259.—Federal Trade Commission *v.* Oldburg Electro Chemical Co. et al. Charge: (Ante.) Status: Proceeding is at issue under the complaint of the Commission and answer of the respondent and is awaiting the taking of testimony.

Complaint No. 264.—Federal Trade Commission *v.* Engineering Supply Co. Charge: (Ante.) Status: Proceeding is at issue under the complaint of the Commission and answer of the respondent and is awaiting the taking of testimony.

Complaint No. 265.—Federal Trade Commission *v.* Butterick Co. et al. Charge: (Ante.) Status: Proceeding is at issue under the complaint of the Commission and answer of the respondent and is awaiting the taking of testimony.

Complaint No. 266.—Federal Trade Commission *v.* Pictorial Review Co. Charge: (Ante.) Status: Proceeding is at issue under the complaint of the Commission and answer of the respondent and is awaiting the taking of testimony.

Complaint No. 268.—Federal Trade Commission *v.* The Aeolan Co. Charge: (Ante.) Status: Proceeding is at issue under the complaint of the Commission and answer of the respondent and is awaiting the taking of testimony.

Complaint No. 269.—Federal Trade Commission *v.* American Graphophone Co. et. al. Charge: (Ante.) Status: Proceeding is at issue under the complaint of the Commission and answer of the respondent and is awaiting the taking of testimony.

Complaint No. 271.—Federal Trade Commission *v.* Fruit Growers' Express. Charge: (Ante.) Status: The matter is pending before the Commission on motion by respondent to dismiss the proceedings.

Complaint No. 272.—Federal Trade Commission *v.* William Walke & Co. Charge: (Ante.) Status: Proceeding is at issue under the complaint of the Commission and answer of the respondent and is awaiting the taking of testimony.

Complaint No. 273.—Federal Trade Commission *v.* Pan Motor Co. and Samuel C. Pandolfo. Charge: (Ante.) Status: Answer to the Commission's complaint in this proceeding is not yet due.

Complaint No. 274.—Federal Trade Commission *v.* Nestles Food Co. Charge: (Ante.) Status: Answer to the Commission's complaint in this proceeding is not yet due.

Complaint No. 275.—Federal Trade Commission *v.* Mutual Candy Co. (Inc.). Charge: (Ante.) Status: Answer to the Commission's complaint in this proceeding is not yet due.

Complaint No. 276.—Federal Trade Commission *v.* Jacob Lanski. Charge: (Ante.) Status: Answer to the Commission's complaint in this proceeding is not yet due.

Complaint No. 277.—Federal Trade Commission *v.* Boston Piano & Music Co. Charge: (Ante.) Status: Answer to the Commission's complaint in this proceeding is not yet due.

Complaint No. 278.—Federal Trade Commission *v.* Tokheim Oil Tank & Pump Co. Charge: (Ante.) Status: Answer to the Commission's complaint in this proceeding is not yet due.

Complaint No. 279.—Federal Trade Commission *v.* Chamberlin Cartridge & Target Co. Charge: (Ante.) Status: Answer to the Commission's complaint in this proceeding is not yet due.

Complaint No. 280.—Federal Trade Commission *v.* Prestolite Co. (Inc.). Charge: (Ante.) Status: Answer to the Commission's complaint in this proceeding is not yet due.

Complaint No. 281.—Federal Trade Commission *v.* The Sweater Shop. Charge: (Ante.) Status: Answer to the Commission's complaint in this proceeding is not yet due.

PROCEEDINGS DISPOSED OF.

Complaint No. 11 (May 31, 1917).—Federal Trade Commission *v.* Botsford Lumber Co. et al. Charge: Engaging in a conspiracy and combination to suppress competition in the lumber and building material trade with the purpose of driving mail-order houses out of the retail lumber business and forcing consumers to purchase supplies of lumber from local dealers, and carried out by procuring manufacturers to discontinue furnishing materials to competitors, by surreptitiously obtaining trade secrets, spying upon the business of competitors, submitting to them bogus and spurious requests for estimates, quotations, and other printed matter relating to the use of lumber, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered dismissing the complaint against certain of the respondents and requiring certain other respondents to cease and desist from the course of action complained of.

Complaint No. 12 (June 4, 1917).—Federal Trade Commission *v.* Warren, Jones & Gratz et al. Charges: Discouraging and stifling competition in the sale of jute bagging by refusing to sell steel ties for binding bales of cotton separate and apart from jute bagging in corresponding quantities, in alleged violation of section 5 of the Federal Trade Commission act; making contracts of sale on condition that purchasers refrain from dealing with competitors of respondents, in alleged violation of section 3 of the Clayton Act. Disposition: After hearing, an order was entered requiring respondents to cease and desist from using the practice complained of under section 5 of the Federal Trade Commission act.

Complaint No. 16 (Aug. 1, 1917).—Federal Trade Commission *v.* The Wholesale Saddlery Association of the United States and the National Harness Manufacturing Association of the United States. Charge: Engaging in a combination and conspiracy to discourage and suppress competition in the wholesale harness and saddlery trade by unfairly hampering and obstructing certain competitors not members of The Wholesale Saddlery Association, by inducing manufacturers of saddlery accessories to refuse to recognize such competitors as legitimate jobbers or wholesalers entitled to jobbers' and wholesalers' trade discounts and terms, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered requiring respondents to cease and desist from the course of action complained of.

Complaint No. 20. (Nov. 15, 1917).—Federal Trade Commission *v.* The Cudahy Packing Co. Charges: Price discrimination in the sale of "Old Dutch Cleanser" in alleged violation of section 2 of the Clayton Act. Using the following unfair methods of competition: Fixing a schedule of resale prices for "Old Dutch Cleaner" and enforcing maintenance thereof by means of agreements with jobbers and wholesalers, and threats to discontinue selling its products to jobbers and wholesalers failing to maintain the resale prices thereof; by selling at lower prices to jobbers and wholesalers maintaining the resale prices; by procuring jobbers and wholesalers to refrain from selling its product to other jobbers and wholesalers failing to maintain the resale price thereof; and by diverting retail orders for "Old Dutch Cleanser" from wholesalers and jobbers failing to maintain the resale price thereof, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: Upon an agreed statement of facts, an order was entered requiring respondent to cease and desist from using the practices complained of.

Complaint No. 21 (Nov. 21, 1917).—Federal Trade Commission *v.* Ward Baking Co. Charge: Using an unfair method of competition in the sale of bread by supplying gratis to customers in certain localities, with each purchase, an additional quantity of bread equal to the quantity purchased by such customers, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered requiring respondent to cease and desist from using the practice complained of.

Complaint No. 22 (Nov. 27, 1917).—Federal Trade Commission *v.* Chicago Flexible Shaft Co. Charge: Attempting to lessen competition and create a monopoly by selling and contracting to sell sheep-shearing and horse-clipping machines subject to agreements on the part of purchasers not to use or deal in similar products manufactured by competitors of respondent, in alleged violation of section 3 of the Clayton Act. Disposition: After hearing, an order was entered requiring respondent to cease and desist from following the practices complained of.

Complaint No. 29 (Dec. 18, 1917).—Federal Trade Commission *v.* Nulomoline Co. Charge: Using an unfair method of competition in the sale of inverted sugar sirup, viz, claiming ownership of the exclusive right to employ said process of manufacture, said exclusive right being founded upon a patent issued on the basis of false representations made by respondent; threatening to sue competitors for infringement of patents; threatening to sue dealers handling sugar manufactured by competitors of respondent by means of the inverted process; and publishing false and misleading advertising, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered requiring respondent to cease and desist from following the practices complained of.

Complaint No. 32 (Jan. 29, 1918.)—Federal Trade Commission *v.* United Drug Co. Charge: Using an unfair method of competition in the sale of proprietary and patent medicines, tobacco, candy, and other merchandise, namely, selling and offering for sale at retail such articles at cost or less than cost, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: Upon the respondent's answer, an order was entered dismissing the complaint, on the ground that the public interest was not involved in the proceeding.

Complaint No. 41 (Feb. 19, 1918).—Federal Trade Commission *v.* Rockford Varnish Co. Charge: Using an unfair method of competition in the sale of varnish and kindred products, consisting in giving gratuities of different kinds, including sums of money, to the employees of customers and prospective customers and the customers and prospective customers of competitors, as an inducement to influence their employers to purchase respondent's products and to refrain from purchasing those of respondent's competitors, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered requiring respondent to cease and desist from using the practice complained of.

Complaint No. 53 (Feb. 19, 1918).—Federal Trade Commission *v.* McCloskey Varnish Co. Charge: Using an unfair method of competition in the sale of varnish and kindred products, consisting in giving gratuities of different kinds, including sums of money, to the employees of customers and prospective customers and the customers and prospective customers of competitors, as an inducement to influence their employers to purchase respondent's products and to refrain from purchasing those of respondent's competitors, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: An order was entered requiring respondent to cease and desist from using the practice complained of.

Complaint No. 89, (Feb. 25, 1918).—Federal Trade Commission *v.* American Agricultural Chemical Co. and The Brown Co. Charges: Using unfair methods of competition in the purchase of raw materials employed in the manufacture of fertilizer and refined animal fat products, namely, purchasing and offering to purchase such materials in certain local areas at prices unwarranted by trade conditions and prohibitive to certain local small competitors, for the purpose of punishing such competitors because they had declined to enter into an agreement with respondents to eliminate competitive bidding for such raw materials; interfering with the business of certain competitors by causing collisions between vehicles owned by respondent and vehicles used by such competitors, in alleged violation of section 5 of the Federal Trade Commission act, acquiring all of the stock of a competing corporation, in alleged violation of section 7 of the Clayton Act. Disposition: Upon an agreed statement of facts, an order was entered requiring respondent to cease and desist from doing the acts complained of.

Complaint No. 93, (Apr. 15, 1918).—Federal Trade Commission *v.* Atlantic Ice & Coal Corporation. Charges: Using unfair methods of competition in the sale of coal and ice by entering into agreements with competitors to eliminate competition by partitioning territory; and obtaining business secrets

of competitors, in alleged violation of section 5 of the Federal Trade Commission act; discrimination in price in the sale of coal and ice, in violation of section 2 of the Clayton Act; acquistion of stock of competing corporations, in alleged violation of section 7 of the Clayton Act. Disposition: Dismissed by order of the Commission, on the ground that the evidence was insufficient to support the allegations of the complaint.

Complaint No. 96 (Apr. 15, 1918).—Federal Trade Commission *v.* Ringwalt Linoleum Works (Inc.). Charge: Using an unfair method of competition in the sale of floor covering by representing to the public as linoleum a certain product composed of a felt base impregnated with asphaltum and painted to represent linoleum, with the effect of deceiving customers and members of the public into believing such product to be linoleum, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered requiring respondent to cease and desist from using the practice complained of.

Complaint No. 99 (Apr. 19, 1918).—Federal Trade Commission *v.* C. F. Bonsor & Co. (Inc.). Charge: Using an unfair method of competition in the sale of coffee and tea, namely, offering as inducements to purchase respondent's products certain coupons redeemable in prizes and premiums, distributed according to lot, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: Upon the answer of respondent admitting the allegations of the complaint, an order was entered requiring respondent to cease and desist from using the practice complained of.

Complaint No. 101 (Apr. 19, 1918).—Federal Trade Commission *v.* The Climax Coffee & Baking Powder Co. Charge: Using an unfair method of competition in the sale of coffee and tea, namely, offering as inducements to purchase respondent's products certain coupons redeemable in prizes and premiums, distributed according to lot, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: Dismissed by order of the Commission on the ground that there was no evidence to support the allegations of the complaint.

Complaint No. 103 (Apr. 19, 1918).—Federal Trade Commission *v.* J. S. Elliott Coffee Co. Charge: Using an unfair method of competition in the sale of coffee, namely, offering as inducements to purchase respondent's products certain coupons redeemable in prizes and premiums distributed according to lot, in alleged violation of section 5 of the Federal Trade Commission act Disposition: Dismissed by order of the Commission on the ground that the acts complained of were not done in the course of interstate commerce and were therefore outside the jurisdiction of the Commission.

Complaint No. 104 (Apr. 19, 1918).—Federal Trade Commission *v.* Enterprise Coffee Co. Charge: Using an unfair method of competition in the sale of coffee and tea, namely, offering as inducements to purchase respondent's products certain coupons redeemable in prizes and premiums, distributed according to lot, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: Dismissed by order of the Commission on the ground that the acts complained of were not done in the course of interstate commerce and were therefore outside of the jurisdiction of the Commission.

Complaint No. 106 (Apr. 19, 1918).—Federal Trade Commission *v.* B. L. Gerhart & Co. Charge: Using an unfair method of competition in the sale of coffee and tea, namely, offering as inducements to purchase respondent's products certain coupons redeemable in prizes and premiums, distributed according to lot, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: Dismissed by order of the Commission on the ground that the acts complained of were not committed in the course of interstate commerce and were therefore outside the jurisdiction of the Commission.

Complaint No. 107 (Apr. 19, 1918).—Federal Trade Commission *v.* The Grocers Coffee Co. Charge: Using an unfair method of competition in the sale of coffee, namely, offering as inducements to purchase respondent's products certain coupons redeemable in prizes and premiums, distributed according to lot, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: Upon respondent's answer admitting the allegations of the complaint, an order was entered requiring respondent to cease and desist from using the practice complained of.

Complaint No. 111 (Apr. 19, 1918).—Federal Trade Commission *v.* C. D. Kenny Co. Charge: Using an unfair method of competition in the sale of coffee and tea, namely, offering as inducements to purchase respondent's prod-

ucts certain coupons redeemable in prizes and premiums, distributed according to lot, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: Upon respondent's answer admitting the allegations of the complaint, an order was entered requiring respondent to cease and desist from using the practice complained of.

Complaint No. 121 (Apr. 30, 1918).—Federal Trade Commission *v.* E. J. Brach & Sons. Charge: Using an unfair method of competition in the sale of candy by falsely advertising their product for sale at cost or less than cost, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: Upon respondent's answer admitting the allegations of the complaint, an order was entered requiring respondents to cease and desist from using the practice complained of.

Complaint No. 122 (Apr. 30, 1918).—Federal Trade Commission *v.* George Muench. Charge: Using an unfair method of competition in the sale of machinery, consisting in giving gratuities of different kinds, including sums of money, to the employes of customers and prospective customers and the customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's products and to refrain from purchasing the products of respondent's competitors, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered requiring respondent to cease and desist from using the practice complained of.

Complaint No. 129 (May 13, 1918).—Federal Trade Commission *v.* Wayne Oil Tank & Pump Co. Charges: Using the following unfair methods of competition in the sale of automatic-measuring oil pumps: Inducing persons to cancel orders for pumps manufactured by respondent's competitors, enticing employees of competitors, making false representations regarding its own products and the products of competitors, and mutilating products of competitors, in alleged violation of section 5 of the Federal Trade Commission act; discrimination in prices in the sale of automatic-measuring oil pumps, in alleged violation of section 2 of the Clayton Act. Disposition: Upon an agreed statement of facts an order was entered requiring respondent to cease and desist from using the practices complained of.

Complaint No. 137 (May 13, 1918).—Federal Trade Commission *v.* Milwaukee Tank Co. Charge: Using an unfair method of competition in the sale of automatic-measuring oil pumps by inducing persons to cancel orders for pumps manufactured by competitors of respondent, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: Upon an agreed statement of facts an order was entered requiring respondents to cease and desist from the using the practice complained of.

Complaint No. 140 (May 15, 1918).—Federal Trade Commission *v.* Stanley Booking Corporation. Charges: Using the following unfair methods of competition in selling and leasing moving-picture films: Procuring the breach of contracts between moving-picture houses and competitors of respondent; causing the exhibition of films in theaters in close proximity to those of competitors, prior to exhibition of such films by competitors and subsequent to the advertisement that such films would be exhibited by competitors; intimidating and threatening owners and operators of moving-picture theaters and causing them thereby to pay respondent a sum equal to 10 per cent of the cost of all moving-picture films booked directly from the producers thereof; compelling owners and operators of moving-picture theaters to book films through respondent by threatening to cut off their supply of films; inducing producers of moving-picture films and exchanges handling films to cease supplying films to certain competitors of respondent, in alleged violation of section 5 of the Federal Trade Commission act; leasing and selling moving-picture films subject to the condition that the lessee or purchaser refrain from exhibiting films produced by or procured from competitors of respondent, in alleged violation of section 3 of the Clayton Act. Disposition: After hearing, an order was entered requiring respondent to cease and desist from using the practices complained of.

Complaint No. 142 (May 17, 1918).—Federal Trade Commission *v.* Wilson & Co. Charge: Using an unfair method of competition, namely, selling meats to the United States with knowledge that said meats were spoiled and unfit for human consumption, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, the proceeding was dismissed by order of the Commission on the ground that the proof was insufficient to support the allegations of the complaint.

Complaint No. 143 (May 17, 1918).—Federal Trade Commission *v.* Morris & Co. Charge: Using an unfair method of competition; namely, selling meats to the United States with knowledge that said meats were spoiled and unfit for human consumption, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, the proceeding was dismissed by order of the Commission on the ground that the acts complained of had been discontinued and that there was no likelihood of a recurrence thereof.

Complaint No. 146 (June 6, 1918).—Federal Trade Commission *v.* The Acme White Lead & Color Works. Charge: Using an unfair method of competition in connection with the sale of paint and kindred products, consisting in giving gratuities of different kinds, including sums of money, to the employees of customers and prospective customers and the customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's products and to refrain from purchasing those of respondent's competitors, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: Upon respondent's answer admitting the allegations of the complaint an order was entered requiring respondent to cease and desist from using the practice complained of.

Complaint No. 148 (June 6, 1918).—Federal Trade Commission *v.* Chicago Varnish Co. Charge: Using an unfair method of competition in connection with the sale of paint and kindred products, consisting in giving gratuities of different kinds, including sums of money, to the employees of customers and prospective customers and the customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's products and to refrain from purchasing those of respondent's competitors, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: Upon respondent's answer admitting the allegations of the complaint, an order was entered requiring respondent to cease and desist from using the practice complained of.

Complaint No. 151 (June 6, 1918).—Federal Trade Commission *v.* G. J. Liebich Co. Charge: Using an unfair method of competition in connection with the sale of paint and kindred products, consisting in giving gratuities of different kinds, including sums of money, to the employees of customers and prospective customers and the customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's products and to refrain from purchasing those of respondent's competitors, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: Upon the answer of respondent admitting the allegations of the complaint, an order was entered requiring respondent to cease and desist from using the practice complained of.

Complaint No. 152 (June 6, 1918).—Federal Trade Commission *v.* The Royal Varnish Co. Charge: Using an unfair method of competition in connection with the sale of paint and kindred products, consisting in giving gratuities of different kinds, including sums of money, to the employees of customers and prospective customers and the customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's products and to refrain from purchasing those of respondent's competitors, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: An order was entered, upon the answer of respondent admitting the allegations of the complaint, requiring respondent to cease and desist from using the practice complained of.

Complaint No. 153 (June 6, 1918).—Federal Trade Commission *v.* Twin City Varnish Co. Charge: Using an unfair method of competition in the sale of varnish and kindred products, consisting in giving gratuities of different kinds, including sums of money, to the employees of customers and prospective customers and the customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's products and to refrain from purchasing those of respondent's competitors, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: After hearing, an order was entered dismissing the complaint on the ground that respondent had not committed the acts complained of.

Complaint No. 154 (June 6, 1918).—Federal Trade Commission *v.* The Wheeler Varnish Works. Charge: Using an unfair method of competition in connection with the sale of paint and kindred products, consisting in giving gratuities of different kinds, including sums of money, to the employees of customers and prospective customers and the customers and prospective cus-

tomers of competitors as an inducement to influence their employers to purchase respondent's products and refrain from purchasing those of respondent's competitors, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: Upon the answer of respondent admitting the allegations of the complaint, an order was entered requiring respondent to cease and desist from using the practice complained of.

