

ANNUAL REPORT
OF THE
FEDERAL
TRADE COMMISSION
FOR THE
FISCAL YEAR ENDED JUNE 30, 1927

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FEDERAL TRADE COMMISSION

C. W. HUNT, *Chairman.*

WILLIAM E. HUMPHREY.

ABRAM F. MYERS.

J. F. NUGENT.

EDGAR A. McCULLOCH.

OTIS B. JOHNSON, *Secretary*

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ANNUAL REPORT OF THE FEDERAL TRADE COMMISSION FOR THE FISCAL YEAR ENDED JUNE 30, 1927

INTRODUCTION

To the Senate and House of Representatives:

New conceptions of the part the Federal Trade Commission occupies in the commercial life of the Nation have come into practice recently, and in the fiscal year that closed June 30, 1927, they resulted in far-reaching development. The newer policies have principally to do with the idea of self-regulation in business and industry, and it has been possible to progress in these directions without overstepping the bounds of the commission's powers as laid down by law. "Helping business to help itself" wherever and whenever it can be done consistently without prejudice to the best interests of the public as a whole is the principle of this new policy.

A new constructive agency known as the trade practice conference division is proving of substantial assistance to the commissioners and to industry and business in the fundamental work of the commission--the elimination of unfair practices in commercial competition. This procedure permits an industry to make its own rules of business conduct; to establish its own law merchant, in cooperation with the commission.

Cooperation with business also is carried on by the commission through the recently adopted practice permitting a prospective respondent to have an informal hearing before the board of review before a complaint is issued. The primary purpose of the hearing is to afford the proposed respondent an opportunity to show cause why complaint should not issue against it, and also afford the commission an opportunity to secure all possible facts relating to the alleged violation of law before the commission and the respondent are aligned against each other in an adversary proceeding.

A third measure is that permitting certain minor cases to be settled in the public interest by stipulation. This means that a concern complained against may agree to discontinue alleged unfair acts and thereby dispense with the necessity for issuing a formal complaint with the usual attendant expense of time and money. The commission makes public the results of stipulation proceedings in an impersonal manner, carefully eliminating the names of the companies or individuals involved: Such information is broadcast for the benefit of whatever trade groups are involved and for industry as a whole.

This stipulation policy of the commission is not to be taken as nor does it result in a cessation of the statutory proceedings by complaint "to prevent * * * unfair methods of competition in commerce,"

but, on the contrary, it has enabled the commission in the public interest to cover greater ground in the elimination of unfair methods of competition without loss of effectiveness and by substantial savings in expenditure of time and money in the prosecution of small and minor cases.

During the year the commission has designated a member of the staff to cooperate with an attorney of the antitrust division of the Department of Justice in exchanging information concerning investigations, to the end that all unnecessary duplication of investigative work may be eliminated and prompt decisions reached in case of conflict as to whether the commission or the Department of Justice can best proceed in the public interest.

A statement of the procedure and present policies of the commission follows:

Private litigation.--It shall be the policy of the commission not to entertain proceedings of alleged unfair practices where the alleged violation of law is a purely private controversy redressable in the courts except where said practices substantially tend to suppress competition as affecting the public.

Public interest.--The end and object of all proceedings of the Federal Trade Commission is to end all unfair methods of competition or other violations of the law of which it is given jurisdiction. The law provides for the issuance of a complaint and a trial as procedure for accomplishment of this end. But it is also provided that this procedure shall be had only when it shall be deemed to be in the public interest, plainly giving the commission a judicial discretion to be exercised in the particular case.

Stipulations.--The rules shall be that all cases shall be settled by stipulation except when the public interest demands otherwise.

Hearings before complaint.--In all cases before the board of review, before it shall recommend to the commission that a complaint issue, it shall give to the proposed respondent a hearing before said board to show cause why a complaint should not issue. Said hearing shall be informal in its nature and not involve the taking of testimony. The proposed respondent shall be allowed to make or submit such statement of facts or law as it desires. The extent and control of such hearing shall rest with a majority of said board. Three weeks' notice of the time and place of such hearing shall be served on the respondent by the secretary of the commission.

Provided, that if in any case the majority of the board shall be of opinion that a hearing is unnecessary or would be incompatible with the public interest either because (a) the respondent has been fully interviewed and has given to the examiner every fact or argument that could be offered as a defense, or (b) the practice has been fully established and is of such a character that in the nature of the

case nothing could be adduced in mitigation, or (c) to delay the issuance of a complaint to afford a hearing might result in a loss of jurisdiction or otherwise jeopardize the public interest, the board may transmit the case to the commission with its conclusions and recommendations, without a hearing as in this rule provided.

Publicity.--In the settlement of any matter by stipulation before complaint is issued no statement in reference thereto shall be made by the commission for publication. After a complaint is issued no statement in regard to the case shall be made by the commission for publication until after the final determination of the case.

After a complaint has been issued and the answer of the respondent has been filed or in case the respondent fails to file an answer by the rules provided, the papers in the case shall be open to the public for inspection, under such rules and regulations as the secretary may prescribe.

It has been the rule, which is now abolished, to issue a statement upon the filing of a complaint stating the charges against a respondent.

Concerning the withholding of publicity where cases are settled by stipulation without complaint, the custom has always been not to issue any statement. It has always been and now is the rule not to publish or divulge the name of an applicant or complaining party, and such party has no legal status before the commission except where allowed to intervene as provided by the statute.

Answers.--(1) In case of desire to contest the proceeding the respondent shall, within 30 days from the service of the complaint, unless such time be extended by order of the commission, 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. Respondent shall specifically admit or deny or explain each of the facts alleged in the complaint, unless respondent is without knowledge, in which case respondent shall so state, such statement operating as a denial. Any allegation of the complaint not specifically denied in the answer, unless respondent shall state in the answer that respondent is without knowledge, shall be deemed to be admitted to be true and may be so found by the commission.

(2) In case respondent desires to waive hearing on the charges set forth in the complaint and not to contest the proceeding, the answer may consist of a statement that respondent refrains from contesting the proceeding or that respondent consents that the commission may make, enter, and serve upon respondent an order to cease and desist from the violations of the law alleged in the complaint, or that respondent admits all the allegations of the complaint to be true. Any such answer shall be deemed to be an admission of all the allegations of the complaint and to authorize the commission to find such allegations to be true.

(3) Failure of the respondent to file answer within the time as above provided for shall be deemed to be an admission of all allegations of the complaint and to authorize the commission to find them to be true and to waive hearing on the charges set forth in the complaint.

(4) Three copies of answers must be furnished. All answers must be signed in ink by the respondent or by his duly authorized attorney and must show the office and post-office address of the signer. All answers must be typewritten or printed. If typewritten, they must be on paper not more than 8 1/2 inches wide and not more than 11 inches long. If printed, they must be on paper 8 inches wide by 10 1/2 inches long.

Clayton Act.--Thirteen years have passed since enactment of the Clayton Act, of which sections 2, 3, 7, and 8 were assigned to the commission, with concurrent jurisdiction in the Attorney General. Recent developments in the field of antitrust investigations have caused renewed discussion of the act. In this connection there may be found, beginning on page 13 of this report, a complete exposition of the current status of the Clayton Act cases.

Statistics.--Complete tables of statistics, indicating the total numbers and dispositions of preliminary investigations, applications for complaints, complaints, orders to cease and desist, and court proceedings in connection with them are contained on pages 104 to 108. Representative formal cases are presented in detail, and there is a complete explanation of court decisions on Federal Trade Commission cases, page 43 et seq.

Reports and inquiries.--During the year reports were issued as follows: (1) Bakery combines and profits, (2) control of power companies, (3) annual report, (4) decisions, Volumes VIII and IX, (5) rules of practice, and (6) trade conferences. Inquiries under way during the year at the direction of Congress related to (1) bread and flour industries, (2) electric-power industry, (3) open-price industry, (4) petroleum prices, (5) stock dividends, (6) cooperative organizations, and (7) cottonseed industry. Inquiries under way at the direction of the commission related to (1) grain trade (2) lumber trade associations, and (3) panhandle petroleum. The export trade division was incorporated in the legal division toward the close of the year. The export trade report contains a list of new export trade associations formed and a summary of recent trade legislation in foreign countries.

On June 30, 1927, the commission consisted of Charles w. Hunt, of Iowa, chairman; William E. Humphrey, of Washington; Abram F. Myers, of Iowa; John F. Nugent, of Idaho; and Edgar A. McCulloch, of Arkansas. The commission was created by an act of Congress approved September 26, 1914, and was organized March 16, 1915.

THE REPORT

Pursuant to statute the Federal Trade Commission herewith submits to Congress its thirteenth annual report for the fiscal year July 1, 1926, to June 30, 1927, covering in detail its administration of the Federal Trade Commission act, approved September 26, 1914 (38 Stat. 717); delegated sections of the Clayton Act, approved October 15, 1914 (38 Stat. 730); and the export trade act, approved April 10, 1918 (48 Stat. 516). These acts are administered by the commission through appropriate divisions established for that purpose, and the work of the fiscal year is reported under captions as follows: (a) Trade Conferences (p.7), (b) Trial Examiner (p.18), (c) Export trade (p. 20), (d) Economic (p.28), (e) Chief Counsel (p.41), (f) Chief Examiner (p.93), (g) Board of Review (p.96), (h) Administrative (p.98).

Recommendation.--The commission respectfully recommends the enactment of legislation which would provide--

that suits brought to enforce, modify, or set aside orders of the Federal Trade Commission and all other suits to which the commission is a party shall be regarded, for the purpose of taxing court costs, as suits brought by or against the United States.

The necessity for this legislation arises by reason of a rule of the Supreme Court of the United States that "no costs shall be allowed in this court either for or against the United States, except where especially authorized by statute and directed by the court." Similar provisions appear in the rules of the various circuit courts of appeals. The Supreme Court has always regarded the commission as not "the United States" and has entered judgments for costs for and against the commission. If this rule is extended to the lower courts, as it may be, the assessment of costs against the commission will be far in excess of funds available.

By a ruling of the Comptroller General all costs for printing must be paid from the commission's printing and binding fund; and even if costs are assessed in favor of the commission and collected, such costs must be deposited with the Treasury to the credit of miscel-

aneous receipts and are not available to be returned to the commission's printing and binding fund from which originally taken.

The legislation is needed for the further reason that the commission has no election in incurring expense for printing the transcript of records, which expense is the greatest expense involved, as a majority of the cases are taken into the courts by parties against whom the commission has issued orders to cease and desist, and the commission must, under the statute, thereupon litigate the cases.

DIVISION OF TRADE PRACTICE CONFERENCES

The work of the division of trade practice conferences deals with industries as units, in the matter of offering to an industry or a business an opportunity to eliminate at one and the same time any methods of competition which the industry itself considers unfair, wasteful, or bad; in other words, to permit an industry to make its own rules of business conduct, its own law merchant. The increasing appreciation of this work was indicated during the fiscal year particularly by:

(a) The action of the Legislature of California in making trade practice conference rules enforceable under the laws of that State.

(b) The action of the Chamber of Commerce of the United States in urging the formation of joint trade relations committees in every branch of trade to seek out and define trade abuses and cooperate with the Federal Trade Commission in their elimination.

The trade practice conference procedure is concerned solely with trade practices or methods, not with individual offenders. It regards industry as occupying a position comparable to that of "friend of the court," and not that of the accused. It wipes out on a given date all unfair methods condemned at the conference, and thus places all competitors on an equally fair competitive basis. It performs the same function as a formal complaint without bringing charges, prosecuting trials or employing any compulsory process, but multiplies results by as many times as there are members in the industry who formerly practiced the methods condemned and voluntarily abandoned. Thus, in a single industry more than 90 separate complaints in various states of completion were pending against as many separate concerns. A trade practice conference was held during the present fiscal year. At the time of going to print practically all of these respondents have accepted and agreed to abide by the decision of the industry to abandon all practices condemned by the conference; thus saving the expense, annoyance, and delay of individual proceedings.

The economy effected and the cooperation established by voluntary action, and the wiping out at one time from an entire industry practices which the industry considers bad, has commended this procedure to both industry and the public. This is evidenced in other ways By the recent legislation above referred to, which incor-

porates into the statute law of the State of California any Federal Trade Commission rules which may be made with reference to produce exchanges, thus--

Section 16 1/2, general dairy laws of California, approved June 5, 1923, as amended, provides, first, that every dairy produce exchange shall be licensed, and the director of agriculture of the State of California is given the power to revoke such license whenever the holder thereof is guilty of “* * * violation of any * * * rules of the Federal Trade Commission governing unfair trade practices in the handling of butter, cheese and/or eggs.”

Thus it seems that this kind of law merchant for the creamery industry, which finds its origin in the trade practice conference of 1919, is now becoming a part of the statute law of California.

The Chamber of Commerce of the United States, on May 5, 1927, passed the resolution hereinabove referred to, which reads as follows:

We urge the elimination of all wasteful practices and trade abuses by the formation in each trade of a Joint trade relations committee composed of representatives of every branch of that trade. Such committees should seek out and define trade abuses and cooperate with the Federal Trade Commission in their elimination.

INDUSTRIES FOR WHICH TRADE PRACTICE CONFERENCES WERE CONCLUDED DURING THE PRESENT FISCAL YEAR

Insecticide and disinfectant industry.--Rules condemning the giving of gratuities to persons other than the actual purchasers of insecticides and disinfectants were adopted at a trade practice conference held at Indianapolis, Ind., on November 10, 1926, conducted by Commissioner William E Humphrey, and on December 6 approved by the commission, with the reservation that the commission does not favor the giving of premiums or gratuities under any circumstances.

Previous investigation revealed the practice of giving premiums or gratuities, which, in any form, under any circumstances, can not be defended as a good business practice or as benefiting the public. With reference to some concerns in this industry, particularly in the Southern and Central States, this practice has been extended and abused until, in many instances, it has reached the proportions of commercial bribery. A surprisingly large number of persons intrusted with the duty of purchasing supplies for public and semipublic institutions had been induced by the offer of gratuities to make purchases of disinfectants in quantities so large as to be out of proportion to the needs of the respective institutions whose interests such persons were employed to protect. Such gratuities were usually of a nature suitable to

and appropriated for personal use. Thus it was related that one concern succeeded in securing \$1,000 above its usual charge for disinfectants by giving as a prize in one instance a piano which cost only \$330.

Butter, egg, cheese, and poultry industries.--On July 7, 1927, the commission announced its approval and acceptance of certain rules of business conduct for that portion of the butter, egg, cheese, and poultry industries west of the Rocky Mountains. This conference was held during the first week of the previous August and was presided over by Commissioner Huston Thompson. The rules adopted by 222 firms handling between 80 and 90 per cent of the volume of these products were arranged in two groups. In the first group were placed rules which, in the opinion of the commission, concern unfair methods of competition. These include practices such as inducing breach of contract for the purpose of acquiring values created by and belonging to a competitor; false testing of butterfat bought from farmers; unauthorized use of competitor's equipment; making false or defamatory statements concerning business policies or methods of a competitor; securing employees of common carriers to divert shipments; obtaining information from competitors by false impersonations of names of authorities, by espionage, etc.; paying a less price after shipment has been received than was named in the advertisement or other offer which induced the shipment; price discrimination and the giving of gratuities when such gratuities amount to price discrimination, and selling products short of weight or measure.

In the second, group are placed rules which govern certain practices and which at this time are regarded as advisory to the commission; in other words, practices which perhaps are not in and of themselves unfair methods of competition, or which are doubtful, but which the industry may voluntarily discontinue if it so desires. These rules relate to such practices as failure to deduct transportation costs from prices charged for commodities shipped to creameries, buying and selling dairy and poultry products according to grade, and rules relating to exchanges.

Correspondence school industry.--On July 21, 1927, the commission announced its approval of a set of resolutions constituting the rules of business conduct for the subjects covered, adopted by those engaged in teaching various subjects by correspondence, at a trade practice conference held April 30, 1927, at Pittsburgh, Pa., at which Commissioner J. F. Nugent presided.

This conference was attended by representatives of institutions which conduct about 80 per cent of the volume of business in this field. There was also represented the United States Bureau of Efficiency and the United States Civil Service Commission.

The methods condemned and agreed to be abandoned by the conference covered a broad field, involving misrepresentations as to standing, responsibility or character of a correspondence school, either by failing to tell the whole truth or by deliberate misrepresentation--a common form of this appears at times in the name under which the institution operates; representations with reference to buildings alleged to be occupied--pictures or symbols used in advertising, on letterheads, etc. ; classified newspaper advertisements under columns which represent the institution's position as an employer in need of services, instead of an institution rendering service; representing the institution as a collecting agency, to intimidate debtor students; conveying the impression that the institution is run for the benefit of students without profit to itself; representing that prominent persons are faculty members when they are not, and by giving inadequate or false addresses of such; misrepresentations respecting the securing of positions or increase in earnings of prospective pupils--this takes the form of inducements coupled with latent conditions or exaggerations incapable of fulfilment, such as the guarantee of a job or a raise in pay; overstating the demand for services of a specified character, or the conditions of the service and probable earnings therefrom; misrepresentations as to the service alleged to be rendered by some institutions, consisting of the conferring of degrees and issuing diplomas under conditions with reference to which adequate teaching facilities, quality and thoroughness of instruction and content of course are lacking in misapplying professional and vocational terms to instructions and an unwarranted claim as to the giving of "personal instruction"; the misleading of students, as to the price to be paid for instructions through "limited," "special," and "free" offers, reductions offered from fictitious prices which have been made sufficiently high to net the regular price of the course after granting such "deductions"; "money-back" guarantees, agreements and contracts; offers of scholarships or partial scholarships which are merely selling devices; disparagement of competitors or of their courses or service; the enrollment of students not qualified for courses applied for, and the use of superlatives in advertisements and other descriptions.

Woven--furniture industry.--On July 26, 1927, the commission approved certain rules adopted by manufacturers and dealers in woven furniture and baby carriages. These rules prohibited the misuse of such terms as "wicker," "fiber," "reed," and "willow," in the advertising and sales descriptions of woven furniture, and require that the materials used in furniture must be specified.

Two conferences were held, each being presided over by Chairman Charles W. Hunt, of the Federal Trade Commission, and both were

held at Chicago--on February 24, 1927, and April 29, 1927, respectively. Manufacturers at the first meeting requested that retail dealers be asked to participate. Their wish was granted and later the resolutions so passed were submitted to retail dealers generally throughout the country, but particularly to those situated in California, and Florida, where woven furniture is extensively used.

It was estimated by those in attendance at the conference that close to 80 per cent of the manufacturers of woven furniture were there represented.

**INDUSTRIES FOR WHICH TRADE-PRACTICE CONFERENCES HAVE BEEN
AUTHORIZED BUT NOT HELD DURING THE PRESENT FISCAL YEAR**

Trade-practice conferences have been authorized and assigned to various commissioners but not held within the fiscal year, as follows:

Blanket industry.--This conference contemplates, among other things, the establishment by the industry of a standard quantity of wool to be used in the fabrication of blankets before manufacturers and dealers are entitled to use the Word "wool" in advertising or otherwise describing such articles. Assigned to Commissioner Abram F. Myers.

Motion-picture industry.--Block certain phases of uniform contracts and other practices involving the production, distribution, and exhibition of motion pictures, will be considered by these three branches of the industry on October 10, 1927. Assigned to Commissioner Abram F. Myers.

Golf-ball industry.--This conference is set for October 26, ' 192 7, at Cleveland, Ohio, and was called primarily to consider the abandonment of the practice of subsidizing professional golf players and of publishing their purchased testimonials. Assigned to Commissioner Edgar A. McCulloch.

Mop industry.--A trade-practice conference for the manufacturers of mops has been authorized for the purpose of standardizing the branding or marking of mops, and to eliminate certain deceptive practices with reference thereto. Assigned to Commissioner J. F. Nugent.

Edible-oil industry.--A trade-practice conference for manufacturers, refiners, and importers of edible oils, both cottonseed and olive, has been authorized. Among the practices to be considered at this conference is that of packing such oils in containers resembling standard-size containers, but holding less than the size of the container indicates should be held. Assigned to Commissioner J. F. Nugent.

**PENDING PROCEEDINGS FOR VIOLATIONS OF TRADE PRACTICE
CONFERENCE RULES**

As a result of conferences with the retail furniture dealers of New York City, certain rules and regulations relative to the description and marking of furniture were promulgated. These rules were subscribed to by 23 of the largest retail dealers of furniture in New York City, and on January 7, 1926, were approved by the commission.

On February 1, 1920, the commission directed a letter to all manufacturers of furniture, inviting them, also, to subscribe to the rules. As a result, up to July 1, 1927, 938 manufacturing concerns had subscribed and are describing their products accordingly. Letters were sent to 1,650 manufacturers listed in trade directories, but it developed that a considerable number of these were manufacturers of metal furniture, upholstered furniture, etc., exclusively. To these the rules do not apply. Only about 75 concerns to whom the rules apply have refused to subscribe, so that more than 90 per cent of the wood furniture manufacturers have signed. As to those who refused to subscribe and who were found to be describing their goods contrary to the rules, proceedings have been instituted, charging them with violation of section 5 of the Federal Trade Commission act.

THE PRESENT STATUS OF THE CLAYTON ACT AS ADMINISTERED BY THE FEDERAL TRADE COM- MISSION

Thirteen years have elapsed since the enactment of the Clayton Act. The enforcement of sections 2, 3, 7, and 8 thereof were assigned to the Federal Trade Commission, with concurrent jurisdiction in the United States district courts. It seems appropriate at this time to take an inventory of the conditions and assess the net results of the commission's efforts to enforce this statute.

The most important facts of the situation relate to section 7 of the act. That section declared it unlawful for any corporation engaged in interstate commerce to "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."

In a number of cases investigated by the commission it was found that corporations desiring to obtain control of a competing corporation did so by an outright purchase of the physical assets, apparently preferring to surmount the practical difficulties of such a method of acquisition to the uncertainties of a stock acquisition possibly prohibited by section 7.

In 40 cases the commission filed formal complaints alleging a violation of section 7 by reason of acquisitions of stock, and after considering all the evidence held that the act had been violated in nine of these cases. There are six cases still pending before the commission undecided. Only four of the nine cases in which the commission entered orders that the respondent corporations divest themselves of the stock illegally acquired were appealed to the courts.

In a case against the Aluminum Co. of America, the Circuit Court of Appeals for the Third Circuit, in 1922, upheld the commission's order that the company divest itself of certain stock acquired in violation of section 7, the court's opinion construing the section at length. (284 Fed. 411.) The company's petition for review was denied by the Supreme Court. (261 U. S. 616.) The practical effect of the judgment was destroyed, however, by a decision of the same court in 1924 when it denied the application of the commission to modify its decree so as to prevent the Aluminum Co. from bidding in at sheriff's sale the physical property of the ac-

quired corporation in satisfaction of a debt which the commission unsuccessfully contended was fictitious and fraudulent. (299 Fed. 361.)

In 1926 three section 7 cases reached the Supreme Court and were argued together. In two of these cases--one against Swift & Co. and the other against the Thatcher Manufacturing Co.--the commission's orders had been upheld by the Circuit Court of Appeals for the Seventh and Third Circuits, respectively. (8 Fed. (2d) 595 and 5 Fed. (2d) 615.) In the third case the Circuit Court of Appeals for the Ninth Circuit had sustained the order of the commission against the Western Meat Co., but upon rehearing had modified it so as to permit the acquisition of the physical assets of the company through use of the stock illegally acquired. (1 Fed. (2d) 95 and 4 Fed. (2d) 223.) The Supreme Court affirmed the original order of the commission in the Western Meat Co. case, including the commission's prohibition of the acquisition of physical assets through ownership of the illegally acquired stock, the court stating that "the purpose which the law makers entertained might be wholly defeated if the stock could be further used for securing the competitor's property." (272 U. 5.554.)

In the other two cases, however, by a five to four vote, the court set aside the commission's orders on the ground that the statute conferred no authority upon the commission to order a disposition of physical assets, although obtained as the result of an illegal acquisition of stock. These two cases differed from the Western Meat Co. case in that the acquisition of physical properties had been completed before the commission filed its complaints whereas in the Western Meat Co. case the physical property had not been acquired at the time the final order was entered. (272 U. S. 554.) The net result is that a corporation may purchase stock of a competitor in violation of section 7, and if it can vote the stock illegally acquired so as to complete the acquisition of the physical assets of the corporation before the commission files proceedings, then the situation is beyond the corrective power of the commission. There is usually a substantial lapse of time between the commission's preliminary inquiry and its issuance of formal complaint, within which offending corporations may take steps to acquire the physical assets of companies whose stock they have previously acquired in violation of law. So far as the commission is concerned, it is a question whether the effectiveness of the act to fulfill the purpose of Congress has not been materially lessened by these decisions.

While this is true, it should not be concluded that the deterrent effect of the law is entirely nullified. Mergers of corporations by transfers of physical assets are of course far more difficult to accomplish than consolidation through purchase of stock. The practical

difficulties attending the former have doubtless prevented many consolidations which would have been accomplished by purchase of stock save for the prohibition of this section.

As previously pointed out, authority is conferred on the Attorney General to prevent violations of the Clayton Act. The opinions in these cases are open to the inference, at least, that where physical properties are acquired through illegal ownership of stock, a divestiture of the properties may be compelled by the Attorney General by a suit in equity in the proper United States district court. It may be, therefore, that while the commission can not afford a remedy in cases where the illegal purchase of share capital is followed by the purchase of physical assets, the Department of Justice can.

The decision of these cases was taken by the Supreme Court (two justices dissenting) as controlling its decision of the Eastman Kodak Co. case a few months later. The latter arose under the Federal Trade Commission act, and will not be discussed here, save to state that it was based on the three decisions above outlined and appears to hold that under that act the commission does not have power to compel divestiture of physical properties, whether the properties were acquired before or after filing of the complaint.

Section 2 of the Clayton Act prohibits under certain conditions discrimination in price between different purchasers "where the effect of such discrimination may be to substantially lessen competition or tend to create a monopoly in any line of commerce." The commission has instituted 18 cases where, after formal complaint and hearing, it concluded this section had been violated and entered orders to cease and desist from such violation. The most important of these was that against the United States Steel Corporation in the so-called "Pittsburgh Plus" case in which no court review was sought. There were only three cases under section 2 where respondents sought review in the courts. In the Mennen Co. case the Circuit Court of Appeals for the Second Circuit vacated the commission's order chiefly on the ground that Congress did not intend the section to apply to any lessening of competition between customers of the original seller but only to lessening of competition between the seller and his immediate competitors. (288 Fed. 774.) The Supreme Court denied the commission's petition for a writ of certiorari. (262 U. S. 759.) In the companion cases of National Biscuit Co. and Loose-Wiles Biscuit Co. the commission sought to enjoin discrimination in favor of chain-store purchasers as against purchasers of similar quantities acting for pools or cooperative associations of individual stores. On review by the Circuit Court of Appeals for the Second Circuit it was again held that the section had no application to a lessening of competition in the resale of an article. (299 Fed. 733.)

The Supreme Court denied the commission's petition for a writ of certiorari. (266 U. S. 613.)

The Court of Appeals based its construction of the section upon the fact that the bill as originally reported by the House Judiciary Committee contained the words "with the purpose or intent thereby to destroy or wrongfully injure the business of a competitor, of either such purchaser or seller," instead of the words "where the effect of such discrimination may be to substantially lessen competition, or tend to create a monopoly in any line of commerce."

Section 3 of the Clayton Act declares it unlawful to lease or sell goods "on the condition, agreement, or understanding that the lessee or purchaser thereof shall not use or deal in the goods * * * of competitors of the lessor or seller, where the effect of such lease or sale, * * * or such condition, agreement, or understanding may be to substantially lessen competition or tend to create a monopoly in any line of commerce."

The commission has issued 100 complaints alleging a violation of this section, and after formal hearing has found violations and issued orders to cease and desist in 43 cases. Most of these cases involved the same practice by a number of concerns in the same industry. They were reviewed in groups by several of the Circuit Courts of Appeals and as a whole by the Supreme Court. The various courts were unanimous in their opinion that leasing of gasoline pumps and tanks at a nominal rental on condition that the lessee permit no gasoline other than that produced by his lessor to be sold therefrom was not within the prohibition of the section and that this conclusion was not invalidated by the fact that the great majority of lessees had no use for more than one tank and pump. (273 Fed. 478; 274 Fed. 571; 276 Fed. 686; 282 Fed. 81; 261 U.S. 463.)