Complaint No. 155 (June 6, 1918).—Federal Trade Commission *v.* Eli Lilly & Co. Charges: Using unfair methods of competition in the sale of drugs, namely, fixing a schedule of prices to govern the resale of its products by wholesalers and jobbers and refusing to sell to customers failing to maintain the resale prices fixed by respondent, in alleged violation of section 5 of the Federal Trade Commission act; discrimination in price in the sale of drugs, in violation of section 2 of the Clayton Act; selling and contracting to sell drugs subject to the condition that the purchaser refrain from dealing in similar products manufactured by respondent's competitors, in alleged violation of section 3 of the Clayton Act. Disposition: Upon an agreed statement of facts an order was entered requiring respondent to cease and desist from using the practices complained of.

Complaint No. 158 (June 6, 1918).—Federal Trade Commission *v.* Clayton F. Summy Co. Charge: Using an unfair method of competition in the sale of sheet music, by fixing a schedule of prices to govern the resale of its sheet music by wholesalers and jobbers and refusing to sell to customers failing to maintain the resale prices fixed by respondent, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: Upon an agreed statement of facts an order was entered requiring respondent to cease and desist from using the practice complained of.

Complaint No. 160 (June 10, 1918).—Federal Trade Commission *v.* Victor Electric Corporation. Charges: Using the following unfair methods of competition in the sale of X-ray machines; making false and misleading statements with respect to X-ray machines manufactured by competitors of respondent, recommending to customers of competitors certain tests likely to prove destructive to machines manufactured by competitors of respondent, making false and misleading statements regarding the financial responsibility of competitors, in alleged violation of section 5 of the Federal Trade Commission act; acquisition of stock in competing corporations, in alleged violation of section 7 of the Clayton Act. Disposition: Dismissed by order of the Commission.

Complaint No. 161 (June 28, 1918).—Federal Trade Commission *v.* Dearborn Chemical Co. Charge: Using an unfair method of competition in the sale of locomotive boiler compounds, consisting in giving gratuities of different kinds, including sums of money, to the employees of customers and prospective customers and the customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's product and refrain from purchasing those of respondent's competitors, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: Upon the answer of respondent admitting the allegations of the complaint, an order was entered requiring it to cease and desist from using the practice complained of.

Complaint No. 162 (June 28, 1918).—Federal Trade Commission *v.* Henry O. Shepard Co. Charge: Using an unfair method of competition in the sale of railway tariffs and schedules, consisting in giving gratuities of different kinds, including sums of money, to the employees of customers and prospective customers and the customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's products and to refrain from purchasing those of respondent's competitors, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: Upon the answer of respondent admitting the allegations of the complaint, an order was entered requiring it to cease and desist from using the practice complained of.

Complaint No. 165 (June 29, 1918).—Federal Trade Commission *v.* The Esterbrook Steel Pen Mfg. Co. Charge: Using the following unfair methods of competition: Fixing resale prices for steel pens manufactured by respondent, and maintaining such prices, by refusing to sell to dealers and jobbers failing to maintain such resale prices, and selling at lower prices to jobbers and retailers maintaining such prices, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: Dismissed by order of the Commission on the ground that the allegations of the complaint were not supported.

Complaint No. 166 (June 29, 1918).—Federal Trade Commission *v.* E. E. Gray Co. Charge: Using the following unfair method of competition: Selling and offering for sale Santos and Columbia coffees under the trade brand or label "M & J" coffee, whereby purchasers and the general public were deceived and misled into believing that such coffee was Mocha and Java coffee, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: Upon the answer of respondent admitting the allegations of the complaint, an order was entered requiring it to cease and desist from using the practice complained of.

Complaint No. 169 (July 9, 1918).—Federal Trade Commission *v.* Twin City Varnish Co. of Illinois. Charge: (Ante.) Disposition: Upon the answer of respondent admitting the allegations of the complaint, an order was entered requiring it to cease and desist from using the practice complained of.

Complaint No. 172 (July 16, 1918).—Federal Trade Commission *v.* Auto Strop Safety Razor Co. Charges: (Ante.) Disposition: Upon an agreed statement of facts an order was entered requiring the respondent to cease and desist from using the practices complained of.

Complaint No. 174 (July 16, 1918).—Federal Trade Commission *v.* Geographical Publishing Co., of Chicago. Charge: (Ante.) Disposition: Upon the answer of respondent admitting the allegations of the complaint, an order was entered requiring it to cease and desist from using the practice complained of.

Complaint No. 175 (July 18, 1918).—Federal Trade Commission *v.* Blakley Printing Co. et al. Charge: (Ante.) Disposition: Upon the pleadings, an order was entered dismissing the complaint as to certain of the respondents and requiring certain others of the respondents to cease and desist from the practice complained of.

Complaint No. 176 (July 22, 1918).—Federal Trade Commission *v.* John F. Buckie & Son. Charge: (Ante.) Disposition: Upon the answer of respondent admitting the allegations of the complaint, an order was entered requiring it to cease and desist from using the practice complained of.

Complaint No. 177 (July 22, 1918).—Federal Trade Commission *v.* Samuel Bingham's Son Mfg. Co. Charge: (Ante.) Disposition: Upon the answer of respondent admitting the allegations of the complaint, an order was entered requiring it to cease and desist from using the practice complained of.

Complaint No. 178 (July 22, 1918).—Federal Trade Commission *v.* Bingham Brothers Co. Charge: (Ante.) Disposition: Upon the pleadings, an order was entered dismissing the proceeding as to certain of the respondents and ordering other respondents to cease and desist from the practice complained of.

Complaint No. 179 (July 22, 1918).—Federal Trade Commission *v. Bird-*Archer Co. Charge: (Ante.) Disposition: Upon an agreed statement of facts, an order was entered directing respondent to cease and desist from the practice complained of.

Complaint No. 180 (July 22, 1918).—Federal Trade Commission *v.* Kansas City Printing Ink Co. Charge: (Ante.) Disposition: Upon the answer of respondent admitting the allegations of the complaint, an order was entered requiring it to cease and desist from using the practice complained of.

Complaint No. 181 (July 22, 1918).—Federal Trade Commission *v.* Miller Cooper Ink Co. Charge: (Ante.) Disposition: Upon the answer of respondent admitting the allegations of the complaint, an order was entered requiring it to cease and desist from using the practice complained of.

Complaint No. 185 (Aug. 3, 1918).—Federal Trade Commission *v.* The Printers Roller Co. Charge: (Ante.) Disposition: Upon the answer of respondent admitting the allegations of the complaint, an order was entered requiring it to cease and desist from using the practice complained of.

Complaint No. 186 (Aug. 3, 1918).—Federal Trade Commission *v.* D. H. Donegan, doing business under the name and style of American Printing Roller Ink Co. Charge: (Ante.) Disposition: Upon the answer of respondent admitting the allegations of the complaint, an order was entered requiring it to cease and desist from using the practice complained of.

Complaint No. 187 (Aug. 3, 1918).—Federal Trade Commission *v.* William C. Hart, doing business under the name and style of Hart & Zugelder. Charge: (Ante.) Disposition: Upon the answer of respondent admitting the allegations of the complaint, an order was entered requiring it to cease and desist from using the practice complained of.

Complaint No. 188 (Aug. 3, 1918).—Federal Trade Commission *v.* Harry C. Goodman. Charge: (Ante.) Disposition: Upon the answer of respondent ad-

mitting the allegations of the complaint, an order was entered requiring it to cease and desist from using the practice complained of.

Complaint No. 190 (Sept. 25, 1918).—Federal Trade Commission *v.* Gartside Iron Rust Soap Co. Charge: (Ante.) Disposition: After hearing, an order was entered requiring respondent to cease and desist from using the practice complained of.

Complaint No. 191 (Sept. 25, 1918).—Federal Trade Commission *v.* Bert Symonds, Genevieve Symonds, and Irving Symonds, copartners, doing business under the firm name and style of Auto Surplus Stock Co. Charge: (Ante.) Disposition: Upon an agreed statement of facts an order was entered requiring respondent to cease and desist from using the practice complained of.

Complaint No. 192 (Sept. 25, 1918).—Federal Trade Commission *v.* The Silvex Co. Charge: (Ante.) Disposition: Upon an agreed statement of facts an order was entered requiring respondent to cease and desist from using the practice complained of.

Complaint No. 193 (Sept. 25, 1918).—Federal Trade Commission *v.* Consolidated Oil Co. et al. Charge: (Ante.) Disposition: Upon an agreed statement of facts an order was entered requiring respondent to cease and desist from using the practice complained of.

Complaint No. 194 (Oct. 8, 1918).—Federal Trade Commission *v.* C. W. Baker & Sons. Charge: (Ante.) Disposition: Upon an agreed statement of facts an order was entered requiring respondent to cease and desist from using the practice complained of.

Complaint No. 195 (Oct. 8, 1918).—Federal Trade Commission *v.* J. H. Patterson Co. Charge: (Ante.) Disposition: Upon an agreed statement of facts an order was entered requiring respondent to cease and desist from using the practice complained of.

Complaint No. 197 (Oct. 15, 1918).—Federal Trade Commission *v.* Baltimore Hub-Wheel & Mfg. Co. Charge: (Ante.) Disposition: Upon an agreed statement of facts an order was entered requiring respondent to cease and desist from using the practice complained of.

Complaint No. 209 (Oct. 30, 1918).—Federal Trade Commission *v.* St. Lawrence Lumber Co. Charge: (Ante.) Disposition: Upon an agreed statement of facts an order was entered requiring respondent to cease and desist from using the practice complained of.

Complaint No. 220 (Nov. 25, 1918).—Federal Trade Commission *v.* Gordon-Van Tine Co. Charge: (Ante.) Disposition: Upon an agreed statement of facts an order was entered requiring respondent to cease and desist from using the practice complained of.

Complaint No. 223 (Dec. 2, 1918).—Federal Trade Commission *v.* Allen Sales Service (Inc.), C. Louis Allen, and William H. Yetman. Charge: (Ante.) Disposition: Upon an agreed statement of facts an order was entered dismissing the complaint as to Allen Sales Service (Inc.), C. Louis Allen, and requiring resopndent William H. Yetman to cease and desist from using the practice complained of.

Complaint No. 225 (Dec. 14, 1918).—Federal Trade Commission *v.* M. L. P. Packing & Supply Co. Charge: (Ante.) Disposition: After hearing, an order was entered requiring respondent to cease and desist from using the practice complained of.

Complaint No. 229 (Dec. 14, 1918).—Federal Trade Commission *v.* Consolidated Packing & Supply Co. Charge: (Ante.) Disposition: Upon the answer of respondent admitting the allegations of the complaint, an order was entered requiring it to cease and desist from using the practice complained of.

Complaint No. 230 (Dec. 14, 1918).—Federal Trade Commission *v.* North American Linseed Products Co. Charge: Using an unfair method of competition, namely, circulating advertisements and making representations to the effect that its product was linseed oil, whereas, in fact, it was adulterated, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: Dismissed by order of the Commission on the ground that respondent had dissolved its corporate existence.

Complaint No. 231 (Dec. 31, 1918).—Federal Trade Commission *v.* Farmers' Cooperative Fertilizer Co. Charge: (Ante.) Disposition: Upon stipulation, an order was entered requiring respondent to cease and desist from using the practice complained of.

Complaint No. 232 (Jan. 6, 1919).—Federal Trade Commission *v.* Wall Rope Works (Inc.). Charge: (Ante.) Disposition: After hearing, an order was

entered requiring respondent to cease and desist from using the practice complained of.

Complaint No. 233 (Jan. 6, 1919).—Federal Trade Commission *v.* The New Jersey Asbestos Co. Charge: (Ante.) Disposition: After hearing, an order was entered requiring respondent to cease and desist from using the practice complained of.

Complaint No. 234 (Jan. 6, 1919).—Federal Trade Commission *v.* Stewart Dickson & Co. Charge: (Ante.) Disposition: Upon the answer of respondent admitting the allegations of the complaint, an order was entered requiring it to cease and desist from using the practice complained of.

Complaint No. 238 (Jan. 11, 1919).—Federal Trade Commission *v.* The Hoover Suction Sweeper Co. Charge: (Ante.) Disposition: Upon an agreed statement of facts, an order was entered requiring respondent to cease and desist from using the practice complained of.

Complaint No. 243 (Jan. 23, 1919).—Federal Trade Commission *v.* E. J. Janes, S. A. Paul, and Ironclad Tire Co. (Inc.) et al. Charge: (Ante.) Disposition: Upon an agreed statement of facts, an order was entered requiring respondent to cease and desist from using the practice complained of.

Complaint No. 244 (Jan. 15, 1919).—Federal Trade Commission *v.* Berry Brothers (Inc.) et al. Charge: (Ante.) Disposition: After hearing, and upon an agreed statement of facts, an order was entered dismissing the complaint as to William H. Kennedy and requiring respondents, Berry Brothers (Inc.) and Evart W. Hinckley, to cease and desist from using the practice complained of.

Complaint No. 246 (Feb. 6, 1919).—Federal Trade Commission *v.* W. P. Wilkin Co. Charge: (Ante.) Disposition: Upon the answer of respondent admitting the allegations of the complaint, an order was entered requiring it to cease and desist from using the practice complained of.

Complaint No. 247 (Feb. 6, 1919).—Federal Trade Commission *v.* American Chicle Co. Charge: Using an unfair method of competition, viz, instituting suits in bad faith against jobbers dealing in certain products manufactured by competitors of respondent, for the purpose of intimidating persons dealing with such competitors, in alleged violation of section 5 of the Federal Trade Commission act. Disposition: Dismissed by order of the Commission.

Complaint No. 260 (Mar. 17, 1919).—Federal Trade Commission *v.* C. R. Fenton and F. P. Fenton, copartners, styling themselves as Standard Soap Manufacturing Co. Charge: (Ante.) Disposition: Upon the answer of respondent admitting the allegations of the complaint, an order was entered requiring it to cease and desist from using the practice complained of.

Complaint No. 261 (Mar. 19, 1919).—Federal Trade Commission *v.* Rome Soap Mfg. Co. Charge: (Ante.) Disposition: Upon an agreed statement of facts an order was entered requiring it to cease and desist from using the practice complained of.

Complaint No. 262 (Mar. 19, 1919).—Federal Trade Commission *v.* F. Kenney Mfg. Co. Charge: (Ante.) Disposition: Upon the answer of respondent admitting the allegations of the complaint, an order was entered requiring it to cease and desist from using the practice complained of.

Complaint No. 263 (Mar. 18, 1919).—Federal Trade Commission *v.* Edward L. Swan and Harmanus Swan, doing business under the name and style of William H. Swan & Sons. Charge: (Ante.) Disposition: Upon the answer of respondent admitting the allegations of the complaint, an order was entered requiring it to cease and desist from using the practice complained of.

Complaint No. 267 (Mar. 26, 1919).—Federal Trade Commission *v.* Chicago Millwork Supply Co. Charge: (Ante.) Disposition: Upon an agreed statement of facts an order was entered requiring respondent to cease and desist from using the practice complained of.

Complaint No. 270 (Apr. 15, 1919).—Federal Trade Commission *v.* C. L. Chase, trading under the name and style of Chase Shoe Co. Charge: (Ante.) Disposition: Upon an agreed statement of facts an order was entered requiring respondent to cease and desist from using the practice complained of.

Proceedings Instituted Since July 1, 1917.

Complaint No. 169 (July 9, 1918).—Federal Trade Commission *v.* Twin City Varnish Co., of Illinois. Charge: Using unfair methods of competition in connection with the sale of varnish and kindred products, viz, giving money to employees of customers, prospective customers, and customers and prospective customers of competitors as an inducement to influence their em-

ployers to purchase the products of respondent and to refrain from purchasing from competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 170 (July 16, 1918).—Federal Trade Commission *v.* Kryptok Sales Co. Charge: Stifling and suppressing competition in the sale of "Kryptok" spectacle lenses by fixing and maintaining resale prices, requiring dealers to maintain such resale prices, and refusing to sell to those who will not maintain such resale prices, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 171 (July 16, 1918).—Federal Trade Commission *v.* The Goodyear Tire & Rubber Co. Charges: Stifling and suppressing competition in the sale of automobile tires by fixing and maintaining resale prices, requiring dealers to maintain such resale prices, and refusing to sell to those who will not maintain such resale prices; falsely advertising that it furnishes certain unique services which are such as are ordinarily furnished by retail dealers; compelling dealers to carry excessive stocks; refusing to allow dealers to make adjustments on unsatisfactory tires; requiring dealers who also handle automobiles to specify Goodyear tires on all automobiles, motor trucks, and motor cycles ordered by them; requiring dealers to permit respondent to make inventories of all tires handled by such dealers; compelling dealers to refrain from selling competitor's tires as substitutes for respondents when such dealer is unable to furnish the particular size of respondent's tire requested; selling tire-applying machinery to dealers, but restricting the use of it to respondent's tires; selling consumers direct at the same price as dealers when such consumers will agree to use respondent's tires exclusively, in alleged violation of section 5 of the Federal Trade Commission act; selling its products on the condition, agreement, or understanding that the purchasers shall not use or deal in the goods of a competitor, the effect of which is to substantially lessen competition or tend to create a monopoly, in alleged violation of section 3 of the Clayton Act.

Complaint No. 172 (July 16, 1918).—Federal Trade Commission *v.* Auto Strop Safety Razor Co. Charges: Stifling and suppressing competition in the sale of safety razors and blades by fixing and maintaining resale prices, requiring dealers to maintain such resale prices, and refusing to sell to those who will not maintain such resale prices in alleged violation of section 5 of the Federal Trade Commission act; discriminating in prices between different purchasers of its products, the effect of which may be to substantially lessen competition or tend to create a monopoly, in alleged violation of section 2 of the Clayton Act.

Complaint No. 173 (July 16, 1918).—Federal Trade Commission *v.* D. M. Ferry & Co. Charge: Stifling and suppressing competition in the sale of garden and flower seeds by fixing and maintaining resale prices, requiring dealers to maintain such resale prices, and refusing to sell to those who will not maintain such resale prices, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 174 (July 16, 1918).—Federal Trade Commission *v.* Geographical Publishing Co. of Chicago. Charge: Copying and publishing a war map published by a competitor, labeling it "Liberty War Map" in simulation of competitor's "Liberty Map," and appropriating and using competitor's advertising matter; false and misleading advertising, to the effect that respondent's map is identical with that of competitor, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 175 (July 18, 1918).—Federal Trade Commission *v.* Blakely Printing Co. and 16 other respondents. Charge: Combination to suppress competition in the business of printing and selling railroad tariffs, schedules, and other printed matter by maintaining fixed prices of such printed matter and by gifts to employees of their customers and prospective customers and the customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's printed railroad tariffs, schedules, and other printed matter, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 176 (July 22, 1918).—Federal Trade Commission *v.* John F. Buckie & Son. Charge: Using unfair methods of competition in the sale of printing-press rollers, viz, giving gratuities of different kinds, including sums of money, to employees of its customers, prospective customers, and customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's printing-press rollers and to refrain from

purchasing those of respondent's competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 177 (July 22, 1918).—Federal Trade Commission *v.* Samuel Bingham's Son Manufacturing Co. Charge: Using unfair methods of competition in the sale of printing-press rollers, viz, giving gratuities of different kinds, including sums of money, to employees of its customers, prospective customers, and customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's printing-press rollers and to refrain from purchasing those of respondent's competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 178 (July 22, 1918).—Federal Trade Commission *v.* Bingham Bros. Co. Charge: Using unfair methods of competition in the sale of printing-press rollers, viz, giving gratuities of different kinds, including sums of money, to employees of its customers, prospective customers, and customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's printing-press rollers and to refrain from purchasing those of respondent's competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 179 (July 22, 1918).—Federal Trade Commission *v.* Bird-Archer Co. Charge: Using unfair methods of competition in the sale of boiler compounds, viz, giving gratuities of different kinds, including sums of money, to employees of its customers, prospective customers, and customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's boiler compounds and to refrain from purchasing those of respondent's competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 180 (July 22, 1918).—Federal Trade Commission *v.* Kansas City Printing Ink Co. Charge: Using unfair methods of competition in the sale of printing ink, viz, giving gratuities of different kinds, including sums of money, to employees of its customers, prospective customers, and customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's printing ink and to refrain from purchasing that of respondent's competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 181 (July 22, 1918).—Federal Trade Commission *v.* Miller Cooper Ink Co. Charge: Using unfair methods of competition in the sale of printing ink, viz, giving gratuities of different kinds, including sums of money, to employees of its customers, prospective customers, and customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's printing ink and to refrain from purchasing ink from respondent's competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 182 (July 31, 1918).—Federal Trade Commission *v.* The Hoover Suction Sweeper Co. Charge: Stifling and suppressing competition in the sale of vacuum cleaners by fixing and maintaining resale prices, requiring dealers to maintain such resale prices, and refusing to sell to those who will not maintain such resale prices, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 183 (July 31, 1918).—Federal Trade Commission *v.* The Vortex Manufacturing Co. Charges: Stifling and suppressing competition in the manufacture and marketing of metal holders, paraffin paper cups and dishes by fixing and maintaining resale prices, requiring dealers to maintain such resale prices, and refusing to sell to those who will not maintain such resale prices, in alleged violation of section 5 of the Federal Trade Commission act; selling and making contracts of sale of metal holders, paraffin paper cups and dishes on the condition, agreement, and understanding that the purchasers thereof shall not use or deal in the products of competitors, the effect of which is to substantially lessen competition or tend to create a monopoly, in alleged violation of section 3 of the Clayton act.

Complaint No. 184 (July 31, 1918).—Federal Trade Commission *v.* Enders Sales Co. (Inc.). Charges: Stifling and suppressing competition in the sale of safety razors and blades by fixing and maintaining resale prices, requiring dealers to maintain such resale prices, and refusing to sell to those who will not maintain such resale prices, in alleged violation of section 5 of the Federal Trade Commission act; and discriminating in price between different purchasers of respondent's product, the effect of which may be to substantially

lessen competition or tend to create a monopoly, in alleged violation of section 2 of the Clayton Act.

Complaint No. 185 (Aug. 3, 1918).—Federal Trade Commission *v.* The Printers Rollers Co. Charges: Using unfair methods of competition in the sale of printing-press rollers, viz, giving gratuities of different kinds, including sums of money, to employees of its customers, prospective customers, and customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's printing-press rollers and to refrain from purchasing those of respondent's competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 186 (Aug. 3, 1918).—Federal Trade Commission *v.* D. H. Donegan, trading as American Printing Roller Ink Co. Charge: Using unfair method of competition in the sale of printing-press rollers, viz, giving gratuities of different kinds, including sums of money, to employees of its customers, prospective customers, and customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's printing-press rollers and to refrain from purchasing those of respondent's competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 187 (Aug. 3, 1918).—Federal Trade Commission *v.* William C. Hart, trading as Hart & Zugelder. Charge: Using unfair methods of competition in the sale of printing-press rollers, viz, giving gratuities of different kinds, including sums of money, to employees of his customers, prospective customers, and customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's printing-press rollers and to refrain from purchasing those of respondent's competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 188 (Aug. 3, 1918).—Federal Trade Commission *v.* H. C. Godwin. Charge: Using unfair methods of competition in the sale of printing-press rollers, viz, giving gratuities of different kinds, including sums of money, to employees of his customers, prospective customers, and customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's printing-press rollers and to refrain from purchasing those of respondent's competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 189 (Sept. 3, 1918).—Federal Trade Commission *v.* H. L. Hildreth Co. Cause: Stifling and suppressing competition in the sale of candy by fixing and maintaining resale prices, requiring dealers to maintain such resale prices, and refusing to sell to those who will not maintain such resale prices, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 190 (Sept. 25, 1918).—Federal Trade Commission *v.* Gartside Iron Rust Soap Co. Charge: Using unfair methods of competition in the sale of iron-rust and stain removers, consisting of false representations that similar products of competitors are infringements of respondent's patents and are put up in a form enabling them to be passed off as the product of respondent, threats of suits, not made in good faith, for infringement and unfair competition, and false and misleading statements regarding the financial responsibility of competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 191 (Sept. 25, 1918).—Federal Trade Commission *v.* Bert- Symonds, Genevieve Symonds, and Irving Symonds, partners, trading as Auto Surplus Stock Co. Charge: Unfair methods of competition in adopting a firm name similar to that of a competitor, and by misleading advertising causing the public to believe that respondents' firm is one and the same as that of competitor, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 192 (Sept. 25, 1918).—Federal Trade Commission *v.* The Silvex Co. Charge: Unfair methods of competition in the sale of spark plugs, viz, advertisements inserted in newspapers and periodicals having the effect of inducing a false belief that the spark plugs manufactured by respondent have been certified by a department of the United States Government, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 193 (Sept. 25, 1918).—Federal Trade Commission *v.* Consolidated Oil Co. and five other oil companies. Charge: Using unfair methods of competition in the manufacture and sale of paints, oils, and kindred products by means of false representations that certain of respondents' adulterated products are not adulterated but are composed of second-run turpentine and

Manchurian and Japanese oils prepared and made from oriental seeds and gums and that if they were adulterated they would have to be labeled as such by virtue of a ruling of the Ohio Food and Drug Commission, whereas no such ruling had been made; publishing a cut upon their letterheads of several buildings to mislead the public into the false belief that they own and operate the large plants represented in said cut, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 194 (Oct. 8, 1918).—Federal Trade Commission *v.* C. W. Baker & Sons. Charge: Stifling and suppressing competition in the sale of canned goods by fixing and maintaining resale prices, requiring dealers to maintain such resale prices, and refusing to sell to those who will not maintain such resale prices, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 195 (Oct. 8, 1918).—Federal Trade Commission *v.* J. H. Patterson Co. Charge: Using unfair methods of competition, viz, adopting and maintaining a system of sending and causing others to send to mail-order houses engaged in selling lumber and building materials spurious requests for estimates of the quantity and quality of lumber and building materials required for certain building purposes, prices therefor, and for printed matter, advertisements, and special information furnished to bona fide customers and prospective customers, for the purpose of hindering, embarrassing, and restraining such mail-order houses in the conduct of their business, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 196 (Oct. 8, 1918).—Federal Trade Commission *v.* DeMiracle Chemical Co. Charges: Stifling and suppressing competition in the sale of depilatories and other toilet specialties by fixing and maintaining resale prices, requiring dealers to maintain such resale prices, and refusing to sell to those who will not maintain such resale prices, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 197 (Oct. 15, 1918).—Federal Trade Commission *v.* Baltimore Hub-Wheel & Manufacturing Co. and The Holland-Baden Ramsey Co. Charge: Using unfair methods of competition consisting in a combination to cut off competitor's supply by threatening to withold patronage from manufacturers extending jobbers discounts to competitor, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 198 (Oct. 15, 1918).—Federal Trade Commission *v.* Closset & Devers (Inc.). Charge: Stifling and suppressing competition in the sale of coffee by fixing and maintaining resale prices, requiring dealers to maintain such resale prices, and refusing to sell to those who will not maintain such resale prices, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 199 (Oct. 15, 1918).—Federal Trade Commission *v.* National Grocery Co. Charge: Stifling and suppressing competition in the sale of coffee by fixing and maintaining resale prices, requiring dealers to maintain such resale prices, and refusing to sell to those who will not maintain such resale prices, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 200 (Oct. 15, 1918).—Federal Trade Commission *v.* The Rogers Co. Charge: Stifling and suppressing competition in the sale of coffee by fixing and maintaining resale prices, requiring dealers to maintain such resale prices, and refusing to sell to those who will not maintain such resale prices, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 201 (Oct. 15, 1918).—Federal Trade Commission *v.* Schwabacher Brothers & Co. (Inc.). Charge: Stifling and suppressing competition in the sale of coffee by fixing and maintaining resale prices, requiring dealers to maintain such resale prices, and refusing to sell to those who will not maintain such resale prices, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 202 (Oct. 15, 1918).—Federal Trade Commission *v.* Seattle Grocery Co. Charge: Stifling and suppressing competition in the sale of coffee by fixing and maintaining resale prices, requiring dealers to maintain such resale prices, and refusing to sell to those who will not maintain such resale prices, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 203 (Oct. 15, 1918).—Federal Trade Commission *v.* Washington Retail Grocers & Merchants Association. Charge: Using unfair methods of competition, consisting of a combination or conspiracy to compel wholesale coffee dealers to maintain a system of fixing prices at which their coffee shall

be resold by dealers and to refuse to sell coffee to dealers who will not agree to maintain resale prices, publishing articles in its official organ, The Northwestern Merchant, urging retail coffee dealers to boycott wholesalers who do not maintain resale prices, and boycotting the goods of coffee dealers who are not members of respondent association and who do not maintain resale prices, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 204 (Oct. 17, 1918).—Federal Trade Commission *v.* Commonwealth Color & Chemical Co. and Herbert L. Wittnebel. Charge: Using unfair methods of competition in the sale of colors, chemicals, and dyestuffs, viz, giving gratuities of different kinds, including sums of money, to employees of their customers, prospective customers, and customers and prospective customers of competitors as an inducement to influence their employers to purchase respondents' colors, dyestuffs, and chemicals and to refrain from purchasing those of respondents' competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 205 (Oct. 18, 1918).—Federal Trade Commission *v.* The Tobacco Products Corporation et al. Charges: Stifling and suppressing competition by concealing its ownership and control of other corporations and holding them out as independent companies; paying commissions to its customers and its competitor's customers, with the understanding that the customers will not advertise the goods of competitors, and by paying to one of its customers a rebate proportionate to the increased amount of purchases made in one year over the preceding year, in alleged violation of section 5 of the Federal Trade Commission act; discriminating in price between different purchasers of respondent's products, the effect of which may be to substantially lessen competition or tend to create a monopoly, in alleged violation of section 2 of the Clayton Act; and acquiring the whole of the stock and share capital of various tobacco companies, where the effect of such acquisition may be and is to substantially lessen competition and create a monopoly, in alleged violation of section 7 of the Clayton Act; and several of the individual respondents acting as directors in several of respondent corporations, thereby through agreements eliminating competition among these corporations, in alleged violation of section 8 of the Clayton Act.

Complaint No. 206 (Oct. 30, 1918).—Federal Trade Commission *v.* Marinello Co. et al. Charges: Stifling and suppressing competition in the sale of cosmetics, toilet articles, and preparations by fixing and maintaining resale prices, requiring dealers to maintain such resale prices, and refusing to sell their products to those who will not maintain such resale prices; maintaining a school of cosmeticians and granting to graduates of such schools licenses to practice the "Marinello System" and use the name "Marinello" upon condition that the licensees shall maintain such resale prices and not deal in the products of competitors; threatening to revoke the licenses of such graduates who refuse to maintain such resale prices and deal exclusively in the products of respondents, and threatening to establish competitive shops adjacent to those of their competitors and others who refuse to deal exclusively in respondent's products and who do not maintain the resale prices of such products, in alleged violation of section 5 of the Federal Trade Commission act; selling cosmetics, toilet articles, and preparations under condition, agreement, or understanding that the purchasers thereof shall not use or deal in the products of competitors, the effect of which is to substantially lessen competition or tend to create a monopoly, in alleged violation of section 3 of the Clayton act.

Complaint No. 207 (Oct. 30, 1918).—Federal Trade Commission *v.* The Cleveland Macaroni Co. Charge: Using unfair methods of competition in the sale of macaroni, noodles, and kindred products, viz, giving premiums of jewelry, silverware, and other personal property to salesmen of jobbers handling respondent's products, and giving dinners to jobbers and their salesmen, retail buyers, customers, and prospective customers of respondent, and competitor's customers and prospective customers as an inducement to influence them to purchase respondent's macaroni, noodles, and kindred products, and to refrain from purchasing those of respondent's competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 208 (Oct. 30, 1918).—Federal Trade Commission *v.* The Royal Cinema Corporation and two other motion-picture companies. Charge: Using unfair methods of competition, viz, producing, selling, leasing, and advertising a motion picture under the title "Mothers of Liberty" which is substantially a copy of another and copyrighted motion picture entitled "The Ordeal," with-

out notifying the exhibitors and the public that it is such, and falsely accusing exhibitors who refuse to exhibit said "Mothers of Liberty" of being German sympathizers and disloyal to the Government of the United States, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 209 (Oct. 30, 1918).—Federal Trade Commission *v.* St. Lawrence Lumber Co. Charge: Using unfair methods of competition, viz, adopting and maintaining a system of sending and causing others to send to mail-order houses engaged in selling lumber and building materials spurious requests for estimates of the quantity and quality of lumber and building materials required for certain building purposes, prices therefor, and for printed matter, advertisements, and special information furnished to bona fide customers and prospective customers, for the purpose of hindering, embarrassing, and restraining such mail-order houses in the conduct of their business, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 210 (Oct. 30, 1918).—Federal Trade Commission *v.* Joseph Simmonds, trading as W. H. Productions Co. Charge: Using unfair methods of competition in the production of motion-picture films, viz, adopting a trade name similar to that of a competitor, marketing old pictures of a certain competitor under a similar trade name and under similar titles, and marketing under new titles motion pictures of well-known motion-picture actors and actresses which had previously been exhibited to the public, without notifying the public or others that they were such, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 211 (Oct. 30, 1918).—Federal Trade Commission *v.* The Henry-Miller Foundry Co. Charge: Using unfair methods of competition, viz, maintaining a system of cumulative rebates given to customers upon their aggregate purchases during a certain period, the effect thereof being to cause such purchasers to confine their trade to the products of respondent and to prevent competitors from selling similar products except at such prices as will offset the loss of rebates granted to such customers in the event that such customers divide their patronage, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 212 (Oct. 30, 1918).—Federal Trade Commission *v.* A. T. McClure, Arthur W. McClure, and John R. McClure, partners, trading as A. T. McClure Glass Co. Charge: Using unfair methods of competition in misbranding glass, viz, changing the labels and other marks used by manufacturers to denote quality, so as to mislead the public into the belief that the glass is of better quality, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 213 (Oct. 30, 1918).—Federal Trade Commission *v.* American Thermos Bottle Co. Charges: Stifling and suppressing competition in the sale of temperature-retaining vessels by fixing and maintaining resale prices, requiring dealers to retain such resale prices, and refusing to sell to those who will not maintain such resale prices in alleged violation of section 5 of the Federal Trade Commission act; discriminating in price between different purchasers of respondent's products, the effect of which may be to substantially lessen competition or tend to create a monopoly, in violation of section 2 of the Clayton Act.

Complaint No. 214 (Oct. 30, 1918).—Federal Trade Commission *v.* The Winstead Hosiery Co. Charge: Using unfair methods of competition consisting of false and misleading advertisements tending to deceive the public into the belief that underwear manufactured by respondent is composed wholly of wool whereas in fact it contains but a small amount of wool, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 215 (Nov. 12, 1918).—Federal Trade Commission *v.* Minerals Separation (Ltd.) et al. Charges: Stifling and suppressing competition in lines of commerce dependent upon apparatus and processes and other commodities used in the separation and concentration of ores, by entering into and enforcing and attempting to enter into and enforce agreements which are for the purposes of preventing independent concerns from selling or licensing any independent commodities except with respondents' permission, of preventing mine operators and others not in respondents' employ from using independent commodities without respondents's permission, permitting no independent concern to manufacture, license, or lease independent commodities except by the payment of an exorbitant commission for such permission, of discriminating in the amount of commissions exacted from different inde-

pendent concerns, of compelling mine operators and others not in respondents' employ to surrender to them the ownership and control of inventions respecting the separation and concentration of ores, of preventing mine operators and others from publishing any data or other information respecting the separation or concentration of ores except with respondents' permission, of compelling mine operators and others not in respondents' employ to withhold advice and information regarding apparatus and other commodities from anyone against whom the respondents may be engaged in patent litigation, of exacting from mine operators and exorbitant royalty for the use of commodities controlled by respondents, including operations involving the use of commodities not controlled by respondent and discriminating as to royalties between different mine operators; by false and malicious disparagement of independent commodities, concerns, and those dealing with independent concerns, false assertions of exclusive rights under patents and otherwise in excess of those actually possessed by respondents, threats of suits for patent infringement not made in good faith, threats to withhold licenses from mine operators and others unless they refrain from using independent commodities, and intimidation of independent concerns and others to join in the aforesaid agreement, in alleged violation of section 5 of the Federal Trade Commission act; discriminating in price between different purchasers of the products handled by respondents, the effects of which may be to substantially lessen competition or tend to create a monopoly, in alleged violation of section 2 of the Clayton act; selling commodities handled by respondents on the condition, agreement, or understanding that the purchasers thereof shall not use or deal in the goods of a competitor the effect of which is to substantially lessen competition or tend to create a monopoly, in alleged violation of section 3 of the Clayton act.

Complaint No. 216 (Nov. 12, 1918).—Federal Trade Commission *v.* Gregory Furniture Manufacturing Co. Charge: Stifling and suppressing competition in the sale of furniture by fixing and maintaining resale prices, requiring dealers to maintain such resale prices, and refusing to sell to those who will not maintain such resale prices, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 217 (Nov. 12, 1918).—Federal Trade Commission *v.* Klaxon Co. Charges: Stifling and suppressing competition in the sale of automobile horns by fixing and maintaining resale prices, requiring dealers to maintain such resale prices, and refusing to sell to those who will not maintain such resale prices; selling and making contracts for sale of its products to dealers in automobile accessories upon the condition, agreement, or understanding that said dealers shall at all times carry a stock of Klaxon warning signals in the minimum amount of $300, in alleged violation of section 5 of the Federal Trade Commission act; selling and making contracts for sale of its products on the condition, agreement, or understanding that the purchasers thereof shall not use or deal in the warning signals of competitors, the effect of which is to substantially lessen competition or tend to create a monopoly, in alleged violation of section 3 of the Clayton Act.

Complaint No. 218 (Nov. 12, 1918).—Federal Trade Commission *v.* The Proctor & Gamble Co., and the Proctor & Gamble Distributing Co. Charge: Stifling and suppressing competition in the sale of soap and kindred articles by fixing and maintaining resale prices, requiring dealers to maintain such resale prices, refusing to sell to those who will not maintain such resale prices, and refusing to sell mixed carload lots of its products unless the purchaser thereof will also buy from them respondents' "Ivory" soap, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 219 (Oct. 14, 1918).—Federal Trade Commission *v.* Vacuum Oil Co. Charge: Using unfair methods of competition in connection with the marketing of petroleum products, by shipping its products to customers of respondent's competitors without having received any orders therefor, and inducing and attempting to induce such consignees to accept and purchase such consignments by extending long-term credits and guaranteeing the resale of such consignments and the assistance of respondent's salesmen in procuring the same, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 220 (Nov. 25, 1918).—Federal Trade Commission *v.* Gordon-Van Tine Co. Charge: The use of unfair methods of competition by a mail-order house in the sale of lumber and building materials consisting of advertising a gross misrepresentation of the terms of an order and decision issued by the

Federal Trade Commission against certain "regular dealers," secretly offering and paying local contractors and builders a bonus or commission as an inducement to influence them to favor respondent's products over those of its competitors, and circulating catalogues and publishing statements containing false and misleading advertisements tending to induce the belief that "regular dealers" do not deal fairly, in alleged violation of secton 5 of the Federal Trade Commission act.