In two section 3 cases, one against the Butterick Co. and the other against the Q. R. S. Music Co., the commission's findings and orders were sustained by the Circuit Court of Appeals for the Second and Seventh Circuits, respectively. (4 Fed. (2d) 910; 12 Fed. (2d) 730.) In three other cases the commission's orders were set aside by the courts. In one of these, against the Curtis Publishing Co., the Third Circuit and the Supreme Court held the contracts in question to be contracts of agency and not of sale. (270 Fed. 881; 260 U.S. 568.) In another, against the Fruit Growers Express (Inc.), the Seventh Circuit set aside the commission's order holding that there was a nonjoinder of necessary parties and that the contracts complained of, to which common carriers were parties, were under the jurisdiction of the Interstate Commerce Commission by virtue of section 11 of the act. (274 Fed. 205; 261 U. S. 629.) In the third, against the B. S. Pearsall Butter Co., the Seventh Circuit set aside the commission's order on the ground that the contracts,

while exclusive in terms, did not have any reasonable probability of substantially lessening competition, because of the small proportion of the entire business done by the Pearsall Co. (292 Fed. 720.)

As to section 8, there have been no court decisions construing it. The commission has issued only five complaints alleging violation of the section, of which one is still pending. This section prohibited common directors in competitive corporations either of which has capital, surplus, and undivided profits exceeding \$1,000,000, and allowed two years before it took effect. The few cases arising under this part of the statute are probably due to the fact that its requirements can readily be met and the desired results obtained by other means.

TRIAL EXAMINERS' DIVISION

OUTLINE OF PROCEDURE

The trial examiners' division, established by the commission on December 1, 1925, functions under the direct supervision of the commission. The duties of this division are subdivided as follows: (1), Presiding at the trial of formal complaints issued by the commission, and (2) the settlement of application for complaint by stipulation; the above duties will be considered under the caption "Complaint" and "Stipulation":

COMPLAINT

Under the procedure adopted by the commission, a trial examiner presides at the trial of all formal cases, and in the conduct of such proceedings rules on all motions of counsel and the admissibility of evidence and continues the hearing as necessity may require; and at the close of the proceedings the trial examiner makes up the record and prepares the report upon the facts, which said report is served by the presiding trial examiner upon the counsel for the commission and attorney for respondent. The report upon the facts, with exceptions thereto taken by counsel for the commission and attorney for respondent, is the basis for argument at the final hearing before the commission.

STIPULATION

In addition to presiding at hearings in formal cases, the division is also charged by the commission with the settlement of applications for complaint by stipulation, except in those cases where the practice is so fraudulent or so vicious that the protection of the public demands the regular procedure of complaint. This division of the commission affords an agency to administer the commission's present policy providing for the settlement by stipulation of informal cases. This procedure provides an opportunity for the respondent to enter into a stipulation of the facts and voluntarily agree to cease and desist forever from the alleged unfair methods set forth therein, which said stipulation is subject to the final review and approval of the commission.

During the short period since the stipulation rule has been in effect, 186 separate respondents entered into stipulations of the facts

with an agreement to abandon the unfair methods of competition and cease and desist forever from the said practices in interstate commerce.

Stipulation release for publication, after deleting names of parties, up to November 28, 1927, are reproduced on page 178.

The policy of the commission affording respondents an opportunity of disposing of certain cases by stipulation has resulted in a substantial saving in time and money to the Government, as well as to the prospective respondent, and at the same time has immediately eliminated unfair methods and practices from the channels of interstate trade.

From an estimate made by the commission, it was determined that the average cost of procedure by complaint, involving the taking of testimony, reporting, and trial, costs about \$2,500, while the cost of settling application for complaint by stipulation--thus avoiding a complaint--costs less than \$500 per case. The immediate cessation of the unfair practice, how ever, is of greater importance than the monetary saving involved.

The procedure by stipulation, in the opinion of the commission, has resulted in gradually establishing and perfecting precedents that in the future will greatly facilitate procedure, and at the same time eliminate from the channels of trade many unfair business methods that to a large extent have become prevalent, although recognized as unethical but tolerated through usage.

EXPORT TRADE SECTION

The foreign trade work of the commission includes (1) administration of the export trade act which permits the formation of export combines or “associations,” and (2) inquiries Under section 6th of the Federal Trade Commission act which directs investigation of “trade conditions in and with foreign countries where associations, combinations, or practices of manufacturers, merchants or traders, trade of the United or other conditions may affect the foreign States.”

This work, formerly conducted by the export trade division, was transferred to the legal division on July 1, 1927, and the export trade section of the legal division was created for this purpose.

PROVISIONS OF THE EXPORT TRADE ACT

“An act to promote export trade, and d for other purposes,” commonly known as the Webb-Pomerene law, was passed by Congress in 1918, granting exemption from the antitrust laws to an export combine or “an association entered into for the sole purpose of engaging in export trade and actually engaged solely in such export trade.”

The law prohibits restraint of the export trade of domestic competitors by Such an association, or any act which substantially or intentionally enhances or depresses prices within the United States of commodities exported by such association, or which substantially lessens competition within the United States or otherwise restrains trade therein.

Associations are required to file with the Federal Trade Commission copies of their organization papers and amendments thereto, as well as annual and other reports covering their business, conduct, practices , and management.

ASSOCIATIONS OPERATING UNDER THE EXPORT LAW

Fifty-five export associations filed reports with the commission during the fiscal year ending June 30, 1927.

Five new organizations were formed during the year: The American Export Door Corporation, Copper Exports (Inc.) , Export Screw

Association of the United States, Western Plywood Export Co., and the Zinc Export Association.

Member companies include nearly a thousand mills mines, and factories located in 29 States of the Union. Headquarters offices are usually at seaport. The following list covers organizations in operation on July 1, 1927:

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

American Corn Products Export Association, 420 Lexington Avenue, New York City.

American Export Door Corporation, Washington Building, Tacoma, Wash.

American Locomotive Sales Corporation, 30 Church Street, New York City.

American Milk Products Corporation, 71 Hudson Street, New York City.

American Paper Exports (Inc.), 75 West Street, New York City.

American Pitch Pine Export Co., 1605 Pere Marquette Building, New Orleans, La.

American Provisions Export Co., 140 West Van Buren Street, Chicago. Ill.

American Soda Pulp Association, 200 fifth Avenue, New York City.

American Spring Manufacturers' Export Association, 921 Farmers' Bank Building, Pittsburgh, Pa.

American Surface Abrasives Export Corporation, Room 1309, 82 Beaver Street, New York City.

American Tire Manufacturers' Export Association, Room 1543, 30 Church Street, New York City.

American Webbing Manufacturers' Export Association, 395 Broadway, New York City.

Associated Button Exporters of America (Inc.), 320 Broadway, New York City.

Automatic Pearl Button Export Co. (Inc.) , 301 Mulberry Avenue, Muscatine, Iowa.

California Dried Fruit Export Association, Room 602, 1 Drumm Street, San Francisco, Calif.

Cement Export Co., care of Chas. F. Conn, president, 606 Pennsylvania Building, Philadelphia, Pa.

Chalmers (Harvey) & Son Export Corporation, rear 31 East Main Street, Amsterdam, N. Y.

Copper Export Association (Inc.), 25 Broadway, New York City.

Copper Exporters (Inc.), 25 Broadway, New York City.

Davenport Pearl Button Export Co., 1235 West Fifth Street, Davenport, Iowa.

Douglas Fir Exploitation & Export Co., 1125 Henry Building, Seattle, Wash.

Export Clothes Pin Association of America (Inc.) , 280 Madison Avenue, New York City.

Exporters of Wood Products (Inc.), 25 Broad Street, New York City.

Export Screw Association of the United States, room 504, 101 Park Avenue, New York City.

Florida Hard Rock Phosphate Export Association, Savannah Bank & Trust Building, Savannah, Ga.

Florida Pebble Phosphate Export Association, Produce Exchange Building, New York City.

Goodyear Tire & Rubber Export Co., The, 1144 East Market Street, Akron, Ohio.

Grain Products Export Association, The, 420 Lexington Avenue, New York City.
 Grand Rapids Furniture Export Association, 214 Lyon Street NW., Grand Rapids, Mich.
 Gulf Pitch Pine Export Association, 1223 Whitney Central Building, New Orleans, La.
 Hawkeye Pearl Button Export Co., 601 East Second Street, Muscatine, Iowa.
 Kohl (H. S.) & Co., 822 Perdido Street, New Orleans, La.
 Locomotive Export Association, 30 Church Street, New York City.
 Naval Stores Export Corporation, 1429 Whitney Annex, New Orleans, La.
 Pacific Flour Export Co., care of Centennial Mill Co., Central Building, Seattle, Wash.
 Pan-American Trading Co., 116 Broad Street, New York City.
 Phosphate Export Association, Produce Exchange Building, New York City.
 Pioneer Pearl Button Export Corporation, 217 Mansion Street, Poughkeepsie, N. Y.
 Pipe Fittings & Valve Export Association, Branford, Conn.
 Redwood Export Co., 260 California Street, San Francisco, Calif.
 Rubber Export Association, The, 1213 Akron Savings & Loan Building, Akron, Ohio.
 Salmon Export Corporation, 3001 Smith Building, Seattle, Wash.
 Sugar Export Corporation, 113 Wall Street, New York City.
 Sulphur Export Corporation, 33 Rector Street, New York City.
 United Paint & Varnish Export Co., 601 Canal Road, Cleveland, Ohio.
 United States Alkali Export Association (Inc.), 25 Pine Street, New York City.
 United States Button Export Co., 701 East Third Street, Muscatine, Iowa.
 United States Handle Export Co., The, Piqua, Ohio.
 Walnut Export Sales Co. (Inc.) , 616 South Michigan Avenue, Chicago, Ill
 Walworth International Co., 44 Whitehall Street, New York City.
 Western Plywood Export Co., 500 Leary Building, Seattle, Wash.
 Wisconsin Cannery Export Association, Manitowoc, Wis.
 Zinc Export Association (Inc.) , 61 Broadway, New York City.

EXPORTS DURING 1926 EXCEED \$200,000,000

Exports by Webb law associations during 1926 show an increase over previous years, totaling in 1924 about \$140,000,000, in 1925 \$165,000,000, and in 1926 more than \$200,000,000; this in spite of the fact that the British coal strike curtailed shipments of bulk cargoes for a considerable period during 1926 and materially lessened sales to the British market.

Commodities exported include raw materials and manufactured products, shipped to every corner of the globe.

Lumber and wood products exported during 1926, including pine, fir, redwood, walnut and hardwoods, turpentine and rosin, wooden tools, barrel shooks, and clothespins totaled about \$35,700,000. Exports of metals, including copper, zinc, iron and steel products, machinery, railway equipment, pipes and valves, amounted to \$56,500,000. Chemical products including caustic soda, soda ash,

liquid chlorine, soda pulp, paints and varnish, totaled \$8,100,000. Raw materials such as phosphate rock, crude sulphur, etc., amounted to about \$14,300,000. Paper, abrasives, cotton and rubber goods, buttons, and miscellaneous manufactured products totaled \$55,900,000. Foodstuffs including milk, meat, sugar, corn products, flour, canned salmon, and dried fruit totaled about \$35,000,000.

ADVANTAGES OF THE WEBB LAW

Export associations report many advantages derived from operation under the act. Through cooperation of the member companies, selling costs have been reduced; grades, contract terms and sales practices have been standardized; the quality of products sold has been improved; prices have been stabilized, and cut-throat competition in the export trade eliminated. Joint advertising, consolidation of shipments in order to reduce transportation expense, cooperative inspection service, and facilities for handling claims by the association, have resulted in economy in operation. In some industries sales on consignment have been eliminated, in others the policy of selling direct to foreign consumers has made it possible to obtain a reasonable profit on export business.

The expense of developing new markets, and of collecting trade and credit information, may be divided among a number of member companies without heavy tax on any one. The association is in a position to bid on and secure large orders for shipment over a long period, which one company could not handle; and it may fill orders for a variety of grades, styles, and dimensions by allocation among the member companies.

One association that has been in operation since 1919 reports that--

We are more than ever convinced of the necessity for united effort in matters of foreign trade due to the experience and knowledge we have gained since operating under the law.

An association exporting high class specialties reports that--

Competition abroad is very keen and practically all business is obtained on a price rather than on a quality basis. It is doubtful if foreign trade in high class specialties such as ours could be carried on except through an association.

An association shipping largely to Great Britain states:

The outstanding advantage of the association is our ability to present a solid front to European competition which is difficult to meet--they are able to undersell us 5 to 10 per cent.

An association exporting foodstuffs to all parts of the world reports that--

Increased manufacture in Europe resulted in tariff barriers against import of our products. Foreign combines will always have to be reckoned with, but the facilities allowed us under the Webb Act place us in a position to combat these in a way that would not otherwise be possible.

A newer organization formed on the Pacific coast in 1925 states that--

The association has met a very real need in the industry, it has made a better basis of understanding between buyer and seller, has counteracted detrimental activities of European organizations, has afforded protection to both buyer and seller, and has raised general standards of business ethics in the industry.

FOREIGN TRADE INQUIRIES UNDER SECTION 6 (H)

Trade disputes between American exporters and importers and their foreign customers are frequently reported to the American consulates or trade commissioners abroad, and inquiries are made by those offices in the interest of American foreign trade. If further inquiry in the States is necessary, the matter may be referred to the Federal Trade Commission by the State Department, the Department of Commerce or other organizations with foreign connections, and inquiry may be made under section 6 (h) of the Federal Trade Commission act which directs the commission to investigate trade conditions in and with foreign countries which may affect the foreign trade of the United States.

Inquiries of this sort are conducted informally, without publicity and the facts ascertained are reported back to the foreign country through Government representatives. In many instances the outcome of such an inquiry is an amicable adjustment by the parties to the dispute. The work has been highly commended by consulates and trade commissioners as a step toward the promotion of good will for American products, and the elimination of unnecessary criticism and ill feeling toward American traders.