Complaint No. 221 (Dec. 2, 1918).—Federal Trade Commission *v.* Vapo-Cresoline Co. Charge: Stifling and suppressing competition in the sale of proprietary medicine by fixing and maintaining resale prices, requiring dealers to maintain such resale prices, and refusng to sell to those who will not maintain such resale prices, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 222 (Dec. 2, 1918).—Federal Trade Commission *v.* The Lasso Pictures Co. Charge: Using unfair methods of competition, viz, securing motion-picture films which have been exhibited and displayed to the public, giving them new names and titles, and reissuing them with the intent, purpose, and effect of deceiving exhibitors and the public and leading them to believe that the said picture films are new and original and have never before been exhibited, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 223 (Dec. 2, 1918).—Federal Trade Commission *v.* Allen Sales Service (Inc.), C. Louis Allen, and William H. Yetman. Charge: Using unfair methods of competition in the manufacture and sale of fire extinguishers, consisting of the acts of the individual respondents appropriating for their own use and for the benefit of the Allen Sales Service (Inc.) lists of customers, confidential information, and trade secrets of the Pyrene Co., of which they had been previously the president and manager, respectively; inducing manufacturers by false statements to break contracts had with the Pyrene Co. and sell their products exclusively to the respondent company; placing employees in the office of a manufacturer from whom the Pyrene Co. obtained its supplies for the purpose of securing information concerning their business dealings; inducing the Pyrene Co.'s employees to leave by offers of higher wages; having various manufacturers establish their branch offices in the office of respondent company whereby the latter was enabled to secure contracts from the United States Government for the sale of its products in the names of such manufacturers and receive commissions on such sales without the Government's knowledge; and giving gratuities to employees of their customers and prospective customers and to officers of the armed forces of the United States and other persons concerned in the conduct of the war as an inducement to influence their employers and the Government to purchase fire-extinguishing apparatus of the respondent company, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 224 (Dec. 2, 1918).—Federal Trade Commission *v.* National Bridge Co., Daniel B. Luten, and Frank H. Drury. Charge: Using unfair methods of competition, consisting of threats of patent infringement and demands for royalty made to municipalities, bridge builders, and contractors; procuring consent decrees for patent infringements in favor of respondent and publishing them without showing that they were entered by consent; publishing and circulating among bridge contractors and builders false and misleading advertisements to the effect that such consent decrees were entered after full trials upon the merits, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 225 (Dec. 14, 1918).—Federal Trade Commission *v.* M. P. L. Packing & Supply Co. Charge: Using unfair methods of competition in the sale of packings and engine-room supplies, viz, giving gratuities of different kinds, including sums of money, to employees of its customers, prospective customers, and customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's products and to refrain from purchasing from competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 226 (Dec. 14, 1918).—Federal Trade Commission *v.* Kinney-Rome Co. Charge: Using unfair methods of competition in the sale of bed springs and kindred products by giving to salesmen of merchants handling its products and those of its competitors gratuities, consisting of watches and other personal property, as an inducement to influence them to push the sales of respondent's products to the exclusion of the products of its competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 227 (Dec. 14, 1918).—Federal Trade Commission *v.* Helvetia Milk Condensing Co. Charge: Using unfair methods of competition in the sale of evaporated milk, viz, guaranteeing its customers against decline in the price of goods purchased and not resold at the time of any subsequent decline in the market price, and in the event of such decline refunding to such purchasers an amount equal to the difference between the purchase price of the undisposed goods and the market price to which they had declined, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 228 (Mar. 26, 1919).—Federal Trade Commission *v.* The De Laval Separator Co. Charges: Stifling and suppressing competition in the sale of cream separators by fixing and maintaining resale prices, requiring dealers to maintain such resale prices, and refusing to sell to those who will not maintain such resale prices, in alleged violation of section 5 of the Federal Trade Commission act; selling and making contracts for sale of its cream separators on the condition, agreement, or understanding that the purchaser thereof shall not use or deal in the cream separators of a competitor, the effect of which is to substantially lessen competition or tend to create a monopoly, in alleged violation of section 3 of the Clayton Act.

Complaint No. 229 (Dec. 14, 1918).—Federal Trade Commission *v.* Consolidated Packing & Supply Co. Charge: Using unfair methods of competition in connection with the sale of packings and engine-room supplies, viz, giving gratuities of different kinds, including sums of money, to employees of its customers, prospective customers, and customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's products and to refrain from purchasing those of respondent's competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 230 (Dec. 14, 1918).—Federal Trade Commission *v.* North American Linseed Products Co. Charge: Using unfair methods of competition, consisting of false advertising and representing certain of its products as linseed oil which was composed of linseed oil, but which had been adulterated with low-grade mineral oils and other ingredients, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 231 (Dec. 31, 1918.)—Federal Trade Commission *v.* Farmers' Cooperative Fertilizer Co. and Armour & Co. Charge: Using unfair methods of competition in the sale of fertilizing materials by Armour & Co., concealing the fact that it owns the controlling interest in the Farmers' Cooperative Fertilizer Co., and holding out the latter as an independent company, and thereby securing trade which the Armour Co. could not secure if its ownership of the Farmers' Cooperative Fertilizer Co. was known to the public, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 232 (Jan. 6, 1919).—Federal Trade Commission *v.* Wall Rope Works (Inc.). Charge: Using unfair methods of competition in the sale of rope, oakum, and cordage, viz, secretly paying money to employees of its customers, prospective customers, and customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's rope, oakum, and cordage, and to refrain from dealing with respondent's competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 233 (Jan. 6, 1919).—Federal Trade Commission *v.* The New Jersey Asbestos Co. Charge: Using unfair methods of competition in the sale of asbestos packings, flax, wood fiber, and kindred products, viz, giving gratuities of different kinds, including sums of money, to employees of its customers, prospective customers, and customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's products and to refrain from purchasing those of competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 234 (Jan. 6, 1919).—Federal Trade Commission *v.* Stewart Dickson & Co. (Inc.). Charge: Using unfair methods of competition in the sale of asbestos, flax, and kindred products, viz, giving gratuities of different kinds, including sums of money, to employees of its customers, prospective customers, and customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's products and to refrain from purchasing those of competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 235 (Jan. 6, 1919).—Federal Trade Commission *v.* Brown Portable Conveying Machinery Co. Charge: Using unfair methods of compe-

tition, viz, threatening competitors with suits for patent infringements, which threats are not made in good faith, and false and misleading statements with respect to alleged pending lawsuits against competitors and with respect to the invention of a portable elevator manufactured by a competitor, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 236 (Jan. 6, 1919).—Federal Trade Commission *v.* Carter Paint Co. Charge: Using unfair methods of competition, consisting of giving gratuities of different kinds to salesmen of jobbers handling respondent's products as an inducement to push the sale of respondent's products in preference to those of its competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 237 (Jan. 11, 1919).—Federal Trade Commission *v.* General Chemical Co. Charge: Stifling and suppressing competition in the sale of baking powder by fixing and maintaining resale prices, requiring dealers to maintain such resale prices, and refusing to sell to those who will not maintain such resale prices, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 238 (Jan. 11, 1919).—Federal Trade Commission *v.* The Hoover Suction Sweeper Co. Charge: Using unfair methods of competition in the sale of vacuum sweepers, consisting of giving cash bonuses to employees of both its competitors and of dealers handling competitors' products as an inducement to influence them to push the sale of respondent's products, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 239 (Jan. 11, 1919).—Federal Trade Commission *v.* Royal Easy Chair Co. Charge: Using unfair methods of competition in the sale of reclining chairs and kindred products by giving a cash bonus on each chair sold to salesmen of retail merchants handling the products of respondent and those of its competitors as an inducement to push the sale of respondent's products, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 240 (Jan. 15, 1919).—Federal Trade Commission *v.* Buffalo Specialty Co. Charges: Stifling and suppressing competition in the sale of liquid veneer, tire fluids, and similar products by fixing and maintaining resale prices, requiring dealers to maintain such resale prices, and refusing to sell to those who do not maintain such resale prices, in alleged violation of section 5 of the Federal Trade Commission act; and discriminating in price between different purchasers of respondent's products, the effect of which may be to substantially lessen competition or tend to create a monopoly, in alleged violation of section 2 of the Clayton Act.

Complaint No. 241 (Jan. 21, 1919).—Federal Trade Commission *v.* J. Frank Bates, trading as Malzo Coffee Co. Charge: Using unfair methods of competition in the sale of coffee, consisting of the adoption and use of the trade name Malzo Coffee Co., which name is so similar to that of a competitor as to deceive and mislead the trade and purchasing public and cause them to believe that respondent's coffee is one and the same as that of its competitor, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 242 (Jan. 23, 1919).—Federal Trade Commission *v.* Niles Normalizing Machine Co. (Inc.). Charge: Using unfair methods of competition, consisting of threats of suit not made in good faith against its competitors and competitors' customers for alleged violation of respondent's patent rights in and to certain flesh-reducing machines, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 243, (Jan. 23, 1919).—Federal Trade Commission *v.* E. P. Janes, S. A. Paul, Ironclad Tire Co., and three other tire companies. Charge: Using unfair methods of competition in the sale of automobile tires, viz, purchasing old and discarded tires, retreading them, remarking them with new brand names, and advertising and selling them as new tires with a guarantee of 4,000 miles of service, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 244 (Jan. 15, 1919).—Federal Trade Commission *v.* Berry Brothers (Inc.), Everet W. Hinckley and William H. Kennedy. Charge: Using unfair methods of competition in the sale of varnish and kindred products, viz, giving gratuities of different kinds, including sums of money, to employees of customers, prospective customers, and customers and prospective customers of competitors as an inducement to influence their employers to purchase the products of respondents and to refrain from purchasing those of competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 245 (Feb. 6, 1919).—Federal Trade Commission *v.* The Harrison Specialty Co. Charge: Using unfair methods of competition in connection with the sale of plugs for leaking tubes in steam boilers, viz, giving money to employees of customers, prospective customers, and customers and prospective customers of competitors as an inducement to influence their employers to purchase the products of respondent and to refrain from purchasing from competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 246 (Feb. 6, 1919).—Federal Trade Commission *v.* W. P. Wilkin Co. (Inc.). Charge: Using unfair methods of competition in connection with the sale of ship supplies, viz, giving money to employees of customers, prospective customers, and customers and prospective customers of competitors as an inducement to influence their employers to purchase their ship supplies from respondent and to refrain from dealing with respondent's competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 247 (Feb. 6, 1919).—Federal Trade Commission *v.* American Chicle Co. Charge: Using unfair methods of competition in the sale of chewing gum, viz, instituting suits against jobbers distributing "Chicle Dainties" for unfair competition with respondent's "Chiclets," which suits are alleged not to be brought in good faith but for the purposes of intimidating customers of a competitor, and also making a practice of refusing to sell its chewing gum to dealers who deal in the products of certain of respondent's competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 248 (Feb. 6, 1919).—Federal Trade Commission *v.* Aluminum Co. of America. Charge: Acquiring and owning a large part of the stock and share capital of the Aluminum Rolling Mill Co., the effect of such acquisition being to substantially lessen competition between the respondent and the Aluminum Rolling Mill Co., and to tend to create a monopoly, in alleged violation of section 7 of the Clayton Act.

Complaint No. 249 (Feb. 6, 1919).—Federal Trade Commission *v.* The Corcoran Manufacturing Co. Charge: Using unfair methods of competition in the manufacture and sale of automobile radiators, consisting of manufacturing a radiator so similar in shape and design to that of a competitor that it is calculated to, and does, deceive and cause purchasers to believe that respondent's radiator is one and the same as that of a competitor, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 250 (Feb. 6, 1919).—Federal Trade Commission *v.* Borden's Farm Products Co. (Inc.). Charge: Acquiring and owning the whole of the stock and share capital of the Alexander Campbell Milk Co., the effect of such acquisition being to substantially lessen competition between the respondent and the Alexander Campbell Milk Co. and tend to create a monopoly, in alleged violation of section 7 of the Clayton Act.

Complaint No. 251 (Feb. 6, 1919).—Federal Trade Commission *v.* American Sheet & Tin Plate Co. Charge: Discriminating in price between different purchasers of the products manufactured and sold by respondent, the effect of which may be to substantially lessen competition or tend to create a monopoly, in alleged violation of section 2 of the Clayton Act.

Complaint No. 252 (Feb. 6, 1919).—Federal Trade Commission *v.* Mercury Tire Co. (Inc.). Charge: Using unfair methods of competition in the sale of automobile tires, viz, purchasing old and discarded tires, retreading them, and re-marking them with new brand names, and advertising and selling them as new tires with a guarantee of 4,000 miles of service, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 253 (Feb. 6, 1919).—Federal Trade Commission *v.* William H. Batcheller, George Batcheller, and Akron Tire Co. (Inc.). Charge: Using unfair methods of competition in the sale of automobile tires, viz, purchasing old and discarded tires, retreading them, re-marking them with new brand names, and advertising and selling them as new tires with a guarantee of 4,000 miles of service, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 254 (Feb. 20, 1919).—Federal Trade Commission v. Western Sugar Refining Co., California-Hawaiian Sugar Refining Co., Seven Wholesale Grocers of Los Angeles, Calif., and Nineteen Members of the Southern California Association of Manufacturers' Representatives. Charge: Using unfair methods of competition, consisting of a refusal of the respondent sugar refining companies to sell cane sugar to the Los Angeles Grocery Co., a wholesale grocer; conspiring together to prevent the Los Angeles Grocery

Co. from obtaining commodities from manufacturers and manufacturers' agents; and by boycotts and threats of boycotts inducing manufacturers and agents to refuse to sell to the Los Angeles Grocery Co. The 19 members of the Association of Manufacturers' Representatives are charged with permitting the seven Los Angeles wholesale grocers to intimidate them by boycotting and threatening to boycott the products sold by them if same were sold to the Los Angeles Grocery Co., the result of such intimidation being that said agents have refused to sell the products manufactured by their respective principals to the Los Angeles Grocery Co., in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 255 (Mar. 3, 1919).—Federal Trade Commission *v.* Ruud Manufacturing Co. and Pittsburgh Water Heater Co. Charge: Using unfair methods of competition in connection with the manufacture and sale of water heaters by agreeing among themselves to fix and maintain resale prices, requiring purchasers to maintain such resale prices, and refusing to sell to those who will not maintain such resale prices, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 256 (Mar. 3, 1919).—Federal Trade Commission *v.* James B. Schafer, trading as Universal Battery Service Co. Charge: Using unfair methods of competition in the sale of electric batteries, consisting of the adoption and use of the trade name "Universal Battery Service Company," which name is so similar to that of a competitor as to deceive and mislead the trade and purchasing public and cause them to believe that the respondent's products are one and the same as that of its competitor, imitating the color scheme of competitor's advertisements, and falsely advertising that respondent's batteries last forever, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 257 (Mar. 7, 1919).—Federal Trade Commission *v.* Twin City Printers' Roller Co. Charge: Using unfair methods of competition in connection with the sale of printing-press rollers, viz, giving gratuities of different kinds, including sums of money, to employees of customers, prospective customers, and customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's printing-press rollers and to refrain from purchasing those of respondent's competitors, in alleged violation of section 5 of the Federal Trade Commission Act.

Complaint No. 258 (Mar. 17, 1919).—Federal Trade Commission *v.* McKnight-Keaton Grocery Co., Wood & Bennett Co., The Scudders-Gale Grocery Co., and Ray L. Hosmer & Co. Charge: Using unfair methods of competition, consisting of the respondents, both individually and by means of a combination among themselves, unfairly hampering a competitor by inducing manufacturers of groceries and kindred merchandise to refuse to recognize such competitor as a wholesaler and entitled to buy at a wholesaler's price, thus forcing competitor to buy at higher prices, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 259 (Mar. 17, 1919).—Federal Trade Commission *v.* Oldbury Electro-Chemical Co., J. L. & D. S. Riker (Inc.), and Central Railway Signal Co. Charge: Using unfair methods of competition in the manufacture and sale of railway signal fusees by an alleged combination between the respondents whereby the Oldbury Co., through its sales agent, J. L. & D. S. Riker (Inc.), refuses to manufacture and sell any chlorate of potash in addition to the amount required by the Central Railway Signal Co., and thus giving the latter a monopoly in the manufacture and sale of railway signal fusees, in alleged violation of section 5 of the Federal Trade Commission act.

*Complaint No. 260 (Mar. 17, 1919—).*Federal Trade Commission *v.* C. R. Fenton and F. P. Fenton, partners, trading as Standard Soap Manufacturing Co. Charge: Using unfair methods of competition in the sale of soap and kindred products, viz, giving gratuities of different kinds, including sums of money, to employees of customers, prospective customers, and customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's soaps and kindred products and to refrain from purchasing those of competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 261 (Mar. 19, 1919).—Federal Trade Commission *v.* Rome Soap Manufacturing Co. Charge: Using unfair methods of competition in the sale of soap and kindred products, viz, giving gratuities of different kinds, including sums of money, to employees of customers, prospective cus-

tomers, and customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's soaps and kindred products and to refrain from purchasing those of competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 262 (Mar. 19, 1919).—Federal Trade Commission *v.* F. Kenney Manufacturing Co. Charge: Using unfair methods of competition in the sale of soap and kindred products, viz, giving gratuities of different kinds, including sums of money, to employees of customers, prospective customers, and customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's soaps and kindred products and to refrain from purchasing those of competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 263 (Mar. 18, 1919).—Federal Trade Commission *v.* Edward L. Swan and Harmanus Swan, partners, trading as William H. Swan & Sons. Charge: Using unfair methods of competition in connection with the sale of steamship supplies, viz, giving gratuities of different kinds, including sums of money, to employees of customers, prospective customers, and customers and prospective customers of competitors as an inducement to influence their employers to purchase respondents' steamship supplies and to refrain from purchasing those of competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 264 (Mar. 18, 1919).—Federal Trade Commission *v.* Roy C. Downs and George W. Lord, partners, trading as Engineering Supply Co. Charge: Using unfair methods of competition in connection with the sale of boiler compounds, oils and greases, viz, giving gratuities of different kinds, including sums of money, to employees of customers, prospective customers, and customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's boiler compounds, oils, and greases and to refrain from purchasing those of competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 265 (Mar. 24, 1919).—Federal Trade Commission *v.* Butterick Co. and four other dress-pattern publishing companies. Charges: Stifling and suppressing competition in the sale of paper dress patterns by fixing and maintaining resale prices, requiring dealers to maintain such resale prices, and refusing to sell to those who will not maintain such resale prices, in alleged violation of section 5 of the Federal Trade Commission act; selling and making contracts for sale of paper dress patterns on the condition, agreement, or understanding that the purchasers thereof shall not use or deal in the paper dress patterns of competitors, the effect of which may be to substantially lesson competition or tend to create a monopoly, in alleged violation of section 3 of the Clayton Act.

Complaint No. 266 (Mar. 24, 1919).—Federal Trade Commission *v.* Pictorial Review Co. Charges: Using unfair methods of competition in the sale of paper dress patterns, consisting of selling patterns to dealers under a contract permitting the dealers 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.

Complaint No. 267 (Mar. 26, 1919).—Federal Trade Commission *v.* Chicago Mill Works Supply Co. Charge: The use by respondent, which is a mail-order house engaged in the sale of lumber and building materials, of unfair methods of competition, consisting of advertising matter and circular letters containing false statements derogatory of so-called "regular dealers" in lumber, and false and misleading statements concerning the alleged benefits which the public might derive from trading with respondent, and secretly paying bonuses to local contractors, builders, and carpenters as an inducement to influence them to push the sale of respondent's lumber and building materials over those of its competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 268 (Apr. 8, 1919).—Federal Trade Commission *v.* The Aeolian Co. Charge: Stifling and suppressing competition in the sale of pipe organs,

perforated music rolls, musical instruments of the phonograph type and parts and accessories thereto, and phonograph records, by fixing and maintaining resale prices, requiring dealers to maintain such resale prices, refusing to sell to those who will not retain such resale prices, maintaining a system of requiring dealers who deal in other types of phonograph instruments, records, or talking machines to advertise, promote, and sell respondent's products as the best and unqualified leaders of any and all goods of the phonograph type, and refusing to sell and prohibiting dealers who sell Aeolian instruments, parts, and accessories from selling the perforated music rolls therefor to anyone other than the purchaser of an Aeolian pipe organ, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 269 (Apr. 9, 1919).—Federal Trade Commission *v.* American Graphophone Co., Columbia Graphophone Co., and Columbia Graphophone Manufacturing Co. Charge: Using unfair methods of competition in connection with the sale of talking machines and records, viz, the American Graphophone Co. and Columbia Graphophone Manufacturing Co. fix and maintain certain specified resale prices by issuing catalogues periodically, addressing circular letters to retail dealers, and printing notices upon the paper envelopes designed and commonly used as wrappers or containers for Columbia records; respondents American Graphophone Co. and Columbia Graphophone Manufacturing Co., through the Columbia Graphophone Co., require retail dealers to maintain specified resale prices fixed upon Columbia products and refuse to sell their products to dealers who will not agree to maintain such specified resale prices, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 270 (Apr. 15, 1919).—Federal Trade Commission *v.* C. L. Chase, trading as Chase Shoe Co. Charge: Using unfair methods of competition in connection with the sale of shoes, consisting of false and misleading statements contained in advertising matter sent to customers and prospective customers by which the respondent represents himself as a manufacturer, whereas in fact he is a dealer, and false and misleading statements concerning alleged benefits which the public might derive from trading with respondent, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 271 (Apr. 15, 1919).—Federal Trade Commission *v.* Fruit Growers Express. Charge: Tying contracts with various railroads for the use of refrigerator cars, having the effect of substantially lessening competition in the transportation of fresh fruits and vegetables and the creation of a monopoly in such transportation, such contracts containing a clause that the railroad shall use the respondent's equipment exclusively in the movement of fruits and vegetables under refrigeration, in alleged violation of section 3 of the Clayton Act.