During the fiscal year ending June 30, 1927, 70 foreign trade inquiries were handled by the export trade division. These cases involved the following import transactions: Crude rubber from Brazil, damiana leaves from Mexico, beaded bags from Germany, stamps from Greece and from Serbia, wood flour from Finland, and shells from Arabia; and the following export transactions: Flour to Canada; tableware, printing accessories, cotton, bags, meat juice, and persimmon logs, to England; automobile equipment to Austria; interior furnishings to Germany; hosiery to Saxony; hams to France; buckwheat and gas oil to Holland; roller bearings to Norway; oats and cotton to Sweden; leather to Portugal; flour and rice to Greece; clothing, sateen remnants, and automobile parts to Syria; apples, eggs, tobacco, and wrenches to Argentina; phonograph supplies and a crane to Chile; khaki cloth and metal trunk covering to Peru; hosiery to Ecuador; can-making machines to Uruguay; rubber goods to Mexico; milk to the Philippines; radio equipment, asbestos, lumber, and enameled tanks to Australia; valves and electrical supplies

to Java; movie films to Straits Settlements; tires and oil to Japan; egg products to China; cotton remnants, dyes, and automobiles to India; linen suits, ice-making machines, and barrel staves to South Africa.

UNFAIR COMPETITION IN FOREIGN COUNTRIES DURING THE PAST YEAR

During the world economic conference in Geneva in May, 1927, the conference recognized and commended the work of the economic committee of the League of Nations and the International Chamber of Commerce in connection with the Suppression of unfair commercial practices.

Resale price maintenance in Canada was the subject of an important decision rendered by the Minister of Labor in September, 1926. The Proprietary Articles Trade Association, comprising 157 manufacturers, 28 wholesale druggists, and 2,732 retail druggists, representing between 80 and 90 per cent of the retail drug trade in Canada, was held to be a "combine" under the combines investigation act. The association was charged with restraint of trade, enhancement of prices, and operation "to the detriment of the public" by reason of resale-price agreements. The minister's report states:

The method of enforcing or maintaining the fixed price is clearly set forth in the several agreements. It is to withhold supplies of all the articles on the association's list from dealers who sell any of the articles at a price lower than that fixed as a minimum. This obviously is designed to eliminate the price competition of chain and department stores accustomed to sell certain articles at prices below those usually charged by the rest of the drug trade, as well as the price competition of other unit dealers who have effected reductions in their operating costs.

Competition in the wholesale trade will also be affected. The regular whole sale druggists will no longer experience the keenness of price competition of the wholesale grocers (particularly the cash-and-carry wholesalers) who handle patent medicines and toilet articles at lower margins. Cooperative societies and cooperative wholesale houses, such as the Drug Trading Co., of Toronto, will no longer be able to give to their shareholders, through dividends and commissions, any of the advantages in price secured through cooperative merchandising, and the competition from these will therefore be substantially lessened.

As between manufacturers, too, there will be less competition from those who do not join the Proprietary Articles Trade Association, because of boycotting measures which have been advocated by the managing head of the association. * * *

As a consequence, manufacturers who are not members of the Proprietary Articles Trade Association, whatever their reasons for not joining the association, will snuffer from the operations of a combination representing almost the entire wholesale and retail trade, which aims to curtail the distribution of their products as much as possible. * * * The manufacturer finds himself confronted with a definite threat that unless he joins, the sale of his articles will be obstructed by the trade * * * It is apparent that some members have joined simply because of this pressure and that others who have not joined will find it necessary to do so if the association continues its operations.

Appeal was made by the association for further investigation and hearings, and final argument was presented in June, 1927, upon which a supplemental report will be issued by the Minister of Labor.

The British merchandise marks act, 1926, which became effective on June 15, 1927, requires not only that imports must bear an indication of the country of Origin, as provided by prior legislation, but that subsequent sales of such goods at retail or wholesale must not be made under names or marks which deceive purchasers or lead them to assume that the goods are British products.

"Blue sky" legislation in England would be strengthened if recommendations of a departmental Committee of the British Board of Trade are adopted. The committee suggested amendments to the company law which have been incorporated in a bill now before Parliament.

In a decision rendered in February, 1927, the German Cartel Court refused to assent to a petition by the Middle-German Iron Dealers' Syndicate which sought to compel outside companies to join the syndicate or to permit the syndicate to Control the prices and conditions under which members of the syndicate should deliver products to the outside concerns. The court held that "none should be forced by threats of elimination to offer up its commercial freedom." If the petition were granted, the decision states, competition would be stifled, free trade between the producer and consumer would be prevented, and in the increased power of the syndicate there would be "sources of danger for the common weal."

Unfair competition in Switzerland is covered by the civil code and the law of obligations. In a recent decision of the St. Gall commercial court, a manufacturer of preserves was enjoined from use of the trade-mark "Coro" in such a way as to mislead the public into believing that the goods so marked were those of a competing manufacturer using the trade mark "Hero."

In a decision rendered by a Swiss court in November, 1926 (Schweiger and Horn v. Araks-Tschamkerten & Cie) it was held that a merchant who has not joined a cartel can not be forced to adhere to prices dictated by the cartel if he has succeeded in obtaining merchandise as a result of a breach of contract by one of the members of the cartel. Suits are now pending in the Swiss courts against the pig-iron cartel and the linoleum trust. It is alleged that the pig-iron cartel sought to force into its membership a firm in Zurich, F. Erismann, which at first refused but finally consented to join. The cartel then refused to admit, the company or to lift the boycotts placed upon its products. The linoleum trust is charged with having "forcibly closed" the source of supply of "Globus" A. G.

The Norwegian "Trustcontrol" established under the law of 1926, has recently rendered a decision against manufacturers and dealers

in agricultural implements, declaring invalid and contrary to public interest an agreement which obligated the manufacturers to keep uniform prices throughout Norway, not to sell to cooperative organizations in the country, and not to give more than 25 per cent discount to dealers outside the agreement, whereas parties to the agreement were allowed 33 1/3 per cent and special credit advantage.

The illegal competition law of Greece was enacted in 1926, prohibiting transactions or agreements based on a system known as "boule de neige." The system is defined by the decree as "every method of drawing customers by the hope of chance-acquisition of merchandise and harmful to the trade of competitors." A customer who is a party to such a transaction may also be convicted and penalized.

The Mexican antitrust law, passed on June 28, 1926, became effective on December 28 of that year. The act provides for a central consulting board of commerce and industry composed of seven members, and regional boards to be set up within the States. Economic problems and especially the prices and stocks of foodstuffs shall be investigated. Notices have been sent to individuals, merchants, manufacturers, farmers, and credit institutions, requiring reports as to the kind and quantity of their products, the location and number of their depots and warehouses, the amount of their stocks, and the current prices of goods on hand.

Argentine legislation concerning misbranding or marking of goods was clarified by regulations issued by the President of Argentina in October, 1926, requiring marks showing the country of origin, the quality, purity or mixture, and the net weight and measurement of the products.

A recent report on operation of the profiteering prevention act of Queensland, Australia, claims that as a result of this law the cost of living in Queensland is lower than in any other State in the Commonwealth. "This favorable position," the report states, "has been reached as a result of strictest control of the prices of commodities that find a place in the household budget of the workingman. It has been maintained, too, despite the severe drought which has prevailed in Queensland during the period under review, and which has compelled the board to increase the maximum prices of meat, bread, and milk." This law was a war measure and originally covered a large number of commodities, but now applies only to certain foodstuffs which are deemed necessary.

ECONOMIC DIVISION

The work of the economic division is primarily to ascertain and interpret facts relating to the organization, conduct, and results of commercial enterprises, and to recommend to the Congress constructive legislation or desirable changes in such practices. Section 6, of the Federal Trade Commission act, empowers the commission to make such inquiries either at the direction of the President or of either House of Congress or by the commission on its own motion. Oftentimes the occasion of these inquiries has been complaint of monopoly, restraints of trade, or unfair methods of competition, but in other cases, especially in certain cases where the commission has acted, a constructive purpose has been in view.

Among the subjects investigated by this division in recent years are petroleum, coal, cotton, furniture, tobacco, kitchen furnishings and domestic appliances, national wealth and income, grain, bread, and electric power. Upon these subjects, after the inquiry has been completed, reports have been published making the results accessible to the public as well as to Congress.

During the fiscal year the following inquiries were prosecuted by the economic division:

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

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

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

Open price associations.--Inquiry directed by Senate Resolution 28 (69th Cong., special sess.), March 17, 1925.

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

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

Panhandle petroleum.--Inquiry directed by the commission October 6, 1926.

Stock dividends.--Inquiry directed by Senate Resolution 304 (69th Cong., 2d sess.), December 22, 1926.

GRAIN TRADE

During the early part of the fiscal year under report the last volume of the report on the grain trade was transmitted to Congress. This volume relates to the effects of future trading, and its contents were briefly summarized in the last annual report.

BREAD, FLOUR, AND GRAIN

Senate Resolution 163 (68th Cong., 1st sess.), directed the commission to investigate the production, distribution, transportation, and sale of flour and bread, showing costs, prices, and profits at each stage of the process of production and distribution from the time the wheat leaves the farm until the bread is delivered to the consumer; the extent and methods of price fixing, price maintenance, and price discrimination; the developments in the direction of monopoly and concentration of control in the milling and baking industries; and all evidence indicating the existence of agreements, conspiracies, or combinations in restraint of trade. This resolution, therefore, involved inquiry not only into the bread-baking industry but also into the wheat-flour industry and the grain trade.

A preliminary report on bakery combines and profits was sent to the Senate, February 11, 1927. This report considered, (1) the consolidation movement in the industry; (2) the development of the largest baking companies, including Ward, General, and Continental; (3) the extent to which the formation of the Continental affected competition; (4) the close interrelation of these large consolidations and the formation and judicial dissolution of the super-combination, the Ward Food Products Corporation; (5) the rates of return on investment and costs and profits per pound for wholesale bakers; (6) the relation of consolidation to costs of production and distribution; and (7) a comparison of the costs of producing and selling bread for wholesale, house-to-house, and chain-store bakers.

A preliminary report summarizing profits of flour millers, and giving information relating to their efforts to restrict competition was submitted to the Senate on May 7, 1926, and was referred to in some detail in the last annual report of this commission.

A final report covering all phases of the inquiry called for by the resolution was practically completed by the close of the fiscal year. This report will include the marketing of flour and bread, the prices of bread, competitive activities of bakers' associations, the margins of wheat handlers and the distribution of the consumer's price of bread among the successive agencies of production, manufacture, and distribution, besides some of the information included in the above-mentioned preliminary reports in an expanded form.

The baking industry has developed rapidly in this country in recent years, and commercial baking as distinguished from home baking supplies a much greater proportion of the total consumption than formerly--perhaps not far from one-half of the total. Commercial baking is chiefly done either by large wholesale bakers who sell to retail stores or by small bakers who sell to the consumer directly, either over the counter or with house delivery. Besides these may be noted two less important types--the large baking establishments which sell to the consumer with house delivery and the chain-store bakers who bake on a large scale and sell through their own retail units, "cash and carry," to the consumer. While the chain-store bakery is a new development, both the number of plants and volume of sales are expanding rapidly.

ELECTRIC POWER

During the past fiscal year the inquiry under Senate Resolution 329 (68th Cong., 2d sess.), directing the commission to ascertain the facts and report to the Senate to What extent, and by what means the "General Electric Co., or the stockholders or other security holders thereof * * * monopolize or control the production, generation, or transmission of electric energy or power" and also to report to the Senate the "manner in which the said General Electric Co. has acquired and maintained such monopoly or exercises such control in restraint of trade or commerce and in violation of law," was carried on in accordance with the general plan outlined in the last annual report. The inquiry was divided into three parts dealing respectively with control of the electric-power industry, control in the field of manufacture of electric-power apparatus and equipment, and competition among manufacturers and distributors of power-plant equipment, and among companies interested or engaged in the generation, transmission, and sale of electric energy.

As stated in the previous annual report, an opinion of the Attorney General held that under the provisions of the appropriation act for 1925-26, which were unchanged in the appropriation act for 1926-27, none of the funds available to the commission could be legally expended for the inquiry directed by that part of the resolution relating to the expenditure of money "or through the control of the avenues of publicity, to influence or control public opinion on the question of municipal ownership." In accordance with this opinion no inquiries were undertaken under this portion of the resolution.

The commission's report on the first part of the inquiry, entitled "Control of Power Companies" was submitted to the Senate and published during the year.

The report on "Control of Power Companies" covers historically the development of the General Electric and other large interests in the electric-power industry, and the degree of control exercised by the General Electric and other large power interests over the generation, distribution, and sale of electric energy in 1924. On December 30, 1924, the General Electric Co. decided to dispose of its majority interest in the Electric Bond & Share Co., its principal instrumentality for controlling electric-power companies. On that date the Electric Bond & Share Co. owned from about 7 to 23 per cent of the voting stock and furnished financial management or financial management combined with operating and construction management for five large holding companies controlling outright a large number of operating companies. In addition, the Electric Bond & Share Co. owned about 15 per cent of the voting stock of the Carolina Power & Light Co., the United Gas & Electric Corporation, and the Southeastern Power & Light Co.; and the General Electric Co. itself owned 29 per cent of the Adirondack Power & Light Corporation. Taken together, the companies thus affiliated with the General Electric interests at the end of 1924 controlled 12.5 per cent of the country's total installed generating capacity and produced about 11.8 per cent of the total energy generated in the United States during the year. Other holding-company groups, not affiliated with the General Electric Co., on the same date controlled about 65 per cent of the generating capacity, and independent operating companies, including municipals, controlled about 22.5 per cent of the installed capacity. While no other single group controlled a proportion equaling that of the General Electric interests, two of the largest, the North American and Insull groups, were not far behind.

In the aggregate, other holding-company groups controlled about five times the proportion of the General Electric interests, and numerous isolated companies taken together controlled about one and one-half times that of the General Electric group.

In divorcing itself from the ownership of a controlling interest in the Electric Bond & Share Co. the General Electric Co. organized a new corporation to which its stock holdings in the Electric Bond & Share Co. were given in exchange for stock of the new company, said new stock being then distributed proportionally to the stockholders of the General Electric Co. In this way the General Electric Co. divested itself of the great bulk of its financial holdings in power companies. But as the stockholders of the General Electric Co. were originally identical with those of the new company controlling the Electric Bond & Share Co., the question remained how far this formal divorcement of interest constituted a real separation. An examination of the lists of stockholders as of September and October, 1926, showed that there were no large or dominating stock-

holders in either company, and that the original identity of holdings had been reduced by 21 per cent in about 21 months. At the time of the examination the boards of directors of the two companies contained no common directors, and the board of the Electric Bond & Share Co. appears to be in a position to manage its affairs independently.

An inquiry involving a comparison of the names of the 25 largest holders of stocks of most of the important power companies with the stockholders' list of the General Electric Co. showed no significant indirect connections through interlocking stock ownership.

A similar inquiry regarding interlocking directorships indicated that as between the General Electric Co., the Electric Bond & Share Co., the several holding companies, and the nearly 200 operating companies of the General Electric group there were very numerous interlocking directorships, this being an essential feature of the control and management exercised. These relationships were generally disclosed in the financial manuals. Besides these interlocking directorships within the General Electric interests there were a few others which connected the General Electric Co. with power groups that are generally assumed to be independent of it. Among the hundreds of directors of the more than 200 companies of the General Electric group there were 56 men who were directors in power companies not belonging to the group. In a few instances these directorships were in other important power holding or operating company groups. Examination of the minutes of several of the chief power groups and of the General Electric Co. and other inquiries in the industry failed to indicate that such occasional relationships were of any special significance with respect to the managements of the independent power groups.

Particular attention was given in response to the Senate resolution to the manner in which the General Electric Co. acquired and maintained control in the power industry, and whether violations of law were involved therein. As previously indicated, such control as existed prior to December 30, 1924, was based chiefly on the activities of the Electric Bond & Share Co., which was itself an outgrowth of the necessity of the General Electric Co. to realize cash on securities taken in part payment for machinery and apparatus sold to power companies that were small and financially weak. The Electric Bond & Share Co. originally took over a considerable amount of such securities, mainly stocks of operating companies, became the organization by which the financing for such companies was aided, and later rendered expert engineering, operating, and construction services for compensation.

But while the General Electric Co. through the Electric Bond & Share Co. was building up an extensive organization and control over a larger portion of the power industry than was exercised by any other holding company group, there were abundant opportunities for other interests with sufficient financial backing and expert knowledge to do likewise. Indeed, in this respect the firm of Stone & Webster and other groups were in many respects pioneers rather than the Electric Bond & Share Co. Parallel with the growth of the General Electric group there have grown up a number of other large interests, some closely rivaling in extent of control the General Electric group.

The remarkable activity during the past few years in the organization of electric-power operating companies into various power groups appears to have been induced by the opportunity to exploit their earnings, as well as for the purpose of increasing their efficiency. One of the problems of public interest concerning some of these large power groups is the extreme degree to which pyramiding has been carried in superimposing a series of holding companies over the underlying operating companies. Any reduction in profits through increase in operating costs would be much more marked in effect upon the earnings of these pyramided companies than on the underlying operating companies.

In an extreme instance of concentrated control in a pyramided financial structure, less than a \$1,000,000 investment in the majority of the voting stock of the apex holding company in 1925 gave full control of the entire organization of the group having scores of underlying companies and several hundred million dollars of investment. Such pyramiding not only affects the financial stability of the electric-power industry, but also has a potential relation to the more general question of an undue concentration of control in the electric-power industry. As the extensive grouping of electric-power companies often brings their business into the field of interstate commerce ' it presents a problem for legislative consideration by Congress.

A further report on this subject is under preparation which deals with the conditions of supply of electrical equipment and with competitive conditions in the entire power field.

OPEN-PRICE ASSOCIATIONS

The inquiry into open-price associations was undertaken pursuant to a Senate resolution. While progress in the work on this inquiry has been retarded by the prior claims of other inquiries, field work for a large number of associations and much preliminary statistical work have been done.

Not only has it been deemed important from the point of view of the public and of the associations to include in the survey associations other than those known technically to belong in the "open-price" group, but it has in fact been found indispensable to include these others as means of testing out the effects of open-price activities, especially by way of statistical comparison and analysis. There is no accepted and established definition of what constitutes an Open-price activity and a great variety of methods of providing price information has been observed. Whether compiled in conjunction with price information or not, great importance is attached to current trade statistics, which can often be made available for an industry only by the initiative of its own members through an association. These various statistical activities (including price reporting) constitute an interesting and, it is claimed, a constructive economic development, but one which should be carefully and critically studied and appraised from the point of view of the consuming public. It is expected that the broad aspects of trade association work will be studied so that the activities constituting the specific object of the inquiry can be properly related to such larger matters.

At the close of the fiscal year the bulk of the field work had been done, and the way was prepared to begin the organization of the large amount of material already obtained and the comparative analysis of the pertinent statistical data and compilations. To the systematic comparative study of association statistics it is proposed to give particular attention.

LUMBER-TRADE ASSOCIATIONS

An inquiry into lumber-trade associations was initiated by the commission under its general powers to inquire into the organization, conduct, business practices, etc., of corporations engaged in commerce contained in section 6 (b) of its Organic act.

In 1919-20 the commission made an exhaustive study of the activities of several lumber associations, including the Southern Pine, the West Coast Lumbermen's, Western Pine Manufacturers, North Carolina Pine, and California White and Sugar Pine Manufacturers Associations. The results of this study were submitted to the department of Justice, and a report was also submitted to Congress containing facts relating to the activities of the first three of the above-mentioned associations. A supplemental investigation of four of these associations was made by the department, the North Carolina association not being included.

On January 4, 1926, the commission directed that the facts with reference to these five associations be brought down to date. This inquiry has been conducted in conjunction with the inquiry into open-price associations.

PETROLEUM PRICES

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

Work on this inquiry was started immediately, and questionnaires calling for pertinent organization, statistical, and financial data were sent to producers, refiners, and marketers of petroleum products.

The broad scope of the resolution, as well as the complicated character of the industry which embraces crude petroleum production, pipe line transportation, petroleum refining, and the distribution of petroleum products to the consumer, made it impossible to complete this inquiry in a satisfactory manner before the close of the last session of Congress.

PANHANDLE OIL SITUATION

In October, 1926, in response to a request by producers in the Panhandle oil field in northwest Texas, a special inquiry was made to ascertain the reasons for a recent reduction in the price of petroleum, which was instituted by the purchasing companies.

NATIONAL WEALTH AND INCOME

During the fiscal year ending June 30, 1927, the commission printed and distributed its report on national wealth and income, which was also referred to in the previous annual report. This report continues to have considerable current interest. It was made in response to a Senate resolution which directed the commission to make an inquiry into and to compile data concerning the total amount of the chief kinds of wealth in the United States, the ownership thereof, and the encumbrances thereon, including both public and

private indebtedness, to determine for recent years the amount of the annual increase in the wealth of this country in the various lines of economic activity and by different classes of the population, etc. While the commission has made no further formal study of this subject, a few of the more readily accessible indications of recent changes may be noted.

The commission found that the total wealth of the United States was \$353,000,000,000 in 1922. The increase from 1912 to 1922, based on census estimates, was 72 per cent, but if allowance were made for changes in the purchasing power of the dollar, as indicated by index numbers of the Bureau of Labor Statistics, the increase would be only 13 per cent, or slightly less than the increase in population. Since 1922 the wealth of the United States has apparently been considerably increased. There has been a great increase in the number of residences and business buildings, and since 1924 there has been a large increase in the rate of production of other goods of a less permanent character, such as automobiles and industrial machinery. With most industrial production rates greater than ever before, indexes of business show that stocks of commodities on hand have increased also, about equally with production. There has been apparently an even greater increase in dollar values, through the bidding up of comparatively fixed sources of income and their capitalization at higher rates, as interest rates have become lower, as is illustrated by present stock market values. There was a 10.6 per cent increase in the value of investment in railroads from 1922 to 1925, as reported by the Interstate Commerce Commission. On the other hand, agriculture, which representee 18 per cent of the total national wealth in 1922, showed a decrease in the total value of farm property from \$63,000,000,000 in 1922 to \$57,000,000,000 in 1925, with an indicated further increase in 1926.

The total income of the people of the United States was estimated as \$75,000,000,000 for the year 1920, but when depression paralyzed a large portion of industry and prices and wage rates fell the total money income declined also. According to estimates of the commission the total income fell to \$53,000,000,000 in 1921, but increased again in the following years and amounted to \$70,000,000,000 in 1923. Estimates of the National Industrial Conference Board (which were approximately the same as those of the commission for the period 1919 to 1923) were \$77,000,000,000 for 1925 and nearly \$79,000,000,000 for 1926. These estimates do not furnish an accurate measure of the degree to which needs of the people were provided during these years. A part of the differences were merely nominal, depending on changes in average prices. Using the cost-of-living index of the Bureau of Labor Statistics, these estimates of income, revised to the basis of the purchasing power of the 1923 dollar, were, roughly, \$61,000,000,000

for 1920, \$51,000,000,000 for 1921, \$70,000,000,000 for 1923, \$78,500,000,000 for 1925, and \$79,000,000,000 for 1926.

It appears that there would be great public interest in more frequent and comprehensive estimates of national wealth and income.

STOCK DIVIDENDS

On December 24, 1926, the chief economist was directed to institute an inquiry into the payment of stock dividends by corporations under a Senate resolution dated December 22, 1926, directing the commission to "ascertain and report to the Senate, the names and the capitalization of corporations that have issued stock dividends, together with the amount of such stock dividends, since the decision of the Supreme Court holding that stock dividends were not taxable, and to ascertain and report the Same information as to the same corporations for the same period of time prior to such decision.

The decision of the Supreme Court, referred to in this resolution, was rendered on March 8, 1920. To answer this resolution properly, therefore, it is necessary to cover a period of 14 years (7 years prior to and 7 years Subsequent to the aforesaid decision).

As no complete list of names and addresses of corporations paying stock dividends since January 1, 1913, has ever been published, it was necessary to compile such a list from the leading financial publications for each of these 14 years to obtain the names and addresses of corporations reporting the payment of stock dividends. This list was supplemented by the Treasury Department, which furnished the commission with the names of all corporations reporting the payment of stock dividends during the years 1922-1925, inclusive, no records of such dividends prior to 1922 being available. From these sources there were compiled the names and addresses of approximately 18,000 corporations reported to have paid stock dividends between January 1, 1913, and December 31, 1926. Up to the close of the fiscal year schedules requesting capitalization and dividends had been sent to practically all these corporations and replies in one form or another had been received from about 13,000. Many corporations on the list replied that they had paid no stock dividends and a considerable proportion of the returns were incomplete, necessitating a large amount of correspondence and follow-up work. It is estimated that about 10,000 reports will be found ultimately usable.

COOPERATION WITH LEGAL STAFF

The economic division cooperated during the year with other divisions of the commission in furnishing extensive professional and clerical assistance. At the close of the fiscal year 12 members of

the economic division were assigned to the inquiry into cooperative associations being prosecuted by the legal examining division and 4 to the trial division in connection with proceedings in the Bethlehem-Lackawanna steel merger case. In addition at various times during the year one or more members of the economic division were assigned to the attorneys in charge of the Aluminum Co. of America case.

COOPERATION WITH OTHER BRANCHES OF THE GOVERNMENT

Near the close of the fiscal year at the request of the Secretary Of State the chief economist of the commission was directed to cooperate with officials of the State Department and other Government establishments in the preparation of information and recommendations for the use of the delegates of the Geneva Economic Conference.

The chief economist was also directed by the commission to appear before the subcommittee of the Senate Committee on the Judiciary to testify with regard to the combinations in restraint of trade in bread and related products.

In connection with various suits with regard to milk refunds under war-time Government contracts, technical assistance was rendered the Department of Justice by the chief accountant of the commission.

WORK ON HAND

At the close of the fiscal year 1927 the economic division had on hand and not completed seven inquiries, i.e., bread and flour electric power, open-price associations, lumber-trade associations, petroleum prices, Panhandle petroleum, and stock dividends. Of these inquiries, however, bread and flour, petroleum prices, Panhandle petroleum, and lumber-trade associations were practically completed, while the remainder, except open-price associations, were all well advanced toward completion.

In addition, however, by the action of the commission the economic division had on hand within a month after the close of the fiscal year four additional inquiries.

On July 25 the commission directed the chief economist to investigate the practice of resale price maintenance from the standpoint of its economic advantages or disadvantages to manufacturers, to distributors, and to consumers; costs, margins, and profits on price maintained and non price maintained goods and purposes and results of price cutting.

Two days later, on July 27, the commission directed the chief economist to inquire into the delivered price, the factory base and basing point methods of quoting and charging prices, together with

the causes and purposes of their adoption and their effects on prices and competitive conditions.

On the same day it was ordered that a previous inquiry conducted into blue-sky securities, and concerning which no report had ever been published should be brought down to date. This inquiry involved the practice of selling blue-sky securities and the various legislative, administrative, and other methods, both State and Federal employed to abate this evil.

The reported acquisitions by the Dupont Co. of United States Steel Corporation stock, together with the previous reported holdings of the first mentioned company in General Motors, caused the commission on July 29 to direct an inquiry into the relationship of these corporations with a view of ascertaining the real facts and their probable economic consequences.

CHIEF COUNSEL

OUTLINE OF PROCEDURE

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

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

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

The commission S rules of practice and procedure provide--

(1) In case of desire to contest the proceeding the respondent shall, within 30 days from the service of the complaint, unless such time be extended by order of the commission, 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. Respondent shall specifically admit or deny or explain each of the facts alleged in the complaint, unless respondent is without knowledge, in which case respondent shall so state, such statement operating as a denial. Any allegation of the complaint not specifically denied in the answer, unless respondent shall state in the answer that respondent is without knowledge, shall be deemed to be admitted to be true and may be so found by the commission.

(2) In case respondent desires to waive hearing on the charges set forth in the complaint and not to contest the proceeding, the answer may consist of a statement that respondent refrains from contesting the proceeding or that respondent consents that the commission may make enter, and serve upon

respondent an order to cease and desist from the violations of the law alleged in the complaint, or that respondent admits all the allegations of the complaint to be true. Any such answer shall be deemed to be an admission of all the allegations of the complaint and to authorize the commission to find such allegations to be true.