Complaint No. 272 (Apr. 15, 1919).—Federal Trade Commission *v.* Wm. Waltke & Co. Charge: Stifling and suppressing competition in the sale of soaps and toilet sundries by fixing and maintaining resale prices, requiring dealers to retain such resale prices, and refusing to sell to those who will not retain such resale prices, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 273 (May 26, 1919).—Federal Trade Commission *v.* Pan Motor Co. and Samuel C. Pandolfo. Charge: Using unfair methods of competition, consisting in making, publishing, advertising, and circulating false and misleading statements concerning the organization, assets, progress, financial standing, and responibility of the Pan Motor Co., and concealing from the public facts relating to and affecting the organization and financial standing of said company, and making, publishing, and advertising false statements in circulars, advertisements, and other publications regarding the design, manufacture, production, and price of certain automobiles represented as being manufactured by the said Pan Motor Co., in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 274 (May 27, 1919).—Federal Trade Commission *v.* Nestle's Food Co. (Inc.). Charge: Using unfair methods of competition in connection with the sale of milk in Mexico, consisting in adopting and using upon cans of condensed milk certain forms of labels which mislead the public in Mexico to believe that such condensed milk is manufactured in Europe, whereas it is manufactured in and shipped from the United States, in alleged violation of section 5 of the Federal Trade Commission act, as extended by section 4 of the Webb Act.

Complaint No. 275 (May 27, 1919).—Federal Trade Commission *v.* Mutual Candy Co. (Inc.). Charge: Using unfair methods of competition in connection with the sale of confections and chewing gum, consisting of fixing and maintaining prices at which the confections and chewing gum manufactured by the Beech-Nut Packing Co. shall be resold by stockholders and other jobbers of respondent to retail dealers and by retail dealers to the consuming public, requiring its stockholders, jobbers ,and retail dealers to agree to maintain such resale prices, refusing to sell its products to stockholders, jobbers, or retail dealers who will not agree to maintain such resale prices, and occupying the dual rôle of selling agent for the products manufactured by the Beech-Nut Packing Co. and other chewing gum manufacturers and of purchasing agent for its stockholders although ostensibly purchasing such products from the manufacturer and reselling them to its own stockholders, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 276 (May 27, 1919).—Federal Trade Commission *v.* Jacob Lanski. Charge: Using unfair methods of competition in the purchase of scrap iron by knowingly accepting, unloading, and converting to his own use freight cars of iron and steel scrap delivered to him by railway companies, but originally purchased by and shipped to the I. Lanski & Son Scrap Iron Co., and by means of information contained in freight bills and other correspondence relating to such shipments delivered by mistake through the mails to respondent, learning the names of numerous dealers with whom the I. Lanski & Son Scrap Iron Co. were doing business, and attempting to induce such persons to transact their business with him, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 277 (May 27, 1919).—Federal Trade Commission *v.* Boston Piano & Music Co. Charge: Using unfair methods of competition in connection with the sale of talking machines by purchasing talking machines under the brand name of "Masterphone"; selling such machines by the use of a sales plan, consisting of false representations and fraudulent schemes and practices, such as providing the salesmen with what purports to be order blanks, which are in reality, when signed, binding contracts of purchase; extravagant statements regarding the quality and nature of the machine and records, the facility with which they may be disposed of, the representation that machines are sent on approval, and that respondent operates its own factory; that under respondent's plan a dealer can lose no money; that respondent will conduct an advertising campaign for the benefit of such dealers; and that the salesmen will return and lend their personal aid in a selling campaign, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 278 (May 27, 1919).—Federal Trade Commission *v.* Tokheim Oil Tank & Pump Co. Charge: Using unfair methods of competition in manufacturing and selling automatic measuring oil pumps, tanks, and kindred products, by systematically and on a large scale inducing and enticing and attempting to induce and entice employees from its competitors to leave their employers by offering them employment with respondent, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 279 (May 27, 1919).—Federal Trade Commission *v.* The Chamberlain Cartridge & Target Co. Charges: Using unfair methods of competition, consisting of refusing to lease its patented traps for throwing clay-pigeon targets to those who will not agree to use them exclusively in connection with the targets made by respondent, and canceling and threatening to cancel its leases of said traps when the lessees have attempted to use them for throwing targets manufactured by respondent's competitors, in alleged violation of section 5 of the Federal Trade Commission act; leasing traps for throwing clay-pigeon targets on the condition, agreement, or understanding that the lessees thereof shall not use in connection with said traps the goods, wares, and merchandise of a competitor, the effect of which is to substantially lessen competition or tend to create a monopoly, in alleged violation of section 3 of the Clayton Act.

Complaint No. 280 (May 27, 1919).—Federal Trade Commission *v.* The Prest-O-Lite Co. (Inc.). Charge: Selling and making contracts for sale of acetylene gas in specially constructed steel containers for which containers purchasers are required to make a deposit equal to their fair market value, and which, when empty, they have the right to return and receive in exchange therefor a recharged container upon the payment of the price of the gas, no provision being made for a refund of the cash deposit in the event that the

customer should purchase no more of respondent's gas, and also to agree not to use in connection with said containers the acetylene gas of competitors, the effect of which is to substantially lessen competition or tend to create a monopoly, in alleged violation of section 3 of the Clayton Act.

Complaint No. 281 (May 27, 1919).—Federal Trade Commission *v.* Emil West, trading as The Sweater Store. Charge: Using unfair methods of competition consisting of conducting a store for the sale of men's and women's wearing apparel and knitted goods under the name of "The Sweater Store," which name is so similar to that of a competitor as to deceive and mislead the trade and purchasing public and cause them to believe that respondent's firm, store, and business are one and the same as that of its competitor, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 282 (June 21, 1919).—Federal Trade Commission *v.* Federal Color & Chemical Co. Charge: Using unfair methods of competition in connection with the sale of dyestuff, chemicals, soap, and kindred products, viz, giving gratuities of different kinds, including sums of money, to employees of its customers, prospective customers, and customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's products and to refrain from purchasing those of competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 283 (June 23, 1919).—Federal Trade Commission *v.* Webb-Jensen-Davis Co. (Inc.). Charge: Using unfair methods of competition in connection with the sale of printing ink and kindred products, viz, giving gratuities of different kinds, including sums of money, to employees of it's customers, prospective customers, and customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's products and to refrain from purchasing those of competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 284 (June 21, 1919).—Federal Trade Commission *v.* William Mohrmann. Charge: Using unfair methods of competition in connection with the sale of chemicals, dyestuffs, textile soap, and kindred products, viz, giving gratuities of different kinds, including sums of money, to employees of his customers, prospective customers, and customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's products and to refrain from purchasing those of competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 285 (June 21, 1919).—Federal Trade Commission *v.* Original Bradford Soap Works (Inc.). Charge: Using unfair methods of competition in connection with the sale of soap and kindred products, viz, giving gratuities of different kinds, including sums of money, to employees of it's customers, prospective customers, and customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's products and to refrain from purchasing those of competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 286 (June 21, 1919).—Federal Trade Commission *v.* Harry Bentley, doing business under the name and style of The Standard Soap Co. Charge: Using unfair methods of competition in connection with the sale of soap and kindred products, viz, secretly paying money to employees of his customers, prospective customers, and customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's products and to refrain from dealing with respondent's competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 287 (June 21, 1919).—Federal Trade Commission *v.* Charles J. Fox. Charge: Using unfair methods of competition in connection with the sale of soap and kindred products, viz, secretly paying money to employees of his customers, prospective customers, and customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's products and to refrain from dealing with respondent's competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 288 (June 21, 1919).—Federal Trade Commission *v.* J. L. Quimby, doing business under the name and style of J. L. Quimby & Co. Charge: Using unfair methods of competition in connection with the sale of lubricating oil, greases, and kindred products, viz, giving gratuities of different kinds, including sums of money, to employees of his customers, prospective customers, and customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's products and

to refrain from purchasing those of competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 289 (June 21, 1919).—Federal Trade Commission *v.* Woodley Soap Manufacturing Co. Charge: Using unfair methods of competition in connection with the sale of soap and kindred products, viz, giving gratuities of different kinds to employees of its customers, prospective customers, and customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's products and to refrain from purchasing those of competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 290 (June 21, 1919).—Federal Trade Commission *v.* Enterprise Soap Works (Inc.) Charge: Using unfair methods of competition in connection with the sale of soap and kindred products, viz, giving gratuities of different kinds, including sums of money, to employees of its customers, prospective customers, and customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's products and to refrain from purchasing those of competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 291 (June 21, 1919).—Federal Trade Commission *v.* The Arabol Manufacturing Co. Charge: Using unfair methods of competition in connection with the sale of dyes, soap, glue, and kindred products, viz, giving gratuities of different kinds, including sums of money, to employees of its customers, prospective customers, and customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's products and to refrain from purchasing those of competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 292 (June 21, 1919).—Federal Trade Commission *v.* Roxbury Chemical Co. Charge: Using unfair methods of competition in connection with the sale of soap and kindred products, viz, giving gratuities of different kinds, including sums of money, to employees of its customers, prospective customers, and customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's products and to refrain from purchasing those of competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 293 (June 21, 1919).—Federal Trade Commission *v.* Non-Derrick Drilling Machine Co. (Inc.). Charge: Using unfair methods of competition in connection with the sale of its corporate stock, consisting of publishing, advertising, and circulating extravagant, false, and misleading statements, promises, and predictions concerning the business, organization, assets, capital stock, financial standing, and prospective profits of respondent, and concealing from the public material facts relating to and affecting the plans, organization, business, and capital stock of the respondent, and making, publishing, and circulating false statements regarding the existence, character, strength, efficiency, and operation of a drilling device or apparatus for the manufacture of which the respondent was ostensibly organized, and also falsely stating, representing, and advertising that it is engaged in business as a drill contractor, whereas its activities have been confined solely to the sale of its capital stock, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 294 (June 23, 1919).—Federal Trade Commission *v.* O. P. Olsen & Co. (Inc.). Charge: Using unfair methods of competition in connection with the sale of ship supplies, viz, secretly paying money to employees of its customers, prospective customers, and customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's products and to refrain from dealing with respondent's competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 295 (June 23, 1919).—Federal Trade Commission *v.* Bosson & Lane. Charge: Using unfair methods of competition in connection with the sale of dyes, soaps, and kindred products, viz, giving gratuities of different kinds, including sums of money, to employees of its customers, prospective customers, and customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's products and to refrain from purchasing those of competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 296 (June 23, 1919).—Federal Trade Commission *v.* Dobbins Soap Manufacturing Co. Charge: Using unfair methods of competition in

connection with the sale of soap and kindred products, viz, giving gratuities of different kinds to employees of its customers, prospective customers, and customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's products and to refrain from purchasing those of competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 297 (June 23, 1919).—Federal Trade Commission *v.* India Alkali Works. Charge: Using unfair methods of competition in connection with the sale of savogram, washing powders, and kindred products, viz, giving gratuities of different kinds to employees of its customers, prospective customers, and customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's products and to refrain from purchasing those of competitors, in alleged violation of section 5 of the Federal Trade Commission act .

Complaint No. 298 (June 23, 1919).—Federal Trade Commission *v.* National Oil Products Co. Charge: Using unfair methods of competition in connection with the sale of oil, soap, and grease products, viz, giving gratuities of different kinds to employees of its customers, prospective customers, and customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's products and to refrain from purchasing those of competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 299 (June 23, 1919).—Federal Trade Commission *v.* U. S. Oil & Supply Co. Charge: Using unfair methods of competition in connection with the sale of oil, soap, and mill supplies, viz, giving gratuities of different kinds to employees of its customers, prospective customers, and customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's products and to refrain from purchasing those of competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 300 (June 23, 1919).—Federal Trade Commission *v.* Robert Cohn and Adolph Cohn, doing business under the name and style of Lois Cohn & Sons. Charge: Using unfair methods of competition in connection with the sale of ship supplies, viz, secretly paying money to employees of their customers, prospective customers, and customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's products and to refrain from dealing with respondent's competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 301 (June 23, 1919).—Federal Trade Commission *v.* Arne Meyer, doing business under the name and style of Marine Supply Co. Charge: Using unfair methods of competition in connection with the sale of lifeboats, motor boats, gas engines, machinery, and other ship supplies, viz, giving gratuities of different kinds, including sums of money, to employees of his customers, prospective customers, and customers and prospective customers of competitors as an inducement to influence their employers to purchase respondent's products and to refrain from purchasing those of competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 302 (June 21, 1919).—Federal Trade Commission *v.* North American Construction Co. Charge: The use by respondent, which is a mail-order house engaged in the sale of lumber and building materials, of unfair methods of competition, consisting of advertising matter and circular letters containing false statements derogatory of so-called "regular dealers" in lumber, and false and misleading statements concerning the alleged benefits which the public might derive from trading with respondent, in alleged violation of section 5 of the Federal Trade Commission act.

Complaint No. 303 (June 26, 1919).—Federal Trade Commission *v.* Utah-Idaho Sugar Co., Amalgamated Sugar Co., E. R. Wooley, A. P. Cooper, and E. F. Cullen. Charge: Using unfair methods of competition in connection with the manufacture and sale of beet sugar, consisting in the circulation of false and misleading reports concerning the business methods and financial standing of competitors and the inability of competitors to produce sugar, due to the alleged fact that all the producing territory is controlled by respondent; making long-term contracts with growers in territories where competitors were intending to erect factories; causing railroads to delay building tracks and other facilities for competitors and causing banks to withhold credit; spying upon the private and business affairs of competitors; establishing factories and buying

up supplies in territories about to be occupied by competitors; preventing manufacturers of machinery from supplying competitors; secretly paying others to institute litigation against competitors and furnishing money to secret agents for the purpose of acquiring the controlling interest in the business of competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Table Showing Receipt and Disposition of Applications for Complaints, and Formal Complaints, by Months, Fiscal Year Ended June 30, 1919.

During the fiscal year covered by this table, more applications for complaints were filed with the Commission than during any two previous fiscal years combined. Furthermore, the percentage of those disposed of without publicity was greater than for the five-year period ended June 30, 1919.

The discrepancies in this and the five-year table between the number of applications going to formal complaints, and the number of the latter issued, are due, on the one hand, to the consolidation of applications against similar respondents, and, on the other, to the fact that some applications have several respondents who have been proceeded against individually.

Table showing receipt and disposition of applications for complaints and formal complaints, by months, fiscal year ended June 30, 1919.

Month.	Applications for complaints.				Formal complaints.				
	Number received.	Disposed of.		In process of investigation.	Issued.	Pending.	Total disposed of.	Method of disposition.	
		Dismissed without publicity.	To formal complaints.					Dismissed.	Orders to cease and desist.
1918.									
July	33	10	9	14	16	−1	17	5	12
August	39	48	8	−17	4	.....	4	.....	4
September	35	28	7	.....	5	2	3	1	2
October	29	40	15	−26	22	9	13	1	12
November	20	26	17	−23	5	3	2	.....	2
December	22	25	10	−13	11	8	3	.....	3
1919.									
January	44	18	8	18	13	12	1	.....	1
February	38	15	12	11	10	2	8	2	6
March	34	19	9	6	13	6	7	2	5
April	73	27	7	39	5	−6	11	2	9
May	83	26	29	28	9	−6	15	.....	15
June	85	19	40	26	22	18	4	.....	4
Total	535	301	171	63	135	47	88	13	75

TABLE SHOWING RECEIPT AND DISPOSITION OF APPLICATIONS FOR COMPLAINTS, AND FORMAL COMPLAINTS, CUMULATIVELY, BY FISCAL YEARS, FROM ORGANIZATION OF THE COMMISSION TO JUNE 30, 1919.

It will be noted that in spite of the progressively rapid increase in the number of applications for complaints filed with the Commission, more than one-half were disposed of without publicity being given to either the parties filing applications or those complained against, the preliminary investigations having failed to disclose prima facie cases of unfair competition.

Other significant features are the comparatively large number of orders to cease and desist issued with the consent of the respondents and without trial and the insignificant number of those availing themselves of their privilege of appeal to the Circuit Court of Appeals.

Table showing receipt and disposition of applications for complaints, and formal complaints, cumulatively, by fiscal years, from organization of the commission to June 30, 1919.

Period covered.	Applications for complaints.				Formal complaints.						
	Number received.	Disposed of.		In process of investigation.	Issued.	Pending.	Total disposed of.	Method of disposition.			Circuit Court of Appeals.
		Dismissed without publicity.	To formal complaints.					Dismissed.	Orders to cease and desist.		
									Consent.	Trial.	
Organization (Mar. 16, 1915) and prior thereto to June 30, 1915	112	8	.....	104	.....	.....	.....	.....	.....	.....	.....
Status July 1, 1915	112	8	.....	104	.....	.....	.....	.....	.....	.....	.....
From July 1, 1915, to June 30, 1916	134	105	3	26	5	5	.....	.....	.....	.....	.....
Status July 1, 1916	246	113	3	130	5	5	.....	.....	.....	.....	.....
From July 1, 1916, to June 30, 1917	153	79	24	50	9	5	4	1	2	1	.....
Status July 1, 1917	399	192	27	180	14	10	4	1	2	1	.....
From July 1, 1917, to June 30, 1918	332	160	85	87	154	76	78	7	67	4	.....
Status July 1, 1918	731	352	112	267	168	86	82	8	69	5	.....
From July 1, 1918, to June 30, 1919	535	301	171	63	135	47	88	13	58	17	4
Status July 1, 1919	1,266	653	283	330	303	133	170	21	127	22	4

EXPORT TRADE DIVISION.

American business has lifted its eyes from our shores and is today projecting its vision to the uttermost parts of the world. It is only within the last 20 years that our business consciousness has been transposed from the national to the international viewpoint. The Spanish War gave us possession of the Philippines and launched us in foreign trade, which expanded steadily. The World War thrust upon us the gigantic task of supplying the world. In 1918 there crystallized in Congress a desire to put American commerce upon a basis where it could better compete with that of foreign countries. This resulted in the passage of an act to promote export trade, known as the Webb-Pomerene law, approved April 10, 1918, which authorizes the formation of export associations to be composed of two or more persons, partnerships, or corporations for the sole purpose of engaging in export trade or commerce. The passage of the act was a signal for an outburst of fear and criticism in some of the foreign countries, where it was imagined that this country with its tremendous power would absorb the business of the world through legalized combinations. The international press was generally hostile, and in the respective countries manufacturers were urged to combine to meet "the invasion" of these American business combinations formed under the Webb-Pomerene law. The press of Denmark, the Argentine, and, in some instances, Great Britain and her colonies believed their respective countries were about to be exploited.

The Melbourne Age of April 26, 1919, says editorially, "If Australian manufacturers, now engaged in cutting one another's throats—in a strictly commercial sense—on the foreign market, were to link arms in brotherly pursuit of the common objective of exploiting the foreign market, they would, it is contended, receive not only higher prices for their goods, but would sell more of them. This, in short, is the 'Webb Act' of the United States of America, which is designed to encourage for foreign operation the precise form of cooperation and organization that is condemned for home use." Undoubtedly the reason for the fear and hostility toward the Webb-Pomerene law was due, in part, to a cursory reading of the act or perhaps only cabled excerpts. When it was discovered that the Federal Trade Commission was given the authority to apply the power already granted under its organic act and other legislation to issue orders against unfair competition among the American exporters (and to follow through to culmination the transactions of American exporters) in their relation to each other in foreign countries, this fear and hostility was arrested. This was due, no doubt, to the fact that the foreign trade journals, the press, and Govern-

ment officials have followed very closely the decisions of the Federal Trade Commission and are conversant with its attitude toward unfair competition.