(3) Failure of the respondent to file answer within the time as above provided for shall be deemed to be an admission of all allegations of the complaint and to authorize the commission to find them to be true and to waive hearing on the charges set forth in the complaint.

After complaints are issued, the chief counsel is charged with the trial or other proper disposition of all cases. In a contested case the matter is set down for the taking of testimony before a trial examiner upon due notice to all parties respondent. After the taking of testimony and the submission of evidence on behalf of the commission in support of the complaint, and on behalf of the respondent, the trial examiner prepares a report of the facts for the information of the commission, counsel for the commission, and counsel for the respondent. Exceptions to the trial examiner's report may be made by either counsel for the commission or counsel for the respondent. Within a stated time after receipt of the trial examiner's report briefs are filed and then the case comes on for final argument before the full commission. Thereafter the commission reaches a decision either sustaining the charges of the complaint or dismissing the complaint. If the complaint is sustained, the commission makes a report in which it states its findings as to the facts and conclusion that the law has been violated, and thereupon an order is issued requiring the respondent to cease and desist from such practices. If the complaint is dismissed, an order of dismissal is entered.

Respondents against whom orders to cease and desist have been directed are required within a specified time, usually 60 days, to report in writing the manner in which they are complying with the provisions of the commission's order. If a respondent fails or neglects to obey the order while the same is in effect, the commission may apply to a United States Circuit Court of Appeals for enforcement thereof. Respondents may likewise apply to a United States Circuit Court of Appeals for review of the commission's orders, and these proceedings may be carried by either party on certiorari to the Supreme Court of the United States for final determination.

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

SUMMARY OF WORK, 1927

The volume of work of the legal division is concisely expressed in the statistical tables to be found on pages 104 to 108 of this report. Complete synopses of complaints disposed of by dismissal or orders

to cease and desist entered during the year and all complaints pending at its close will be found in Exhibits 6 and 7, pages 131 to 177.

CHARACTER OF COMPLAINTS

In the course of the performance of its duties the commission is called upon to protect the public from unfair and monopolistic practice.

All but 2 of the 76 complaints issued during the year charged unfair methods of competition. Violations of section 7 of the Clayton Act by acquisitions of stock of competing concerns were charged in two complaints. There was one complaint charging violation of section 2 of the Clayton Act (price discrimination). This complaint also includes a charge of violation of section 5 of the Federal Trade Commission act. No complaints charging violation of section 3 (tying contracts) or section 8 (interlocking directorates) of the Clayton Act were issued during the fiscal year here reported on.

Herewith are presented brief summaries of the charges contained in a few of the complaints issued by the commission during the past fiscal year. These complaints are fairly representative.¹

Price discrimination--Violation of section 2 of the Clayton Act and section 6 of the Federal Trade Commission act.--On May 17, 1927, certain dominant manufacturers of range boilers having their plants in Pennsylvania, Ohio, Illinois, Michigan, and Tennessee, were charged in a complaint issued by the commission with concurrently establishing and maintaining a certain sales policy with the alleged intent and purpose to destroy two local producers and competitors in the Pacific coast market. These two competitors both of which from their geographical location are unable to buy the raw materials used in the manufacture of range boilers at a price which compares favorably to the price respondents pay, as said raw materials, consisting of sheet steel, rivets and spelter, are produced in the Eastern States. As the cost of transportation of the raw materials is reflected materially in the costs of both respondents and their competitors, the sales policy of respondents works to the disadvantage of their competitors. This Sales policy is as follows: For one fixed and uniform lump sum each respondent sells its range boilers and pays the actual cost of transportation thereof to all markets in all parts of the United States. Under this policy respondents sell their range boilers in the Pacific coast market not only below their own costs, but also below the costs of the above-named competitors. The loss thus

¹ Attention is especially invited to the fact that these complaints are pending, and consequently the commission has reached no determination as to whether or not the law has been violated.

sustained by respondents in the Pacific coast market is recouped by them out of the profits derived under said uniform sales policy from their sales in the eastern market, which profits are sufficient to give each respondent a satisfactory net profit on its business as a whole.

It was also alleged in the complaint that the effect of respondents' uniform sales policy is to (a) lessen and eliminate competition and create a monopoly of the Pacific coast market; (b) to fix an arbitrary cost to purchasers which has no relation to costs of production, sales, transportation, or profits on such sales; (c) to levy upon a majority of purchasers an additional burden to reimburse respondents for losses they incur to accomplish their unlawful purpose to destroy competition; (d) to unlawfully discriminate against purchasers and deprive them of the advantages of competition and the proximity to sources of supply; and (e) to violate section 5 of the Federal Trade Commission act and section 2 of the Clayton Act.

Answers to the complaint have been filed denying violations of the law, upon which issues the case is pending.

*Resale price maintenance--Violation of section 5 of the Federal Trade Commission act.--*A representative complaint on this subject is the one issued by the commission on May 10, 1927, in which a manufacturer of watches and its subsidiary distributors were charged with practicing unfair methods of competition by a merchandising system of establishing and maintaining specified uniform prices at which its watches shall be resold between dealers and to the consuming public throughout the country. In order to enforce said system and prevent dealers from reselling these watches at less than the uniform resale prices so fixed, it is alleged that respondents employed the following means, among others: (a) Established and issued uniform minimum prices at which wholesalers shall resell the watches to retail dealers and required said wholesalers to sell exclusively to retail dealers; (b) established and issued uniform minimum prices at which retailers shall resell the watches to the public; (c) cut off sources of supply of dealers who failed to sell at the prices fixed by respondents; (d) placed upon their business stationery and the containers of the individual watches a notice and warning to the effect that the sale of such watches at less than the minimum wholesale and retail prices so fixed constituted a damage to the trade-mark of and the good will in the name of the manufacturers, together with a statement that the buyer admits such damage and that respondents will prevent such damage and protect said trade-mark and good will through legal proceedings; (e) made it generally known to the trade that the respondents require dealers to maintain and enforce the resale prices which they fixed, and refuse to sell to price cutters;

(f) entered into agreements with dealers to maintain and enforce the fixed prices; (g) persuaded and coerced, by agreement and intimidation wholesale and retail dealers who cut prices or otherwise failed to adhere to respondents' price-fixing scheme, to refrain from selling at cut prices, and to otherwise abide by said scheme of price fixing and the methods of carrying same into effect; (h) policed the trade to see that their prices are adhered to by investigating and securing information of price cutting or other violations of their scheme; (i) employed a system of serial numbers stamped upon the containers of the watches by means of which they could and did trace watches through the channels of trade to the consuming public and thus identify wholesale and retail dealers who reduced prices, and otherwise detect violations of their scheme of price fixing; (j) exacted, by inducement, coercion, and threats of lawsuits and of cutting off source of supply, promises and assurances from price cutters that they will in the future maintain the fixed prices and refrain from selling to other price cutters; (k) exacted from dealers promises that they will maintain respondents' fixed resale prices as a condition to opening new accounts or of continuing to deal with such dealers; and (l) kept what is commonly known as a black list of those who failed to abide by their scheme of fixing and maintaining resale prices. It is also alleged in the complaint that the effect of these practices is to suppress competition, to prevent dealers from reducing the price of these watches as they may desire, and to deprive the consuming public of those advantages which they would obtain from the natural and unobstructed flow of commerce in such watches under conditions of free competition.

Issue was joined by respondents filing their answers, upon which the case was pending at the close of the fiscal year.

*Conspiracy to fix prices--Boycott section 5 of the Federal Trade Commission act.--*A typical form of this method of competition is set out in a complaint issued by the commission on July 7, 1926, against an organization composed of local associations of retail druggists comprising some 3,200 retail druggists . It is charged in the complaint that respondent undertook to secure the adoption and maintenance by manufacturers, jobbers, and wholesalers of drugs and sundries of uniform resale prices for their respective products and the adherence to such resale prices by retail druggists; and further to influence and induce retail druggists not to purchase goods from manufacturers, jobbers, and wholesalers who failed to adopt such policy of resale price maintenance, thereby coercing the manufacturers, jobbers, and wholesalers to adopt same. It was alleged that respondent sought to effect these purposes: (a) By agreements by manufacturers, jobbers, and wholesalers to main-

tain certain resale prices which in some cases were suggested by respondent; (b) by cooperation among the druggists in refusing to deal in goods not sold under such resale price policy and promising manufacturers and dealers assistance in resisting price cutting; (c) by keeping retail druggists informed of those manufacturers, jobbers, and wholesalers who adopted the resale price policy; (d) by the use of "courtesy cards" issued by the respondent on the application of manufacturers, jobbers, and wholesalers for use of their salesmen introducing the holder as representing a "friendly" concern, said "courtesy cards" being issued to manufacturers, jobbers., and wholesalers who have agreed to maintain certain wholesale prices for their products and commodities, and said cards being designed and intended to influence and induce the retail druggist to buy only from those to whom such cards have been issued and to boycott other manufacturers, jobbers, and wholesalers; (e) by threatening retail druggists with bodily harm and that unless they agree to maintain the resale prices adopted they would be investigated by a State board of pharmacy and the narcotic and prohibition authorities, and that unless said retailers joined the combination they would not be able to purchase from manufacturers who had joined; (f) by publishing lists of manufacturers, jobbers, and wholesalers to whom "courtesy cards" had been issued. It was also alleged that respondent had, to a substantial extent, procured the boycotting by retail druggists of manufacturers, jobbers, and wholesalers who have not conformed to the resale price maintenance policy advocated by respondent, all of which is charged to be an unlawful restraint of trade and unfair methods of competition.

Answer to the complaint was filed by respondent denying the allegations thereof. At the close of the fiscal year, testimony was being taken with respect to the issues raised.

Commercial bribery--Violation of section 5 of the Federal Trade Commission act.--A typical complaint on this subject is the one issued October 15, 1926, against a manufacturer of disinfectants, insecticides, and germicides and distributor thereof to various departments, boards, and administrative offices of State, county, and municipal governments throughout the United States having charge and control of public funds used in purchasing supplies for public institutions, such as jails, penitentiaries, almshouses, schools, and hospitals. It was charged in the complaint that in soliciting and securing business from the purchasing officials of such institutions, respondent made it a practice for more than 10 years to offer and give to said officials, and to others deemed as having influence with such officials, premiums or gratuities to induce reward for having purchased the goods of respondent in preference to the goods of respondent's competitors; that such offers and gifts

have been made by respondent without the knowledge and consent of anyone having legal authority to consent thereto and were intended by respondent to be appropriated to the personal use and ownership of said purchasing officials. It was also alleged that this practice prevented and tended to prevent such purchasing officials from discharging their duties of buying for the public without the bias of self-interest, and has caused and tended to cause those officials to purchase respondent's goods in excess of the reasonable needs of the institutions and to be wasteful of the goods after purchase, all in order to receive gifts offered by respondent; that it has caused and tended to cause such officials to purchase respondent's goods without proper regard for the comparative quality, suitability, and price of goods offered for sale by respondent's competitors; that respondent includes the sums expended for said premiums and gratuities in its cost of doing business and adds to the fair and reasonable market value of its commodities an amount sufficient to offset, either wholly or partially, the sums so expended, which added cost and excessive price the respondent recovers out of the public funds from which the purchasing officials make their purchases:

Respondent filed its answer to the complaint denying the above mentioned allegations. On February 17, 1927, and before trial, the complaint was dismissed in view of the fact that respondent had since the issuance thereof subscribed to a code of ethics adopted by the industry and approved by the commission condemning the above alleged practices and agreeing to discontinue them.

Misrepresentation of tools.--During the year the commission issued two complaints charging respondents with the use of unfair methods of competition in violation of section 5 of the Federal Trade Commission act by the advertising, labeling and selling as "Cast Steel," "All Steel," or "New Process Converted Steel," certain hammers and other tools which, in truth, were not composed of steel, but were made of metal other than steel such as malleable iron.

Answers to these complaints were filed by the respondents denying the misrepresentations, and at the close of the fiscal year the cases were pending the usual procedure on complaint and answer.

Castile soap--Misrepresentation--Violation of section 5 of the Federal Trade Commission act.--The commission issued four complaints during the year charging certain manufacturers with misbranding and misrepresenting soaps containing animal fats and vegetable oils other than olive oil by one or more of such terms as "Crystal Cocoa Hardwater Castile," "Cocoa Castile," "Defender Castile," "Rainbo Castile," "Castile Soap," "Plurality Castile," "Crown Castile," "Olive Castile," "Fontaine Castile," "Lion Castile," "Dona Castile," "Stork Castile," "Carrara Sapone Cas-

tiglia," "Broadway Bath Olive Castile," "Castile Styles." It was charged in these complaints that the above mentioned practices have the tendency and capacity to confuse, mislead, deceive and defraud dealers and the public into believing that said soap is in truth genuine Castile soap which, it is alleged in the complaints, takes its name from Castile, a Province of Spain, the place where it was first made five or six centuries ago; is a hard soap made of olive oil exclusively, saponified by lye, and has the reputation among the trade and consuming public as being of superior quality, free from substances harmful to the human skin or delicate fabrics, and possessing desirable qualities not found in other soaps.

Answers have been filed, these cases were put upon the suspense calendar in compliance with a stipulation to abide by the decision of the court in the case of James S. Kirk & Co., which involves the matters presented by these cases.

Acquisition of stock of competitors--Violation of section 7 of the Clayton Act.-- Complaint was issued by the commission on April 5, 1927, against a cigar-manufacturing corporation having plants in New York, Pennsylvania, and Michigan, charging it with acquiring the capital stock of two of its competitors. It is alleged in the complaint that such acquisitions may be, and are, violative of section 7 of the Clayton Act, and that the effects are (1) to substantially lessen competition between the acquiring and acquired companies; (2) to restrain commerce in the sale of cigars among the several States; (3) to tend to create a monopoly.

Answer to the complaint was filed by the respondent, denying that the law has been violated, and at the close of the fiscal year the case was pending the taking of testimony with respect to the issues raised by the complaint and answer.