Presently a sympathetic attitude began to set in, and it became recognized that the Webb-Pomerene law might prove a beneficial factor in the development of international trade. Mr. F. W. Field, British Trade Commissioner at Toronto, comments as follows on the act in a recent official report to his Government:

> The approval of the export trade associations act (Webb Act) in April, 1918, in the United States attracted considerable attention on the part of Ontario manufacturers. This act, as is generally known, assures to United States exporters those privileges of cooperation and combination long enjoyed by certain of their competitors, but which had been prohibited to Americans under the general interpretation of the antitrust laws of the United States. Naturally, the Ontario manufacturer is watching developments under this act so far as they relate to this country. The act has not been in operation sufficiently long for its results to be judged so far as this area is concerned. In addition, the prevalence of war conditions temporarily nullified its benefits to a considerable extent. The general view is that in due course it will prove a factor in increasing the trade of the United States with this market.

The Canadian Deputy Minister of Trade and Commerce, in discussing the advantages derived from centralization and the Webb-Pomerene Act, in the twenty-seventh annual report of the Department of Trade and Commerce of Canada, for the fiscal year ending March 31, 1919, states that in presenting the annual report of the Department of Trade and Commerce last year he "laid considerable stress upon the opinion that it was imperative that the various industries in Canada should organize upon such basis as would permit of effort in the prosecution of foreign trade." He goes on to say that "events in the last few months have but tended to acentuate the importance of this suggestion," and that he is "glad to be able to report that his suggestion has been received with marked favor and has led to active measures being taken by a considerable number of Canadian industries to combine for the prosecution of foreign trade."

Machinery similar to that provided for in the Webb-Pomerene law has been proposed in Great Britain by the committee on commercial and industrial policy after the war, in its final report issued in 1918, as follows:

We accordingly recommend:

> (*a*) That it should be a legislative requirement that all international combinations or agreements (or combinations or agreements which are made directly or indirectly on behalf of foreign interests) to which British companies or firms are parties, made for the regulation of the prices of goods or services, or for the delimitation of markets, should be registered at the board of trade by the British persons, firms, or companies concerned, with a statement of the names of all the parties thereto and of the general nature and object of the combination or agreement, and that all modifications of such agreements and all adhesions and withdrawals should also be notified.
>
> (*b*) That it should be optional for the parties to any combination or agreement between British firms having for its object joint marketing arrangements, either in the United Kingdom or abroad, or the regulation of prices or output or the delimitation of markets, to register such combination or agreement at the Board of Trade, with a statement of the names of the parties thereto and as to its general nature and object, and that such steps as may be necessary should be taken to make any price or other marketing arrangements made by or resulting from combinations and agreements so registered enforceable at law as between parties thereto.

(*c*) That, in order that the Board of Trade may be able to keep itself fully informed as to the nature, extent, and operations of industrial combinations in the United Kingdom or of international combinations of which British firms, companies, or associations form part, that department should have power to call upon individual consolidations or combines from time to time to furnish for its confidential use such information as it may require.

More recently still, in 1919, a committee of the British Ministry of Reconstruction, under the chairmanship of the Hon. Charles A. McCurdy, M. P., after a study of the Federal Trade Commission of the United States, has recommended that a similar body be created by Parliament, in the following language:

We are unanimously of opinion that it would be desirable to institute in the United Kingdom machinery for the investigation of the operation of monopolies, trusts, and combines, similar to the commissions and other tribunals created for that purpose in the United States of America and the British Colonies above referred to. The problems to be considered, before any just conclusion can be arrived at with regard to the actual existence of abuses, if proved, are not matters on which it is possible for a committee such as this to form any final or considered judgment. But we are satisfied that trade associations and combines are rapidly increasing in this country, and may within no distant period exercise a paramount control over all important branches of the British trade. . . .

(*d*) There shall be established a tribunal, consisting of a person of legal qualifications as permanent chairman, and not less than two nor more than seven other members selected by him from time to time from a panel appointed for the purpose by the president of the Board of Trade after considering nominations made by representative trade organizations, including the Cooperative Movement and Trade Unions, which tribunal shall have power (1) on the application of the Board of Trade to make orders of the kind specified under (*c*) (1) above, and (2) on reference from the Board of Trade, to investigate the operation of any organization specified in (*a*) and for that purpose to call for all books and papers, to take evidence upon oath, and to adopt such other measures of inquiry as it may deem necessary to elicit the facts, and when it shall be proved that acts injurious to the public interest have been committed such facts as are relevant to the particular offense shall be published immediately on the conclusion of each inquiry.

This report reveals economic difficulties remarkably like those confronting our country and an equitable and broad view of the legislative mind toward trade matters. Canada has already created a trade commission and in Australia the interstate commission operates along similar lines. The thought occurs that if the business interests of the respective nations of the world are to contend in the international arena for their rightful shares of business, they must strive for the same in an harmonious atmosphere. There can be no such thing unless there are standard rules of guidance on the subject of competition adopted by the several nations and at least a potential method of enforcement of the rule.

The time seems propitious for proposing to the business interests of the world the idea that there shall be formed an international trade commission comprising representatives of the several countries composing the league of nations. The following skeleton outline is briefly sketched only as a tentative basis for launching the suggestion:

In the event that the several nations composing the league create trade commissions, and there seems to be a trend in that direction, a member or representative from each might be selected as a representative on the international body. Where an offense is alleged by business interests of one nation against those of another, the complaint would come through the trade commission of the nation whose

citizens were complaining and be lodged with the international commission. The latter body could then, in order that there might be no charge of discrimination, have the cause tried by representatives of the international body not belonging to either one of the nations at issue. The international body should adopt a rule agreeing, after investigation and hearing, to publish its findings and dismiss the complaint, if the charge was groundless, or render its verdict to the trade commission of the nation against whose citizens the verdict was rendered.

The publicity of such a proceeding should bring before the peoples of the several nations the real situation and would undoubtedly have a salutary effect in clarifying and stabilizing international and national opinions where a complaint was lodged unjustly or a wrong inflicted. In the event of the creation of such an international body, the same would only consider disputes over unfair methods of competition as between individuals or associations of different nations.

Rapid expansion of our export trade and concerted efforts of American business men to promote foreign trade reflected themselves in number as well as importance of export associations formed during the past year.

In order to handle effectively and efficiently the numerous matters of detail which arise in connection with the export-trade act (Webb-Pomerene law), a special division of the Commission, known as the Export Trade Division, has been created. Under the supervision of the Commission a staff of trained economists and lawyers attend to inquiries which come in from all parts of the country for information in connection with the act, and advise with representatives of export associations and others interested in the law. All documents required by the Webb-Pomerene law to be filed with the Commission are received, examined, and kept on file by the Export Trade Division.

Because of the dislocation of trade and industry brought about by the war, and because rapidly changing economic conditions, which are growing up constantly in foreign markets where American business relations have been established, are likely at any time to affect competitive trade conditions generally, and the interests of America's export trade and export trade associations operating under the Webb-Pomerene law in particular, the Division keeps in close touch with all the new developments in international trade, with a view to ascertaining their possible bearing on the foreign trade of the United States, in so far as matters of this kind come within the province of the Federal Trade Commission, both under the Webb-Pomerene law and the Federal Trade Commission act. The latter act provides, in section 6 (*h*) that the Commission shall have power—

> 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.

This phase of the work comprises, among other things, comparative investigations of domestic and foreign prices in connection with export associations operating under the Webb-Pomerene law; study

of unfair practices of competition in international trade; general competitive conditions in foreign markets where American business relations have been established; analysis of foreign and American legislation and judicature relating to trade combinations, cartels, syndicates, etc.; studies and reports of foreign trade policies of foreign countries; and other matters whereby our national foreign trade policy may be affected.

SUMMARY OF THE EXPORT TRADE ACT (WEBB-POMERENE) LAW.[1]

The export trade act, the purpose of which is to promote the export trade of the United States, authorizes the formation of an export "association," which may be composed of "any corporation or combination, by contract or otherwise, of two or more persons, partnerships, or corporations." Such "association," if complying with the law, is, under sections 2 and 3 of this act, exempt from the Sherman law, approved July 2, 1890, and from section 7 of the Clayton Act, approved October 15, 1914. But such arrangements or agreements must be entered into "for the sole purpose of engaging in trade or commerce only 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." Otherwise they will come within the provisions of the antitrust laws.

By the provisions of the act 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."

The "association" is also forbidden to restrain trade within the United States, to commit acts in restraint of the export trade of any domestic competitor of such "association," or, either in the United States or elsewhere, to enter into any agreement, understanding, or conspiracy to do any act which artificially enhances or depresses prices within the United States of commodities of the class exported by such association, or to substantially lessen competition within the United States or otherwise restrain trade therein.

"Associations" now, or hereafter, solely engaged in export trade are required to file certain statements with the Federal Trade Commission in the form specified by the act.

Whenever the Federal Trade Commission may have reason to believe that any unlawful act of the character above mentioned has been committed, it is given power to summon any officers of the "association," or other persons it may choose, for the purpose of conducting an investigation into the acts of the "association." If it should be found that the law has been violated, the Commission may suggest readjustment in the business of the association, so that it may be conducted in accordance with the law. If the "association" fails to comply with the recommendations of the Commission, the Commission is required to refer its findings and recommendations to the Attorney General of the United States "for such action thereon as he may deem proper."

[1] Public No. 126, 65th Congress.

Statements filed.—Section 5 of the Webb-Pomerene law provides that within 60 days after its passage every association then engaged solely in export trade shall file a verified written statement with the Commission, setting forth the location of its offices or places of business and the names and addresses of all its officers, 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. Associations entered into subsequent to the passage of the Webb-Pomerene law are required to file similar statements with the Commission within 30 days after their creation.

On January 1 of each year every association is required to file with the Commission a like statement, including all amendments to and changes in its articles or certificate of incorporation, or in its article or contract of association.

Since the enactment of the Webb-Pomerene law, up to the end of the present fiscal year, a total of 92 concerns have filed statements purporting to be under section 5 of that act. They comprise an aggregate of 840 member concerns, several of which are trade associations with a large membership of their own. Among the industries and products for export covered (raw materials as well as manufactured goods) are the following: Copper, steel, forest products, phosphate rock, magnesia, textiles, webbing materials, cement, soda pulp, office equipment, paper and stationery, meats, provisions and packing-house products, canned milk and milk products, fertilizers, tanning materials, caustic soda and soda ash, clothes pins, pine-tar products, etc. The individual member concerns are distributed throughout the United States, the various plants being located in practically every State of the Union. The associations comprise both large and small concerns. Among them are some representing a capital as small as $5,000, while others are million-dollar corporations.

During the past fiscal year papers have been filed with the Commission by the following concerns:

Adtama Trading Co., 44 Court Street, Brooklyn, N. Y.
Allied Manufacturers' Export Corporation, The, 60 South Street, Boston, Mass.
American Export Lumber Corporation, Wilmington, Del.
American Industry Supply Export Co., 149 Broadway, New York.
American Magnesia Exporters Association, 721 Bulletin Building, Philadelphia, Pa.
American Paper Exports (Inc.), 30 Broad Street, New York City.
American Pitch Pine Export Co., 7 West Tenth Street, Wilmington, Del.
American Tanning Materials Corporation, Wilmington, Del.
American Webbing Manufacturing Export Corporation, 395 Broadway, New York.
Amsinck & Co., G., of Mexico (Inc.), 120 Broadway, New York.
Australian General Electric Co., Schenectady, N. Y.
American Provisions Export Co., 316–319 Royal Insurance Building, Chicago, Ill.
American Soda Pulp Export Association, 200 Fifth Avenue, New York.
American Locomotive Sales Corporation, 30 Church Street, New York.
American Milk Products Corporation, 302 Broadway, New York.
Alexander Hinchuk Co. (Inc.), 5 Beekman Street, New York.
Compangnia General Electric Sud-Americana (Inc.), Schnectady, N. Y.
Consolidated Steel Corporation, 165 Broadway, New York.
Copper Export Association (Inc.), 60 Broadway, New York.
Cosmo Trading Co., 133 West Washington Street, Chicago, Ill.
Cement Export Co. (Inc.), 40 Wall Street, New York.

Carolina Wood Export Corporation, Wilmington, Del.
Canned Foods Export Corporation, 1739 H Street NW., Washington, D. C.
Deister Miners' Supply Co., Fort Wayne, Ind.
De Lima, Correa & Corrtissoz (Inc.), 8–10 Bridge Street, New York City.
Export Clothes-Pin Association of America (Inc.), 90 West Broadway, New York.
Franklin International Corporation, 958 Hoe Avenue, New York City.
Florida Hard Rock Phosphate Export Association, 106 East Bay Street, Savannah, Ga.
Florida Pebble-Phosphate Export Association, 99 John Street, New York City.
Companhia General Electric do Brazil (Inc.), Rotterdam, Schenectady County, N. Y.
Getz Brothers of the Orient (Ltd.) (Inc.), 530 Davis Street, San Francisco, Calif.
Harper & Co., Locke T., 220 Montgomery Street, San Francisco, Calif.
Herzberg & Son, B., 1119 Fillmore Street, San Francisco, Calif.
Levy Co. (Inc.), A. A., 43 East Nineteenth Street, New York City.
M. P. Trading Co. (Inc.), 60 Wall Street, New York City.
Markt & Schaefer Co., 193 West Street, New York City.
Maxim Munitions Corporation, 120 Broadway, New York City.
National Trading Co., 460 Montgomery Street, San Francisco, Calif.
Oceanic Trading Corporation, First National Bank Building, Pittsburgh, Pa.
Overseas Products Corporation, 67 Wall Street, New York City.
Pennsylvania Importing and Exporting Co., 1101 Commonwealth Building, Philadelphia, Pa.
Portuguese-American Trading Corporation, 120 Broadway, New York.
Pan American Exporters (Inc.), 517 Codehaux Building, New Orleans, La.
Pan American Trading Co., 45 Pearl Street, New York City.
Pearson Export Corporation, 170 Broadway, New York City.
Peck & Co., William E., 104 Pearl Street, New York City.
Phosphate Export Association, 99 John Street, New York City.
South African General Electric Co., Schenectady, N. Y.
Southern Pacific Trading Corporation, Los Angeles, Calif.
Strong & Trowbridge Co., 17 Battery Place, New York, N. Y.
Textile Alliance Export Corporation, 45 East Seventeenth Street, New York.
United States Handle Export Co., Piqua, Ohio.
United States Office Equipment Export Association, care of Globe Wernicke Co., Cincinnati, Ohio.
United States Forest Products Co., care of Corporation Trust Company of Delaware, Dover, Del.
United States Alkali Export Association (Inc.), 171 Madison Avenue, New York, N. Y.
United States Provision Export Corporation, 175 West Jackson Boulevard, Chicago, Ill.
Walnut Export Sales Co. (Inc.), 115 Broadway, New York.
Zaldo & Martinez Co. (Inc.), 66 Beaver Street, New York.

In listing the foregoing concerns, the Commission does not indicate that they are qualified under the Webb-Pomerene law or entitled to the benefits of sections 2 and 3 of that act.

During the first few months after the enactment of the law a number of concerns apparently thought it advisable to file statements to avoid any question as to the penalty imposed by section 5 for failure to do so. In several other cases it appears that papers were filed without a careful consideration of the Webb-Pomerene law, particularly the provisions of sections 2, 3, and 5, which require that associations, in order to qualify under the act, be entered into for the sole purpose of engaging in export trade and that they be engaged solely and actually in "export trade," as that term is defined in section 1 of the act.

However, a closer study of the provisions of the act is reflected in the statements filed with the Commission during the past fiscal year.

Forms for reports from export associations.—For the convenience of those who desire to file the statements required by section 5 of the act, the following printed forms have been prepared, which are available upon application, viz., (1) first report from export associations (due within 30 days after creation), and (2) report from export associations (due Jan. 1 of each year.) (See Exhibits 6 and 7.)

Enforcement of the Webb-Pomerene law.—The Webb-Pomerene law itself charges the Federal Trade Commission with the enforcement of its salient provisions. Under section 5, associations shall furnish to the Commission such information as it may require as to their organization, business, conduct, practices, management, and relation to other associations, corporations, partnerships, and individuals. The Commission is authorized also to make recommendations as to how export associations may maintain their organization and management and conduct their business in accordance with law.

Should it become necessary for an export association or for others engaged in the export trade to seek the enforcement of the Commission's power to prevent unfair methods of competition under section 4 of the Webb-Pomerene law, the rules of practice do not require formalities in the filing of information or the lodging of complaints, but it is worth remembering that the fuller and more exact the information and references as to proof thereof the speedier the results before the Commission. This is especially true where the charges come from foreign countries, where the time necessary for transmission might render the case academic through the sheer lapse of time. Where the allegations come from abroad, the procedure of the Commission can be more quickly set in motion if the papers are in such condition as to give the Commission "reason to believe" that the alleged facts exist. Copies of letters, advertisements, exhibits, and affidavits are extremely helpful, as also the names of witnesses and sources of information, both in this country and abroad.

On May 27, 1919, the Commission issued its first formal complaint (Complaint No. 274) under section 4 of the act against an American manufacturer for unfair methods of competition in export trade in connection with the exportation of condensed milk to Mexico. (See list of proceedings instituted since July 1, 1918, p. 67.)

In order to meet the numerous requests from manufacturers, exporters, lawyers, and business men generally for information of a general nature, as well as concerning the practice and procedure under the Webb-Pomerene law, the Commission issued a pamphlet entitled "Discussion of and Practice and Procedure under the Export Trade Act (Webb-Pomerene law), 1919." This publication, forming Foreign Trade Series No. 1, contains:

1. Practice and procedure.
2. Discussion of the export trade act.
3. An act to promote export trade (Webb-Pomerene law; Public 126, 65th Congress).
4. Sections 73 and 76, Wilson Tariff Act (approved Aug. 27, 1894; amended and approved Feb. 12, 1913).
5. Section 6 (*h*) Federal Trade Commission act (foreign investigations).

Copies of this pamphlet may be had on application to the Federal Trade Commission, Washington, D. C., and marked "Export Division."

JUNE 28, 1919.

ENEMY TRADE DIVISION.

By virtue of the authority vested in it by the act of October 6, 1917, known as the "trading with the enemy act," and the Executive order of October 12, 1917, the Commission during the fiscal year ending June 30, 1919, received and considered 97 applications for license under enemy owned or controlled patents. Thirty-five licenses were issued, while 26 applications remained pending at the close of the year. Twenty-four applications were denied, three returned as not falling within the purview of the "enemy trade act," and two were withdrawn.

In some instances several patents were included in a single license or added to a license previously issued, which will explain the apparent discrepancy between the number of applications received and the number accounted for. Licenses granted were all nonexclusive in character and covered a wide range of subjects, including dyes, drugs, chemicals, machinery, and apparatus of various sorts.

In addition to four licenses previously granted for the manufacture of arsphenamine (or 606), two additional licenses were issued during the fiscal year, one to the Division of Laboratories and Research of the New York State Department of Health and the other to the Massachusetts State Department of Health, such licenses being issued for the purpose of furnishing free for the clinics and institutions of the States named the necessary quantities of this vital drug. The license issued to the Massachusetts State Department of Health also authorized the distribution at actual cost to the boards or departments of health of Maine, New Hampshire, Vermont, Rhode Island, and Connecticut such amounts of arsphenamine as were required for use in the institutions of their respective States and the official clinics established for the treatment of syphilis in accordance with the cooperative plan for venereal disease control entered into by the United States Public Health Service and the various State boards or departments of health. From every lot of arsphenamine which is produced a specimen must be submitted to the Public Health Service, by whom it must be approved before such lot is released for sale or use. In this way the purity of the drug is maintained at the standard set by the Public Health Service.

ENEMY-OWNED TRADE-MARKS.

Since the passage of the trading with the enemy act 12 applications under enemy-owned trade-marks have been received. Of this number four received favorable action as follows:

Lehn & Fink, of New York City, were licensed to use the trade-mark "Pebeco" for tooth paste; the Anchor Packing Co., of Philadelphia, Pa., was licensed under the trade-mark "Tauril" for packing. The Draeger Oxygen Apparatus Co., of Wilkensburg, Pa., was granted license to use the trade-mark "Pulmotor" in connection

with life-saving apparatus, for which certain patent licenses were also granted them, and the Abbott Laboratories, of Chicago, Ill., were licensed in connection with certain patent licenses to use the trade-mark "Veronal" in placing on the market the product introduced as "Barbital." The eight remaining applications were denied.

In this connection, subsequent to the issue of license to Lehn & Fink under the trade-mark "Pebeco," this trade-mark was seized by the Alien Property Custodian and sold to Lehn & Fink for a consideration of $1,000,000.