Misrepresentation of furniture--Violation of section 5 of the Federal Trade Commission act.-- During the fiscal year the commission issued complaints by which furniture manufacturers were charged with using unfair methods of competition in the practice of advertising and describing veneered furniture by one or more of such terms as "Walnut," "Mahogany," "Genuine Walnut," "American Walnut," "French Walnut," "Walnut Combination," "Mahogany Combination," "Red Mahogany," "Brown Mahogany," "Walnut Decorated," "Georgian Walnut Decorated," "Walnut and Gumwood," and "Mahogany and Gumwood," without disclosing that the only walnut or mahogany contained in such furniture consists of a thin covering or veneer with which the exposed surfaces are faced. It was also alleged that the use of such designation under the above-mentioned circumstances results in placing in the hands of the retail dealers the means whereby such dealers can commit a deception and fraud upon the public by merely describing such furniture to custom-

ers by said designations given to it by the manufacturer without disclosing that the mahogany or walnut wood used in the construction of Such furniture consists only of a thin veneer or facing, thus inducing numerous persons to purchase such veneered furniture in the belief that the exposed portions thereof were made of solid mahogany or solid walnut.

Answers to these complaints were filed by respondents denying the charges of misrepresentation and deception, and at the close of the fiscal year testimony was being taken with respect to the issues thus raised.

At a conference of retail furniture dealers held under the auspices of the commission in November and December, 1925, to consider the proper trade practices affecting the sale of furniture, rules of what were considered fair and proper ways to describe furniture to the consuming public were adopted. To the close of the fiscal year 1938 manufacturers of furniture throughout the United States had signified their willingness to abide by said rules by subscribing to the same. The manufacturers against whom complaints have been issued have not recognized or subscribed to these rules.

*“Havana” cigar cases--Misrepresentation and misbranding--Violation of section 5 of the Federal Trade Commission act.--*Nine complaints have been issued during the fiscal year against an equal number of manufacturers of cigars charging them with the use of unfair methods of competition by representing and branding cigars, of domestic manufacture and which contain no, or in minor part only, Cuban or Havana tobacco, by the use of such brand names or terms as “Havana brown,” “Hoyo de Cuba,” “Havana,” “Mild Havana,” “Mild Havana Cigar,” “Havana Cadet,” “Rose-O-Cuba,” “Havana Darts,” “Havana Sweets,” “Havana Fruit,” “Havana Velvet.,” and “Spana-Cuba.”

It was charged in these complaints that the use of the above-mentioned terms has the capacity and tendency to mislead and deceive the public into buying such cigars in the erroneous belief that they are composed wholly, and, in some instances, in greater part, of Cuban or Havana tobacco, which tobacco is alleged to be considered by the consuming public as, and for a long time had the reputation of, being of superior quality and excellence. Answers to many of these complaints have been filed denying the misleading and deceptive character of the brands, with respect to which issues the cases are awaiting the taking of testimony.

ORDERS TO CEASE AND DESIST

The final expression of the commission in a case where respondent is found to have violated the law, as alleged, is an order upon such respondent to cease and desist the particular practices alleged and

proven under the complaint. The commission, during the year here reported upon, issued 52 separate orders to cease and desist. All of the 52 orders covered violations of section 5 of the Federal Trade Commission act relating to unfair methods of competition, except one, namely, the order entered July 14, 1926, against Armour & Co. to divest itself of the capital stock of the Eau Claire Creamery Co. and the Pacific Creamery Co, acquired in violation of section 7 of the Clayton Act. However, on April 13, 1927, the commission vacated this order. As in past years, the respondents upon whom the commission served orders to cease and desist have in a great many cases accepted their terms and filed reports with the commission signifying compliance therewith.

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

Respondent	Location	Method of competition involved
Acme Fountain Pen co	Chicago, Ill	Falsely representing to be manufacturers of fountain pens and labeling fountain pens with false and fictitious prices in excess of customary prices.
American Snuff Co	Memphis, Tenn	(1) Resale price maintenance; (2) making false representations in disparagement of the weight of the products of competitors; (3) making false statements that competitors are controlled by the respondent; (4) making false statements regarding the quality of its own products; (5) inducing customers of its competitors to repudiate contracts with such competitors and inducing consumers not to use the products of competitors; (6) by the use of false representations inducing dealers to exchange the products of competitors for products of the respondent; (7) use of misleading labels; (8) making false representations regarding the alleged curative properties of its products.
Armour & Co	Chicago, Ill	Acquiring part of the capital stock of Eau Claire Creamery Co. and acquiring all of the capital stock of Pacific Creamery Co. 1
Arnold Electric Co	Racine, Wis	Resale price maintenance.
Atlanta Wholesale Confectioners Association et al.	Atlanta, Ga	Combining to prevent certain jobbers from purchasing candy and confectionery from manufacturers thereof.
Bardwil, N. B., & Co., et al	New York, NY	Selling lace not made in Ireland as Irish lace.
Bell Cap Co	do	Falsely representing caps to be union made.
Benedict Manufacturing Co	East Syracuse, NY	Falsely representing by the use of the word "Quadruple" silver-plated ware to be coated or plated four times with silver.
Bernstein, Samuel E (Inc.)	New York, NY	Using the word "Sheffield" in connection with the sale of silver-plated ware not made in Sheffield, England.
Big G Furniture Works, et al	do	Falsely representing by slogans and otherwise to be manufacturers of furniture.
Bradstreet, Hobart (Inc.), et al.	Chicago, Ill	False advertising.
Busch, Jacob	New York, NY	Using the word "Sheffield" in connection with the sale of silver-plated ware not made in Sheffield, England
Century Silver Manufacturing Co.	do	(1) Using the word "Sheffield" in connection with the sale of silver-plated ware not made in Sheffield, England; (2) falsely representing by the use of the word "Quadruple" silver-plated ware to be coated or plated four times with silver; (3) using the word "Dutch" and the words "Dutch Silver" in connection with the sale of silver-plated ware not made in Holland.
Commonwealth Manufacturing Co. et al.	Chicago, Ill	The use in a corporate name by dealer not a manufacturer of the word "Manufacturing"; (2) the

use of labels and brands indicating that shoes sold bearing such labels or brands are made for and under the supervision and specifications of the Government of the United States when they are not so made.

1 On Apr.13, 1927, by an order of that date, the commission vacated the order of divestment previously entered July 14,1926.

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Respondent	Location	Method of competition involved
Cuban-American Sponge Co	New Orleans, La	False representations as to the nature and extent of business conducted.
Daisy Products (Inc.)	New York, N. Y	Using the terms "Patent Leather" and "Patent Leather Fabric" in connection with the sale of hat bags not made of leather but of a cloth material resembling in appearance patent leather.
Dwinell-Wright Co	Boston, Mass	Resale price maintenance.
Grand Rapids Sales Co	New York, NY	(1) Use of the words "Grand Rapids" in trade name and corporate name of a business dealing in furniture not manufactured in Grand Rapids, Mich.; (2) false representation of being a manufacturer, (3) false representations regarding costs and profits in furniture.
Great Lakes Rubber Products Co.	Cleveland, Ohio	The use of a misleading label.
Hennill Silverware Co	New York, N. Y	Using the word "Sheffield" in connection with the sale of silver-plated ware not made in Sheffield, England.
Indiana Quartered Oak Co	do	Using the term "Mahogany" and the term "Philippine Mahogany" in connection with the sale of lumber not derived from the trees of the mahogany or meliaceae family.
International Publishing Co	Chicago, Ill	False and misleading advertising and representations in the sale of books.
Jones Hardwood Co	San Francisco, Calif	Using the term "Mahogany" and the term "Philippine Mahogany" in connection with the sale of lumber not derived from the trees of the mahogany or meliaceae family.
Keystone Furniture Co	Lancaster, Pa	Deceptive use of the terms "Mahogany" and "Walnut" in connection with advertising and selling furniture.
Keystone Metal Spinning Stamping Co.	New York, N. Y	(1) Using the word "Sheffield" in connection with the sale of silver plated ware not made in Sheffield, England; (2) falsely representing by the use of the word "Quadruple" silver-plated ware to be coated or plated four times with silver.
Kritzer, Abraham, et al	do	Using the words "Grand Rapids" in a trade name and corporate name or a business engaged in selling furniture not manufactured in Grand Rapids, Mich.; (2) false representations that furniture dealt in has been manufactured in Grand Rapids, Mich.; (3) falsely representing to be manufacturers, factory distributors, agents, or warehousemen of manufacturers; (4) falsely representing prices to be factory prices.
LaFayette Institute (Inc.)	Philadelphia, Pa	False representations and false advertising in connection with the sale of a course of educational instruction.
McCafferty Sons, James A., Manufacturing Co.	Brooklyn, N. Y	The use of misleading labels and false representations regarding the ingredients of products.
McGowan Laboratories (Inc.) et al.	Chicago, Ill	(1) False and misleading advertising by a manufacturer; (2) the publication by a publishing company of the false and misleading advertising.
Nanyang Bros. (Inc.)	New York, N. Y	Selling lace made in China as Irish lace.
Northwest Chair Co	Tacoma, Wash	False representations by the use of the terms "Mahogany" and "Walnut" in connection with the advertising and sale of chairs not made of mahogany or walnut.
Northwestern Traffic & Service Bureau (Inc.) et al.	Minneapolis, Minn	Combining to restrain trade in coal by confining distribution thereof to channels agreeable to respondents and excluding by numerous means and methods from the distribution of coal any one not satisfactory to the respondents.
Ontario Silver Co	Muncie, Ind	Using the word "Sheffield" in connection with the sale of silver-plated ware not made in Sheffield, England.
P. & Q. Furniture Store	Philadelphia, Pa	(1) Use of the slogan "Direct from Factory to You"

Powe, Thomas E., Lumber	St. Louis, Mo	<p>by a dealer who is not a manufacturer; (2) other false representations by advertising and otherwise that respondents are manufacturers; (3) false representations that purchasers buy from respondents without being burdened with the costs and profits of middle men.</p> <p>Using the term "Mahogany" and the term Co. "Philippine Mahogany" in connection with the sale of lumber not derived from the trees of the mahogany or meliaceae family.</p>
Progress Paint Manufacturing Co. (Inc.) et al.	Louisville, Ky	<p>(1) The use of misleading labels in advertising describing or displaying of paints; (2) misrepresenting by branding or labeling the Quantity of paint in containers.</p>

Respondent	Location	Method of competition involved
Reisman, H., & Co. et al	Chicago, Ill	Misrepresenting and misstating in advertisements and catalogues the value and character of the business of respondent, the kind, character, and quality of goods sold, the sources of supply, and the prevailing prices at which others sell like goods, wares, and merchandise of similar kind and quality.
Rogers, H. O., Silver Co	Taunton, Mass	Using the word "Sheffield" In connection with the sale of silver-plated ware not made in Sheffield, England.
Royal Soap Co	Kansas City, Mo	False and misleading advertising and misbranding of soap.
Samuels, M & Co (Inc.)	Baltimore, Md	False advertising and misbranding.
Sea Island Thread Co	New York, N. Y	Misbranding.
Siewin Co	do	False advertising and misbranding.
Silktex Hosiery Mills	do	Misbranding and the use of the word "Mills" in the corporate name of a business devoted exclusively to buying and selling.
Smith, Hanford F	Elkhart, Ind	False and misleading advertising In connection with the sale of a correspondence-school course of instruction.
Superior Silver Co. (Inc.)	Brooklyn., N. Y	Using tho word "Sheffield" in connection with the sale of silver-plated ware not made in Sheffield, England.
Synthetic Products Co	Cleveland, Ohio	Misbranding.
Thurston, W. Harris (Inc.)	New York, N. Y	Do.
Twinplex Sales Co	St. Louis, Mo	The giving to salesmen employed by dealers in the products made by respondent of premiums, rewards, and bonuses conditioned upon the sale of respondent's product by said salesmen which premiums rewards, or bonuses are made without the full knowledge and consent of the employers of the salesmen..
Wagner, A. D., Manufacturing Co.	New York, N. Y	Using the word "Sheffield" in. connection with the sale of silver-plated ware not made in Sheffield, England.
White Silver Co	Taunton, Mass	Falsely representing by the use of the word "Quadruple" silver-plated ware to be coated or plated four times with silver.
Windsor Cigar Co	Windsor, Pa	The use of the word "Havana" as a brand name of cigars composed of tobacco not grown on the Island of Cuba.
Wisconsin Wholesale Grocers Association et al.	Milwaukee, Wis	Combining for the purpose of preventing retailers of groceries from purchasing from anyone not acceptable to the respondents and using as a means to accomplish that end a boycott against manufacturers selling to jobbers not acceptable to the combination.

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

Northwest Chair Co.--Violation of section 5 of the Federal Trade Commission act.-- This company, a manufacturer of chairs, was charged in a complaint issued by the commission with selling under the designation of "Walnut" and "Mahogany" certain chairs which were made of maple wood, finished so as to resemble in color walnut and mahogany. An agreed statement of facts was entered into by respondent upon which the commission found that the company's designation of its maple chairs as "Walnut" or "Mahogany," respectively, was false and had the capacity and tendency to mislead and deceive many of the trade and purchasing public into the erroneous belief that

such chairs were in fact made of walnut or mahogany wood. An order was entered by the commission on May 9, 1927, directing the respondent to cease and desist from representing, describing, advertising, branding, or labeling any chairs as

“Mahogany” or “Walnut” unless the exposed surfaces thereof are composed wholly of solid mahogany or walnut wood, respectively, or mahogany or walnut veneered with mahogany or walnut, respectively. The order also contained a provision that it shall not be construed as prohibiting the use of such phrases as “Mahogany Finish” or “Walnut Finish” or phrases of similar import denoting color in connection with chairs composed of wood other than mahogany or walnut wood, respectively, if and when using such phrases and immediately preceding the same the company clearly designates the name of the wood or woods of which such chairs are actually composed.