ENEMY-CONTROLLED COPYRIGHTS.

During the fiscal year two applications only under enemy-controlled copyrights were received, one from the John Crerar Library, of Chicago, Ill., covering (an important) technical work entitled "Die Organischen Geschmacksstoffe," and the other from Joseph W. Herbert, of Palisade, N. J., covering the drama, "Der Seerauber." License was issued under each of these applications.

On April 10, 1919, the Alien Property Custodian, by virtue of the authority vested in him, seized a large number of important patents, approximately 4,500, covering the classes of dyes, drugs, and chemicals, which patents he turned over to the corporation known as the Chemical Foundation (Inc.). This list of patents embraced a large number under which the Federal Trade Commission had previously granted licenses, and while the licenses theretofore granted were not affected the jurisdiction of the Commission to issue additional licenses under such patents ceased at the date the Alien Property Custodian made demand and seizure, they being then no longer "enemy-owned" within the meaning of the act. This fact, together with the signing of the armistice, with prospective ratification of the treaty of peace (which would automatically terminate the authority of the Commission to issue licenses under the terms of the enemy-trade act), doubtless explains the decreasing volume of applications received for the fiscal year.

As stated, the seizure of the patents by the Alien Property Custodian and the subsequent transfer to the Chemical Foundation does not affect the licenses issued by the Commission prior to the date of seizure, as all patents so seized and transferred to American owners were seized and transferred subject to any licenses granted prior thereto. With a single exception, the licenses granted by the Commission during the year are all still effective, the exception being in the case of the Pfanstiehl Co., licensed under pyrophoric alloy. Surrender in this case was tendered by reason of the patent having been sold by the Alien Property Custodian to another licensee of the Commission, who is satisfactorily supplying the market demand.

The Executive order of April 11, 1918, revoked the authority of this Commission to issue licenses to file or prosecute or to pay taxes concerning patents and trade-marks in enemy countries. The Executive order referred to remains in full force and effect, and hence during the fiscal year no licenses were issued by the Commission to file or prosecute or to pay taxes or annuities concerning patents and trade-marks in enemy countries.

ORDERS OF SECRECY REGARDING INVENTIONS.

Section 10 (*i*) of the "trading with the enemy act" authorized the President, who delegated his power to the Federal Trade Commission, to order that an invention be kept secret and the grant of patent withheld until the end of the war whenever the publication of such invention or the grant of such patent might in his opinion be detrimental to the public safety or defense or might assist the enemy or endanger the successful prosecution of the war. Pursuant thereto approximately 1,300 orders of secrecy were issued by the Commission during the year, over 1,000 inventions being involved in such orders. Subsequent to the signing of the armistice a vacating order was issued in practically all of the cases involved, and the orders of secrecy have almost without exception been lifted.

INVESTIGATION OF ENEMY-CONTROL OF CORPORATIONS.

During the year questionnaires were sent out by the Commission to about 100 corporations for the purpose of disclosing stock ownership or control by enemies. The reports thus received were placed at the disposal of the Alien Property Custodian for whatever action might be justified by the information disclosed.

All of which is respectfully submitted.

JOHN FRANKLIN FORT,
Chairman.

VICTOR MURDOCK,
HUSTON THOMPSON,
WILLIAM B. COLVER,
Commissioners.

EXHIBIT 1.

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 date 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 the 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 Territory 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, partnership, or corporation 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, 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 the 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 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. 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 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 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, partnership, 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 subject to the act to regulate commerce, and its relation to other corporations and to individuals, associations, and 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 recommendations 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 subpœna 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 subpœnas, 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 subpœna the commission

may invoke the aid of any court of the United States in requiring the attendance and testimony of witnesses and the production 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 subpœna 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 as 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 subpœna 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 subpœna 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 subpœna 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 any 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

EXHIBIT 2.

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 therefor, or discount from, 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 may be 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 any of the provisions hereof by reason of any change 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 associations 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 shown 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 opinion 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 hearing 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 findings 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 anywise 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.

Approved, October 15, 1914.

EXHIBIT 3.

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 he 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 than 8½ 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 1½ inches wide, or they may be printed in 10 or 12 point type on good unglazed paper 8 inches wide by 10½ inches long, with inside margins not less than 1 inch wide.

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 he 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 8½ 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 1½ inches wide, or they may be printed in 10 or 12 point type on good unglazed paper 8 inches wide by 10½ 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 Subpœnas.

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.

Subpœnas 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.

Subpœnas 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.

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 commmission 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 papers 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. Depositions in Contested Proceedings.

The commission may order testimony to be taken by deposition in a contested 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 8½ 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 1½ 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.

XIII. 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.

XIV. 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 briefs 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. Fifteen 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 whihc 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 10½ inches, with inside margins not less than 1 inch wide and with double-leaded text and single-leaded citations.

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

XV. Address of the Commission.

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

EXHIBIT 5.

EXTRACTS FROM THE TRADING WITH THE ENEMY ACT AND EXECUTIVE ORDER OF OCTOBER 12, 1917.

The act of Congress approved October 6, 1917, known as the trading with the enemy act, contains the following provisions:

SEC. 10.

* * * * * * *

(*b*) Any citizen of the United States, or any corporation organized within the United States, may, when duly authorized by the President, pay to an enemy or ally of enemy any tax, annuity, or fee which may be required by the laws of such enemy or ally of enemy nation in relation to patents and trade-marks, prints, labels, and copyrights; and any such citizen or corporation may file and prosecute an application for letters patent or for registration of trade-mark, print, label, or copyright in the country of an enemy, or of an ally of enemy, after first submitting such application to the President and receiving license so to file and prosecute, and to pay the fees required by law and customary agents' fees, the maximum amount of which in each case shall be subject to the control of the President.

(*c*) Any citizen of the United States or any corporation organized within the United States desiring to manufacture, or cause to be manufactured, a machine, manufacture, composition of matter, or design, or to carry on, or to use any trade-mark, print, label, or cause to be carried on a process under any patent or copyrighted matter owned or controlled by an enemy or ally of enemy at any time during the existence of a state of war may apply to the President for a license; and the President is hereby authorized to grant such a license, nonexclusive or exclusive, as he shall deem best, provided he shall be of the opinion that such grant is for the public welfare, and that the applicant is able and intends in good faith to manufacture, or cause to be manufactured, the machine, manufacture, composition of matter, or design, or to carry on, or cause to be carried on, the process, or to use the trade-mark, print, label, or copyrighted matter. The President may prescribe the conditions of this license, including the fixing of prices of articles and products necessary to the health of the military and naval forces of the United States or the successful prosecution of the war, and the rules and regulations under which such license may be granted, and the fee which shall be charged therefor, not exceeding $100, and not exceeding one per centum of the fund deposited as hereinafter provided. Such license shall be a complete defense to any suit at law or in equity instituted by the enemy or ally of enemy owners of the letters patent, trade-mark, print, label, or copyright, or otherwise, against the licensee for infringement or for damages, royalty, or other money award on account of anything done by the licensee under such license, except as provided in subsection (*f*) hereof.

(*d*) The licensee shall file with the President a full statement of the extent of the use and enjoyment of the license, and of the prices received in such form and at such stated periods (at least annually) as the President may prescribe; and the licensee shall pay at such times as may be required to the alien property custodian not to exceed five per centum of the gross sums received by the licensee from the sale of said inventions or use of the trade-mark, print, label, or copyrighted matter or, if the President shall so order, five per centum of the value of the use of such inventions, trade-marks, prints, labels, or copyrighted matter to the licensee as established by the President; and sums so paid shall be deposited by said alien property custodian forthwith in the Treasury of the United States as a trust fund for the said licensee and for the owner of the said patent, trade-mark, print, label, or copyright registration as hereinafter provided, to be paid from the Treasury upon order of the court, as provided in sub-

division (*f*) of this section, or upon the direction of the alien property custodian.

(*e*) Unless surrendered or terminated as provided in this act, any license granted hereunder shall continue during the term fixed in the license or in the absence of any such limitation during the term of the patent, trade-mark, print, label, or copyright registration under which it is granted. Upon violation by the licensee of any of the provisions of this act, or of the conditions of the license, the President may, after due notice and hearing, cancel any license granted by him.

(*f*) The owner of any patent, trade-mark, print, label, or copyright under which a license is granted hereunder may, after the end of the war and until the expiration of one year thereafter, file a bill in equity against the licensee in the district court of the United States for the district in which the said licensee resides, or, if a corporation, in which it has its prncipal place of business (to which suit the Treasurer of the United States shall be made a party), for recovery from the said licensee for all use and enjoyment of the said patented invention, trade-mark, print, label, or copyrighted matter: *Provided, however,* That whenever suit is brought, as above, notice shall be filed with the alien property custodian within thirty days after date of entry of suit: *Provided further,* That the licensee may make any and all defenses which would be available were no license granted. The court on due proceedings had may adjudge and decree to the said owner payment of a reasonable royalty. The amount of said judgment and decree, when final, shall be paid on order of the court to the owner of the patent from the fund deposited by the licensee, so far as such deposit will satisfy said judgment and decree; and the said payment shall be in full or partial satisfaction of said judgment and decree, as the facts may appear; and if, after payment of all such judgments and decrees, there shall remain any balance of said deposit, such balance shall be repaid to the licensee on order of the alien property custodian. If no suit is brought within one year after the end of the war, or no notice is filed as above required, then the licensee shall not be liable to make any further deposits, and all funds deposited by him shall be repaid to him on order of the alien property custodian. Upon entry of suit and notice filed as above required, or upon repayment of funds as above provided, the liability of the licensee to make further reports to the President shall cease.

If suit is brought as above provided, the court may, at any time, terminate the license, and may, in such event, issue an injunction to restrain the licensee from infringement thereafter, or the court, in case the licensee, prior to suit, shall have made investment of capital based on possession of the license, may continue the license for such period and upon such terms and with such royalties as it shall find to be just and reasonable.

(*g*) Any enemy, or ally of enemy, may institute and prosecute suits in equity against any person other than a licensee under this act to enjoin infringement of letters patent, trade-mark, print, label, and copyrights in the United States owned or controlled by said enemy or ally of enemy in the same manner and to the extent that he would be entitled so to do if the United States was not at war: *Provided,* That no final judgment or decree shall be entered in favor of such enemy or ally of enemy by any court except after thirty days' notice to the alien property custodian. Such notice shall be in writing and shall be served in the same manner as civil process of Federal courts.

(*h*) All powers of attorney heretofore or hereafter granted by an enemy or ally of enemy to any person within the United States, in so far as they may be requisite to the performance of acts authorized in subsections (*a*) and (*g*) of this section, shall be valid.

(*i*) Whenever the publication of an invention by the granting of a patent may, in the opinion of the President, be detrimental to the public safety or defense, or may assist the enemy or endanger the successful prosecution of the war, he may order that the invention be kept secret and withhold the grant of a patent until the end of the war: *Provided,* That the invention disclosed in the application for said patent may be held abandoned upon it being established before or by the Commissioner of Patents that, in violation of said order, said invention has been published or that an application for a patent therefor has been filed in any other country, by the inventor or his assigns or legal representatives, without the consent or approval of the commissioner or under a license of the President.

When an applicant whose patent is withheld as herein provided, and who faithfully obeys the order of the President above referred to shall tender his

invention to the Government of the United States for its use, he shall, if he ultimately receives a patent, have the right to sue for compensation in the Court of Claims, such right to compensation to begin from the date of the use of the invention by the Government.

By the Executive order of October 12, 1917, the power and authority to administer the above sections was vested in the Federal Trade Commission, as follows:

XVII. I further hereby vest in the Federal Trade Commission the power and authority to issue licenses under such terms and conditions as are not inconsistent with law or to withhold or refuse the same, to any citizen of the United States or any corporation organized within the United States to file and prosecute applications in the country of an enemy or ally of enemy for letters patent or for registration of trade-mark, print, label, or copyright, and to pay the fees required by law and the customary agents' fees, the maximum amount of which in each case shall be subject to the control of such commission; or to pay to any enemy or ally of enemy any tax, annuity, or fee which may be required by the laws of such enemy or ally of enemy nation in relation to patents, trade-marks, prints, labels, and copyrights.

XVIII. I hereby vest in the Federal Trade Commission the power and authority to issue, pursuant to the provisions of section 10 (c) of the trading-with-the-enemy act, upon such terms and conditions as are not inconsistent with law, or to withhold or refuse a license to any citizen of the United States, or any corporation organized within the United States, to manufacture or cause to be manufactured a machine, manufacture, composition of matter, or design, or to carry on or cause to be carried on a process under any patent, or to use any trade-mark, print, label, or copyright matter owned or controlled by an enemy or ally of enemy, at any time during the present war; and also to fix the prices of articles and products manufactured under such licenses necessary to the health of the military and the naval forces of the United States, or the successful prosecution of the war; and to prescribe the fee which may be charged for such license, not exceeding $100 and not exceeding 1 per cent of the fund deposited by the licensee with the alien property custodian as provided by law.

XIX. I hereby further vest in the said Federal Trade Commission the executive administration of the provisions of section 10 (d) of the trading-with-the-enemy act, the power and authority to prescribe the form of, and time and manner of filing statements of the extent of the use and enjoyment of the license and of the prices received and the times at which the licensee shall make payments to the alien property custodian, and the amounts of said payments, in accordance with the trading-with-the-enemy act.

XX. I further hereby vest in the Federal Trade Commission the power and authority, whenever in its opinion the publication of an invention or the granting of a patent may be detrimental to the public safety or defense, or may assist the enemy, or endanger the successful prosecution of the war, to order that the invention be kept secret and the grant of letters patent withheld until the end of the war.

XXI. The said Federal Trade Commission is hereby authorized to take all such measures as may be necessary or expedient to administer the powers hereby conferred.

By the Executive order of April 11, 1918, the power and authority vested in the Federal Trade Commission under section 10(*b*) of the Trading with the Enemy Act and Section XVII of the Executive order of October 12, 1917, was revoked, as follows:

I hereby revoke the power and authority vested in the Federal Trade Commission by section XVII of the Executive order of October 12, 1917, to issue licenses to any citizens of the Unitd States or any corporation organized within the United States, to file or prosecute applications in the country of an enemy or ally of enemy for letters patent or for registration of trade-mark, print, label, or copyright, and to pay any fees or agents' fees in connection therewith, or to pay to any enemy or ally of enemy any tax, annuity, or fee in relation to patents, trade-marks, prints, labels, and copyrights, and no such license shall be granted until further order.

APPLICATIONS FOR LICENSES UNDER PATENTS AND COPYRIGHTS OWNED OR CONTROLLED BY AN ENEMY OR ALLY OF AN ENEMY.

Applicants for a license under patents or copyrights owned or controlled by an enemy or an ally of an enemy are required to file a verified statement with the Federal Trade Commission in concise and nontechnical language, covering the following points, stating in each instance the facts upon which any conclusion may be based:

(*a*) If an individual, that he is a citizen of the United States. If a corporation, that it is organized within the United States.

(*b*) That the patent or copyright desired to be licensed is owned or controlled by an enemy or an ally of an enemy. (For definitions of "enemy" and "ally of an enemy" see footnote.)

If it is claimed that the patent or copyright is controlled by an enemy or ally of an enemy, the nature and origin of the control should be plainly stated, whether by contract, agency, stock ownership, or otherwise.

(*c*) There shall be attached to the application a Patent Office copy of the patent and a certified abstract of title to it, or a specimen of the copyrighted article and a certified copy of the copyright entries and, in the case of a patent, of a certified copy of the petition and all powers of attorney in the file of the application.

DEFINITIONS OF "ENEMY" AND "ALLY OF ENEMY" IN THE TRADING WITH THE ENEMY ACT.

SEC. 2. That the word "enemy," as used herein, shall be deemed to mean, for the purpose of such trading and of this act—

(*a*) Any individual, partnership, or other body of individuals, of any nationality, resident within the territory (including that occupied by the military and naval forces) of any nation with which the United States is at war, or resident outside the United States and doing business within such territory, and any corporation incorporated within such territory of any nation with which the United States is at war or incorporated within any country other than the United States and doing business within such territory.

(*b*) The government of any nation with which the United States is at war, or any political or municipal subdivision thereof, or any officer, official, agent, or agency thereof.

(*c*) Such other individuals, or body or class of individuals, as may be natives, citizens, or subjects of any nation with which the United States is at war, other than citizens of the United States, wherever resident or wherever doing business, as the President, if he shall find the safety of the United States or the successful prosecution of the war shall so require, may, by proclamation, include within the term "enemy."

The words "ally of enemy," as used herein, shall be deemed to mean—

(*a*) Any individual, partnership, or other body of individuals, of any nationality, resident within the territory (including that occupied by the military and naval forces) of any nation which is an ally of a nation with which the United States is at war, or resident outside the United States and doing business within such territory, and any corporation incorporated within such territory of such ally nation, or incorporated within any country other than the United States and doing business within such territory.

(*b*) The government of any nation which is an ally of a nation with which the United States is at war, or any political or municipal subdivisions of such ally nation, or any officer, official, agent, or agency thereof.

(*c*) Such other individuals, or body or class of individuals as may be natives, citizens, or subjects of any nation which is an ally of a nation with which the United States is at war, other than citizens of the United States, wherever resident or wherever doing business, as the President, if he shall find the safety of the United States or the successful prosecution of the war shall so require, may, by proclamation, include within the term "ally of enemy."

(*d*) That licensing the applicant is for the public welfare. Specifically, that there is a demand for the patented or copyrighted article or the product of the patented process which is not being met.

(*e*) That the applicant is able to make or cause to be made the patented or copyrighted article or exercise the patented process. Specifically, that the applicant is technically and otherwise equipped to undertake or procure the manufacture or operate the process and is in fact able to do so.

(*f*) That the applicant intends to do so in good faith.

(*g*) The application must be verified by the person applying for the license, and in the case of a corporation by an officer thereof acquainted with the facts recited.

Each application shall be accompanied with a remittance of one hundred dollars.

A suggested form of application is appended.

A separate application is required for each patent or copyright.

The application should be prepared in duplicate and, for convenience in filing, on good unglazed paper 8 inches by 10½ inches, directed to the Federal Trade Commission, Patent, Trade-mark, and Copyright Division, and may be transmitted by mail or delivered personally. Personal attendance at the outset is not necessary. If any hearings are desired, notice of them will be given.

In every case where practicable, notice of applications for license will be given to the attorney of the patentee or copyright proprietor whose name appears in the file of the application in the Patent Office or the office of the Register of Copyrights.

The burden of establishing affirmatively the facts upon which, under the terms of the act, licenses may be granted is placed upon the applicant for license.

THE TERMS OF THE LICENSE.

The act provides and the Executive Order vests in the Federal Trade Commission the duty of prescribing the conditions of the license.

The form of licenses proposed to be issued is appended.

Only nonexclusive licenses will be issued unless the public interest shall otherwise require.

DURATION OF LICENSE.

The act provides (sec. 10 [*e*]) that licenses shall continue during the terms fixed in the license, or, in the absence of any such limitation during the term of the patent * * * or copyright registration under which it is granted, and that upon violation by the licensee of any of the provisions of the act, or of the conditions of the license, after due notice and hearing, the license may be canceled.

LICENSES UNDER TRADE-MARKS, PRINTS, AND LABELS OWNED OR CONTROLLED BY AN ENEMY OR ALLY OF AN ENEMY.

Licenses for the use of trade-marks, prints, and labels will be granted only under exceptional circumstances. Applications for licenses under the following conditions will be entertained:

(1) Where the alleged trade-mark is the name of a patented or copyrighted article and a license is granted under the patent or copyright.

(2) Where the alleged trade-mark is the name of an article manufactured under an expired patent or copyright.

THE LICENSE FEE.

The act provides that the license fee shall not exceed $100, and not exceeding 1 per cent of the sum deposited with the alien property custodian. This fund is an amount not to exceed (*a*) 5 per cent of the gross sums received by the licensee from the sale of the licensed subject matter, or (*b*) 5 per cent of the value of the use of the licensed subject matter as established by the Federal Trade Commission.

ACCOUNTING AND PAYMENT TO THE ALIEN PROPERTY CUSTODIAN.

The licensee shall file with the Federal Trade Commission, semiannually on January 1 and July 1 of each year and oftener if required, a full statement of the extent of the use and enjoyment of the license, and of the prices received from the sale or use of the subject matter of it, and within 30 days thereafter the licensee shall pay to the alien property custodian not to exceed 5 per cent of the gross sums received from the sale of the licensed subject matter, or if the Federal Trade Commission so order not to exceed 5 per cent of the value of the use of the licensed subject matter as established by the Federal Trade Commission.

FORM OF LICENSE UNDER PATENT.

Patent licenses issued by the Federal Trade Commission under the provisions of the "Trading with the enemy act" will be in substantially the following form:

Patent No. _____, dated _____, to _____ _____, for _____.

The Federal Trade Commission, under the authority of and in conformity with the "Trading with the enemy act," and of the Executive order of October 12, 1917, hereby licenses _____ to make, use, and vend within the United States the invention described in United States letters patent to _____ No. _____, dated _____ (copy annexed hereto), for the period of _____ unless sooner terminated.

The licensee during the continuance of this license shall pay to the alien property custodian, semiannually, within 30 days after the 1st day of January and the 1st day of July, respectively, of each year, a royalty at the rate of _____ per cent of the gross sums received by the licensee from the sale of the invention so herein licensed (or _____ per cent of the value of the use thereof to the licensee as established by the Federal Trade Commission).

The licensee shall, during the continuance of this license, keep proper accounts and separate books containing full particulars of:

(*a*) All articles made and sold under this license and of the prices charged and amounts received therefor;

(*b*) All items of cost incurred in the use of such invention and the manufacture and sale of articles made thereunder; and

(*c*) All other matters and things which in the opinion of the Federal Trade Commission may be material for the purpose of showing the amounts from time to time payable by the licensee concerning such royalty and what is a fair and reasonable price to the public for such article.

The licensee shall, within 10 days after each of the semiannual days aforesaid, deliver a sworn statement to the Federal Trade Commission in writing showing the aforesaid particulars.

The licensee shall, during the continuance of this license, give all such information as the Federal Trade Commission may consider to be material for the purpose of ascertaining the amount of royalty payable by the licensee under this license, the cost of the use of such invention, the cost of producing and the price or prices charged by the licensee for the said article, and for that purpose shall, if requested by the Federal Trade Commission, permit such person or persons as shall be authorized in that behalf by the Federal Trade Commission at any time or times to enter upon and inspect any factory or place of business of the licensee in which the use of the said invention or the manufacture of the said article shall be carried on and all books, papers, and documents of such licensee relating to such use, manufacture, and sale.

If any payment under this license shall not be made within one month after the same shall have become due under the provisions herein contained (whether demand therefor shall have been made or not), or if the licensee shall, or shall attempt to, assign or part with the benefit of or grant any sublicense under this license, or shall make default in the performance or observance of any obligation on his part herein contained, or shall have violated any of the conditions of this license or any of the provisions of the statute under which it is granted, and if, after 10 days' notice in writing, shall have failed to comply with the aforesaid then the Federal Trade Commission may, by notice in writing, and after a hearing, cancel and terminate this license as from the date of such notice, but without prejudice to and so as not in any manner to affect any liability hereunder on the part of the licensee which may then be subsisting or have accrued.

If in the opinion of the Federal Trade Commission the licensee has failed to use this license so as to satisfy the reasonable requirement of the public with regard to the subject matter thereof; or

If in the opinion of the Federal Trade Commission the licensee has failed to supply to the public the articles made under this license at reasonable prices; or

If in the opinion of the Federal Trade Commission the licensee has charged unreasonable or excessive prices for articles made under this license; or

If in the opinion of the Federal Trade Commission the articles made under this license are of unsatisfactory quality (and the licensee shall furnish to the Federal Trade Commission in the manner prescribed by it and when and as often as required, samples and specimens for inspection, analysis, and test); or

Circumstances have arisen which, in the opinion of the Federal Trade Commission, make it advisable that this license be canceled in whole or in part: Then

The Federal Trade Commission may, in its absolute discretion, terminate and cancel this license in whole or in part, and, if canceled and terminated, the same shall be without prejudice to and so as not in any manner to affect any liability hereunder on the part of the licensee which may then be subsisting or have accrued.

Any sums which may at any time be payable by the licensee under the provisions of this license shall be a debt due from the licensee to the people of the United States, and shall be recovered in an appropriate action in the name of the people of the United States against the licensee.

Dated. ----------, 191--.

Accepted and agreed to.

----------,

Licensee.

A copy of the patent is to be attached.

If the licensee is not to be the actual manufacturer, the licensee will be held accountable to the Federal Trade Commission for the observance of the terms of his license by the actual manufacturer of the article, and the license will contain the following addendum, naming the actual manufacturer who shall sign:

----------, the manufacturer for ----------, the licensee ---------- of the article herein licensed, separately agrees to keep separate books containing full particulars of all articles manufactured, and the cost thereof, sold to ----------, the licensee, and the price or prices

charged therefor, and his books and plant shall be open to inspection in the same manner as provided for the licensee. The licensee and the undersigned, during the continuance of the license, shall furnish or procure to be furnished all such information as the Federal Trade Commission may consider to be material for the purpose of ascertaining the amount of royalty payable by the licensee, the cost of producing or procuring the patented article, the price or prices charged for said article, and shall permit or procure permission to be given to such person or persons as shall be authorized in that behalf by the Federal Trade Commission at any time or times to enter upon and inspect any factory or place of business in which the manufacture of the patented article shall be carried on by the undersigned for the licensee, and all books, papers, and documents relating to such manufacture and sale.

The undersigned, manufacturer, is not authorized to make, use, or vend the invention of the patent except for _____ the licensee, and not further or otherwise, and the undersigned undertakes to observe and perform the terms and conditions of the license to _____ _____, to which this is attached.

Dated _____, 191__.

Accepted and agreed to.

_____,
Manufacturer.

FORM OF LICENSE UNDER COPYRIGHT.

Copyright licenses issued by the Federal Trade Commission under the provisions of the "trading with the enemy act" will be in substantially the following form:

Copyright No. _____, dated _____ to _____ for the (book, etc., as the case may be; see copyright act of March 4, 1909, sec. 5, for classification) entitled (insert title of work).

The Federal Trade Commission, under the authority of and in conformity with the "Trading with the Enemy Act" and of the Executive order of October 12, 1917, hereby licenses _____ to exercise within the United States all the rights created by the copyright laws of the United States of America, being the act of March 4, 1909, as amended, with respect to the subject matter of copyright to _____, No. _____, dated _____ for the (book, etc., as the case may be; see copyright act of March 4, 1909, sec. 5, for classification) entitled (insert title of work), a copy of which is annexed hereto, for the period of _____, unless sooner terminated.

The licensee, during the continuance of this license, shall pay to the alien property custodian, semiannually, within 30 days after the 1st day of January, and the 1st day of July, respectively, of each year, a royalty at the rate of _____ per cent of the gross sums received by the licensee from the sale of the copyright work so herein licensed (or _____ per cent of the value of the use thereof to the licensee as established by the Federal Trade Commission).

The licensee shall, during the continuance of this license, keep proper accounts and separate books containing full particulars of—

(*a*) All copies of said copyright work made and sold under this license and of the prices charged and amounts received therefor.

(*b*) All items of cost incurred in the use of said copyright work and in the manufacture and sale of such copyright work, and

(*c*) All other matters and things which, in the opinion of the Federal Trade Commission, may be material for the purpose of showing the amounts from time to time payable by the licensee concerning such royalty, and what is a fair and reasonable price to the public for such copyright work.

The licensee shall, within 10 days after each of the semiannual days aforesaid, deliver a sworn statement to the Federal Trade Commission in writing showing the aforesaid particulars.

The licensee shall during the continuance of this license give all such information as the Federal Trade Commission may consider to be material for the purpose of ascertaining the amount of royalty payable by the licensee under this license, the cost of producing, and the price or prices charged by the licensee for the said copyright work, and for that purpose shall, if requested by the Federal Trade Commission, permit such person or persons as shall be authorized in that behalf by the Federal Trade Commission at any time or times to enter upon and inspect any factory or place of business of the licensee

in which the use or manufacture of the said copyright work shall be carried on, and all books, papers, and documents of such licensee relating to such use, manufacture, and sale.

If any payment under this license shall not be made within one month after the same shall have become due under the provisions herein contained (whether demand therefor shall have been made or not), or if the licensee shall, or shall attempt, to assign or part with the benefits of or grant any sublicense under this license, or shall make default in the performance or observance of any obligation on his part herein contained, or shall have violated any of the conditions of this license or any of the provisions of the statute under which it is granted, and if after 10 days' notice, in writing, shall have failed to comply with the aforesaid, then the Federal Trade Commission may, by notice in writing, and after a hearing, cancel and terminate this license as from the date of such notice, but without prejudice to and so as not in any manner to affect any liability hereunder on the part of the licensee which may then be subsisting or have accrued.

If in the opinion of the Federal Trade Commission the licensee has failed to use this license so as to satisfy the reasonable requirement of the public with regard to the copyright work; or

If in the opinion of the Federal Trade Commission the licensee has failed to supply to the public the copyright work at reasonable prices; or

If in the opinion of the Federal Trade Commission the licensee has charged unreasonable or excessive prices for said copyright work; or

Circumstances have arisen which in the opinion of the Federal Trade Commission make it advisable that this license be canceled in whole or in part: Then

The Federal Trade Commission may, in its absolute discretion, terminate and cancel this license in whole or in part, and if canceled and terminated the same shall be without prejudice to and so as not in any manner to affect any liability hereunder on the part of the licensee which may then be subsisting on have accrued.

Any sums which may at any time be payable by the licensee under the provisions of this license shall be a debt due from the licensee to the people of the United States and shall be recovered in an appropriate action in the name of the people of the United States against the licensee.

Dated _____, 191__.

Accepted and agreed to.

_____,
Licensee.

If the licensee is not to be the actual manufacturer or producer of the copyright work, the licensee will be held accountable to the Federal Trade Commission for the observance of the terms of his license by the actual manufacturer or producer of the article, and the license will contain the following addendum, naming the actual manufacturer or producer of the article, who shall sign:

_____, the manufacturer for _____ _____, the licensee of the copyright work herein licensed, separately agrees to keep separate books containing full particulars of all of such copyright works manufactured and the cost thereof, sold to _____ _____, the licensee, and the price or prices charged therefor, and his books and plant shall be open to inspection in the same manner as provided for the licensee. The licensee and the undersigned, during the continuance of the license, shall furnish or procure to be furnished all such information as the Federal Trade Commission may consider to be material for the purpose of ascertaining the amount of royalty payable by the licensee, the cost of producing or procuring the copyright work, the price or prices charged therefor, and shall permit or procure permission to be given to such person or persons as shall be authorized in that behalf by the Federal Trade Commission at any time or times to enter upon and inspect any factory or place of business in which the manufacture of the copyright work shall be carried on by the undersigned for the licensee and all books, papers, and documents relating to such manufacture and sale.

The undersigned, manufacturer, is not authorized to exercise any right conferred by the copyright statutes with respect to the copyright work here in-

volved except for _____, the licensee, and not further or otherwise, and the undersigned undertakes to observe and perform the terms and conditions of the license to _____ _____ to which this is attached.

Dated_____, 191__.

Accepted and agreed to.

_____,
Manufacturer.

A surety company bond may be required of the licensee, if, in the opinion of the Federal Trade Commission, it is necessary to safeguard the public interest.

FORM OF APPLICATION FOR LICENSE.

TRADING WITH THE ENEMY ACT.

To the FEDERAL TRADE COMMISSION:

Application of _____ for a license under patent to _____ _____, date _____, No. _____.

(If under copyright, state title of work, name of copyright proprietor, and date of copyright registration.)

The undersigned, for the purpose of securing a license, represents to the Federal Trade Commission as follows:

(*a*) The undersigned is a citizen of the United States, residing at _____ _____ Street, in the city of _____, State of _____ _____, United States of America. (If a corporation, state under the laws of what State it is organized; the location of its corporate offices, its business offices, and plants or factories.)

(*b*) The undersigned is desirous of being licensed under the patent (or copyright) above named, which is owned or controlled by _____ _____, a citizen or subject of _____. (State the enemy country or the ally of the enemy of which the patentee or copyright proprietor is a citizen or subject, or if a corporation where it is incorporated, and if the patent or copyright is not owned but is claimed to be controlled state fully the facts which establish the nature and origin of the enemy or ally of enemy control, whether it is by means of an agency, by contract, by stock ownership in corporations, or otherwise.)

(*c*) Attached hereto is a Patent Office copy of the letters patent and a certified abstract of its title from the Patent Office and a certified copy of the petition and all powers of attorney in the file of the application (or, in the case of a copyright, a specimen of the copyrighted work, and a certified copy of the copyright entries from the office of the Register of Copyrights).

(*d*) It is for the public welfare that the license applied for be granted because—(Here state briefly but completely and in nontechnical language the reason why it is for the public benefit that the license be granted and specifically the demand for the article prior to the war, the demand for the article at the present time, whether or not this demand is being met or can be met, prices obtained prior to the war and prices at the present time.)

(*e*) Applicant is able to make or cause to be made the patented or copyrighted article because—(Here state specifically the applicant's experience in the production of articles of the kind covered by the patent or copyright, his technical equipment for manufacturing and selling such articles and his ability to do so, the estimated cost of manufacture and price proposed to be charged if the license is granted.)

(If the applicant does not intend to manufacture but to procure the manufacture of the article, state specifically what arrangements have been made or proposed to this end and their terms and conditions. State the name and address of the manufacturer proposed to be employed and his technical equipment, etc., and attach copies of any contracts or proposals.)

(*f*) The license desired is exclusive or nonexclusive for the following reasons: (Here state reasons why, in the opinion of the applicant, the license should be exclusive or nonexclusive.)

(*g*) The license is desired—

(1) For the term of the patent or copyright, (2) the duration of the war, or (3) any other period, stating reasons in each case.

(*h*) The application is also to contain the following: "The undersigned intends in good faith to manufacture or cause to be manufactured the article licensed and understands that the license, if granted, may not be assigned and may be canceled by the Federal Trade Commission, after due notice of hearing, upon violation by the undersigned of any of the provisions of the 'Trading with the enemy act' or of any of the conditions of the license."

(Signed) _____,
Applicant.

OATH FOR AN INDIVIDUAL.

STATE OF _____,
County of _____, *ss:*

_____, being duly sworn, deposes and states that he is the same person whose name is signed to the foregoing statement; that he has read this statement and knows and understands its contents; and that it is true.

_____.

Subscribed and sworn to me before this _____ day of _____, 191__.

_____,
Notary Public.

OATH FOR A CORPORATION.

STATE OF _____,
County of _____, *ss:*

_____, being duly sworn, deposes and states that he is the _____ of _____, the corporation whose named is signed to the foregoing statement; that he is duly authorized to swear to such statement on behalf of such corporation; that he has read this statement and knows and understands its contents, and that it is true.

_____.

Subscribed and sworn to me before this _____ day of _____, 191__.

_____,
Notary Public.

(EXHIBIT 6.)

FEDERAL TRADE COMMISSION,
WASHINGTON, D. C.

FIRST REPORT FROM EXPORT ASSOCIATIONS,
DUE WITHIN 30 DAYS AFTER CREATION.

1. Name _____

Address _____
(Here insert address of principal office.)

2. *Statement.*—This corporation or association was organized or entered into for the sole purpose of engaging in export trade, and is now or about to be solely engaged in the export trade as defined in the export trade act, approved April 10, 1918, viz: "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."

3. There is hereunto annexed and made a part hereof a schedule, showing in paragraph "A" *the location of its offices or places of business;* in paragraph "B," the *names* and *addresses* of all its *officers* and *directors;* in paragraph "C," the *names* and *addresses* of all its *stockholders* or *members;* in paragraph "D," the products to be exported; and in paragraph "E," the capital authorized and paid in.

4. There is also annexed (F) a brief statement describing its methods and plan under which it is doing business, a statement of its relations with other associations, corporations, and individuals, and such other information as this company or association deems should be in the export files of the Federal Trade Commission.

5. If a corporation, a copy of its certificate or articles of incorporation and by-laws is annexed and filed, and if unincorporated, a copy of its articles or contract of association.

_____

By _____

STATE OF _____ }
} *ss:*
COUNTY OF _____ }

_____, being first duly sworn, on oath deposes and says that he is an officer, to-wit, _____ of the above-named corporation or association; that he has read the foregoing report and schedules annexed and that the same are in all respects true and correct.

_____
(Verifying officer sign here.)

Subscribed and sworn to before me this _____ day of _____, 19____.

_____
Notary Public.

SCHEDULE 1.

(A) The following are the locations of all offices and places of business:

(B) The following officers or directors, as at January 1, 1919:

Names.	Office held.	Addresses.
.....	.....	.....
.....	.....	.....

(C) The following were stockholders or members January 1, 1919:

Names.	Addresses.	Number of shares.
.....	.....	.....
.....	.....	.....

(D) It desires to be classified as engaged in exporting the following products, viz:

(Please limit to products now or about to be exported and supplement by letter when others are taken on.)

(E) Capital:
(1) Authorized preferred, $___; par value, $___; issued, $___; paid in, $___
(2) Authorized common, $___; par value, $___; issued, $___; paid in, $___

(F) The following briefly describes the methods and plan under which our business is done and states our relations with other associations, corporations, and individuals, with such other information as we deem should be in the export files of the Federal Trade Commission:

NOTES.

1. The information required by this report is to be furnished to the Federal Trade Commission under "An act to promote export trade, and for other purposes," approved April 10, 1918 (the export trade act), which provides in section 5 thereof as follows:

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 statement 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 certificates 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. * * *

2. The word "association" wherever used in the "export trade act" or in this report means "any corporation or combination, by contract or otherwise, of two or more persons, partnerships, or corporations."

(EXHIBIT 7.)

FEDERAL TRADE COMMISSION.

WASHINGTON, D. C.

REPORT FROM EXPORT ASSOCIATIONS,

DUE JANUARY 1, 1919, OF:

1. Name _____

Address _____
(Here insert address of principal office.)

2. *Statement.*—This corporation or association was organized or entered into for the sole purpose of engaging in export trade and is now solely engaged in the export trade as defined in the export trade act, approved April 10, 1918, viz: "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."

3. There is hereunto annexed and made a part hereof a schedule, showing in paragraph "A" *the location of its offices or places of business;* in paragraph "B," the *names* and *addresses* of all its *officers* and *directors;* in paragraph "C," the *names* and *addresses* of all its *stockholders* or *members;* in paragraph "D," all *amendments* to and changes in its articles or certificate of incorporation, or articles or contract of association and by-laws, since its last report to the Federal Trade Commission.

4. There is also annexed (E) a brief statement describing its methods and plan under which it is doing business, a statement of its relations with other associations, corporations, and individuals, and such other information as this company or association deems should be in the export files of the Federal Trade Commission.

_____
By _____

State of _____ }
County of _____ } *ss:*

_____, being first duly sworn, on oath deposes and says that he is an officer, to wit, _____ of the above-named corporation or association; that he has read the foregoing report and schedules annexed and that the same are in all respects true and correct.

_____
(Verifying officer sign here.)

Subscribed and sworn to before me this _____ day of _____, 19__.

_____
Notary Public.

SCHEDULE 1.

(A) The following are the locations of all offices and places of business:

_____ _____

_____ _____

(B) The following were officers or directors, as at January 1, 1919:

Names.	Office held.	Addresses.

(C) The following were stockholders or members January 1, 1919:

Names.	Addresses.	Number of shares.

(D) Since the last report to the Federal Trade Commission the articles of or certificate of incorporation, articles of association, and by-laws have been amended or changed as follows:

(E) The following briefly describes the methods and plan under which our business is done and states our relations with other associations, corporations, and individuals, with such other information as we deem should be in the export files of the Federal Trade Commission:

NOTES.

1. The information required by this report is to be furnished to the Federal Trade Commission under "An act to promote export trade, and for other purposes," approved April 10, 1918 (the export trade act), which provides in section 5 thereof as follows:

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 statement 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 atorneys, 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. * * *

2. The word "association" wherever used in the "export trade act" or in this report means "any corporation or combination, by contract or otherwise, of two or more persons, partnerships, or corporations."

(EXHIBIT 8.)

[PUBLIC—No. 126—65TH CONGRESS.]

[H. R. 2316.]

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 statement 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 con-

spiracy, 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 before 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.

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