Atlanta Wholesale Confectioners Association, its officers and members--Violation of section 5 of the Federal Trade Commission act.--The members of this association consist of jobbers of candy and confectionery at Atlanta, Ga., and they and their association were charged in a complaint issued by the commission with conspiring and confederating together to prevent manufacturers and producers from selling confectionery and allied products to competitors whom they deemed “illegitimate” dealers, and to suppress competition, especially competition in price. After trial and hearing the commission found that the association and its members, with the exception of Harry L. Schlesinger, conspired and confederated together to prevent all dealers except those dealing principally in confectionery and candy from obtaining such merchandise from the manufacturers thereof and from other sources, and that in order to accomplish and effectuate the purpose and object of the conspiracy they employed the following methods, among others: (a) Held meetings for the interchange of information concerning, and the discussion and adoption of, plans and measures for the carrying out of their conspiracy; (b) wrote letters and otherwise informed manufacturers who sold candy, confectionery, and allied products to their competitors, the so-called “illegitimate” dealers, that such so-called “illegitimate” dealers should not be permitted to purchase from said manufacturers; (c) threatened to cancel and did cancel orders to said manufacturers, giving as the reason therefor the sale by such manufacturers to so-called “illegitimate” dealers; (d) falsely representing to such manufacturers that the so-called “illegitimate” dealers were selling goods below the prices suggested by such manufacturers and were thereby demoralizing the market; and (e) gave orders for merchandise to be filled by one of said manufacturers only on the condition that the manufacturer would thereafter refuse to sell to certain competitors which they classified as “illegitimate dealers.”

The commission also found that as a result of the above-mentioned conspiracy many of the respondents’ competitors have been hindered and prevented from purchasing in interstate commerce and that

competition in said products has been suppressed. An order was entered by the commission on March 30, 1927, directing the association and its members, with the exception of Harry L. Schlesinger and T. S. Lewis Co., to cease and desist from cooperating, confederating, or agreeing among themselves to hinder or prevent any manufacturer or dealer from selling or any jobber, dealer, or other person from purchasing in interstate commerce confectionery, candy, and other products, and also to cease and desist from making any attempt or effort through the association or by concert of two or more members to hinder or prevent by persuasion, intimidation, threat, withdrawal of patronage or by any other method any person, firm or corporation from purchasing or selling such products in interstate commerce.

Acme Fountain Pen Co.--Violation of section 5 of the Federal Trade Commission act.--Two partners owning this company were charged in complaint issued by the commission with selling fountain pens and lead pencils labeled with fictitious and exaggerated prices which were greatly in excess of the actual value of the pens and pencils. They were also charged with falsely representing themselves as manufacturers. After trial and hearing the commission found that respondents, although so representing themselves, were not in fact the manufacturers of their pens and pencils. The commission also found that respondents placed a paper band on their pens and pencils bearing price marks of \$7 on the fountain pen and \$4 on the lead pencil and that they represented that these were the ordinary and customary retail prices, which prices the commission found were fictitious, false, and exaggerated and greatly in excess of the price at which the products were customarily sold to the consuming public. An order was entered on April 26, 1927, directing the respondents to cease and desist from representing that they are the manufacturers of their pens and pencils and also from using such false and fictitious price marks.

Arnold Electric Co.--Price maintenance--Violation of section 5 of the Federal Trade Commission act.--This company, a manufacturer of electrically driven drink-mixing machines, sells same to about 1,000 dealers throughout the United States. It was charged in a complaint by the commission with enforcing a merchandising system of fixing and maintaining specified uniform prices for the resale of its machines by dealers, refusing to supply price cutters and employing cooperative means for the maintenance of the resale prices fixed by it. After trial and hearing the commission found that it supplied its dealers with a "confidential price list" specifying the retail prices at which the machines were to be sold by the dealers. Instructions to its salesmen were carried out by which dealers were informed that the company would cut off their supply of machines

if they deviated from the confidential price list and by which the company procured from dealers in many cases oral agreements that such dealers would maintain the prices fixed by the company. The commission also found that respondent removed from its list of customers those jobbers who failed to give the company assurances that they would not deviate from the prices fixed by the company. For the purpose of eliminating price cutting among dealers, respondent enlisted the cooperation and aid of its dealers in ascertaining the names of dealers who cut prices. All of which the commission found was with the effect that the uniform resale prices fixed by the company generally prevailed and prevented dealers from selling the machines at lower prices. An order was entered by the commission on December 23, 1926, directing the company to cease and desist from (1) entering into contracts, agreements, or understandings with dealers that its machines are to be resold by dealers at specified prices fixed by it; (2) procuring from its dealers promises or assurances that the prices fixed by it will be observed by such dealers; (3) requesting dealers to report the names of other dealers who do not maintain or are suspected of not maintaining the fixed resale prices; and (4) seeking the cooperation of dealers in making effective its price maintenance policy by, among other things, eliminating the source of supply of price cutters.

“Sheffield” silverware cases--Violation of section 5 of the Federal Trade Commission act.--Orders to cease and desist have been issued during the year against nine manufacturers and dealers of silver plated ware who, after complaint and hearings before the commission, were found by it to have been using the word “Sheffield” in describing or branding silver-plated ware made in the United States. The commission found that the word “Sheffield,” when used in connection with silverware and silver-plated ware, signifies and denotes to a substantial portion of the public that such merchandise was manufactured in Sheffield, England, and is of the highly regarded quality which has become associated with the name and the silversmith industry of Sheffield, England. Orders were entered against each of the respondents directing them to cease and desist from using the word “Sheffield” in branding silver-plated ware which has not been made in Sheffield, England.

Philippine mahogany cases--Violation of section 5 of the Federal Trade Commission act.--In complaints issued by the commission against Indiana Quartered Oak Co., Jones Hardwood Co., and Thomas E. Powe and F. C. Harrington, partners, trading as Thomas E Powe Lumber Co., the respondents were charged with the use of unfair methods of competition in that they sold as “mahogany” and “Philippine mahogany” certain woods grown in the Philippine Islands and having the general appearance of mahogany. Testimony

was taken and after hearing before the commission it found that the woods sold by respondents as "Philippine mahogany," which are set out by name in the order to cease and desist, were not in fact mahogany, and the selling of said woods as "mahogany" or "Philippine mahogany" is misleading and deceptive to the purchasing public. Orders were entered by the commission on July 15, 1926, directing the respondents to cease and desist from advertising, describing, or otherwise designating or selling or offering for sale under the term "Mahogany," "Philippine Mahogany," or any other term of similar import, woods known under the common or trade names, "red lauan," "white lauan," "tanguile," "narra," "apitong," "bataan," "lacao," "almon," "orion," "batang," "bagaac," "batak," and "balachacan," or any other wood, lumber, or wood products, unless such wood or lumber, or the wood from which such products are made, is derived from the trees of the mahogany or meliaceae family.

Subsequent to the issuance of the above-mentioned orders to cease and desist respondents were granted a rehearing by the commission which was still pending at the close of the fiscal year.

*Twinplex Sales Co.--Commercial bribery--Violation of section 5 of the Federal Trade Commission act.--*Complaint was issued against the above-named respondent, a manufacturer of safety-razor blade stoppers, by which it was charged with the use of unfair methods of competition in the offering and giving of sums of money to salesmen in the employ of retail merchants, without the knowledge or consent of their employers, to induce said salesmen to sell respondent's stoppers to the exclusion of those of competitors. Upon an agreed statement of facts entered by respondent the commission found that there were more than 1,300 salesmen of merchants in the United States who were receiving from respondent cash rewards for each of respondent's stoppers sold by them as an inducement to such salesmen to push respondent's product; that said salesmen were employed in stores where the owners or operators thereof were opposed to the practice of the manufacturer giving premiums to such salesmen and that they did not know that said salesmen were receiving premiums or rewards from respondent. The commission also found that the executive officials of respondent had not authorized or approved the payment of rewards to salesmen without the knowledge and consent of their employers, and when, after learning that rewards had been paid to certain salesmen without the knowledge and consent of their employers, respondent instituted a policy whereby such salesmen were required to have the consent of their employers before becoming eligible for the reward or premiums. An order was entered by the commission on January 11, 1927, directing respondent to cease and desist from offering to give or giving to salesmen employed by dealers in the products made by respondent any pre-

mium, reward, or bonus whatsoever conditioned upon the sale of respondent's products by said salesmen and without the full knowledge and consent of the employers of such salesmen.

*Wisconsin Wholesale Grocers Association et al.--Violation of section 5 of the Federal Trade Commission act.--*This respondent is a trade association whose members consist of wholesale grocers of Wisconsin. After trial and hearing on complaint the commission found that the association, its officers, and members, had a mutual understanding for the purpose of causing manufacturers and producers distributing their products in Wisconsin to confine such distribution to so-called regular channels and to prevent wholesale concerns who sold to retail grocers on the more economical basis of invoice cost plus cost of doing business, which ranged from 3 to 5 per cent, depending on the extent to which the retailer discounted his bills and required warehouse service. An order was entered by the commission on November 3, 1926, directing the association, its officers, and members to cease and desist from following a common course of action pursuant to mutual understanding, combination, or agreement for the purpose or with the effect of lessening competition in the course of trade in groceries or allied products entering the State of Wisconsin (1) by ceasing to deal with or discriminating against manufacturers or producers because they sell direct to retailers or those not considered regular wholesalers by respondents; (2) by use of threats against manufacturers or producers to constrain them to cease selling to respondents' competitors; (3) by cooperatively soliciting assurances from manufacturers to abide by the association's contention that it is improper and illegitimate for manufacturers to sell both jobbers and retailers; (4) by cooperatively circulating disparaging statements concerning the methods of operation and financial standing of so-called irregular concerns; (5) by recommending or procuring the circulation of disparaging attacks on manufacturers or producers who sell direct to so-called irregular concerns; (6) and by cooperatively inducing manufacturers to discontinue their practice of shipping direct from the factory to the retailer for the jobber's account.

Two brokerage concerns representing large manufacturers of nationally known food products were also respondents in this case and they were directed to cease and desist from entering into agreements, understandings, or cooperation with the grocery jobbers of the association to refrain from selling to competing concerns who are not considered regular channels by said jobbers and to otherwise assist the association in carrying out its purpose as above stated.

*Misrepresentation of paint--Violation of section 6 of the Federal Trade Commission act.--*In complaint issued by the commission the Progress Paint Manufacturing Co., a manufacturer of paint, and its

subsidiary, Regulation Paint Co., were charged with the use of unfair methods of competition in labeling and branding, with the words "Regulation" and "Camp," their paint which had not been manufactured by, for, or in accordance with the specifications of the United States Army, Navy, or other branch of the United States Government. It was also charged in the complaint that respondent gave short measure in its purported gallon cans of paint. After trial and hearing the commission found that in many instances respondents' purported gallon cans of paint; when sold to the consuming public, did in fact contain less than a gallon and that respondents' use of the brands "Camp" and "Regulation" on their paint with a device simulating the crest or shield of the United States, or when such paint is sold through so-called Army and Navy goods stores, is misleading and has the capacity and tendency to mislead and deceive the purchasing public into the erroneous belief that such paint is surplus paint of the United States Army or Navy or was manufactured in accordance with the specifications of or so as to meet the requirements demanded by the Army or Navy. An order was entered by the commission on September 5, 1926, directing respondents to cease and desist from labeling or advertising their paint with the words "Regulation" "Camp" in connection with any device simulating the shield or crest of the United States, or when distributed to the public through so-called Army and Navy goods stores. The order also directed respondents to cease and desist from giving short measure in purported gallon, half-gallon, and quart cans.

DISMISSAL OF COMPLAINTS

The commission, during the year here reported upon, dismissed 30 complaints. While the commission in all instances does not include its reasons in an order of dismissal, a study of the orders shows that 5 complaints were dismissed because respondents agreed to abide by trade-practice rules adopted subsequent to the issuance of complaints against respondents, and that 11 complaints were dismissed because respondents had gone out of business.

COURT CASES

Appeal may be made to the United States Circuit Courts of Appeals, either by the commission to enforce its order to cease and desist or by the respondent to have the order set aside. The number of court proceedings in which the commission has been involved during the year, as well as a cumulative showing of this work throughout the commission's life will be found in the statistical tables on pages 104 to 108 of this report. From these it will be noted that the

commission has issued 804 (net) orders to cease and desist, and appeals for review of these orders have been taken in only 71 cases. The United States Circuit Court of Appeals decided 27 of these cases in favor of the commission and 34 against. In 5 of the latter cases the commission was sustained by the Supreme Court of the United States. Seven of the cases were withdrawn, leaving three pending at the close of the fiscal year.

Since its creation the commission has applied to the United States Circuit Courts of Appeals for enforcement of its order to cease and desist in a total of nine cases; two of these have been decided in favor of and two against the commission; four are still pending; and in one case the application for enforcement has been withdrawn upon stipulation and at cost of the respondent.

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

CASES IN UNITED STATES SUPREME COURT

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

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

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

On April 20, 1925, the Supreme Court directed reargument, which was had on November 24, 1925, and on April 18, 1927, this court rendered, its decision dismissing the bill for want of equity.

The commission had not raised the question of the jurisdiction of the Supreme Court of the District of Columbia sitting as a court of equity, to entertain the suit. However, the Trade Commission act provides that upon application of the Attorney General, 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 the act or any order made in pursuance thereof; and also provides that upon failure of any corporation to file any annual or special report it shall be liable to a penalty of \$100 per day for such failure, to be recovered in a civil suit. After citing these provisions, the Supreme Court held that in event of either such proceeding the parties would have an adequate opportunity to present every objection which they could urge in the suit in equity, saying in part:

There was nothing which the commission could have done to secure enforcement of the challenged orders except to request the Attorney General to institute proceedings for a mandamus, or supply him with the necessary facts for an action to enforce the incurred forfeitures, if, exercising his discretion, he had issued either proceeding, the defendant therein would have been fully heard and could have adequately and effectively presented every ground of objection sought to be presented now, consequently, the trial court should have refused to entertain the bill in equity for an injunction.

As further reason why the statutory procedure should be followed, the court stated that Congress intended to impose upon the Attorney General the duty of examining the scope and propriety of the orders, and of sifting out of the mass of inquiries issued what, in his judgment, was pertinent and lawful, before asking the court to adjudge forfeitures for failure to give the correct amount of information required or to issue a mandamus against those whom the orders affected and who refused to comply. The exercise of this discretion will greatly relieve the court and may save it much unnecessary labor and discussion.

This seems to make the orders and requests for information of the commission subject to the approval of the Attorney General, though the reports of committees and debates on the Federal Trade Commission act indicate that it was the purpose of Congress to create a commission which would be entirely independent of the governmental departments.

The commission, as previously stated, had not raised in either of the courts below the question of the jurisdiction of the trial court, but had submitted to the jurisdiction with the hope that a decision

information which the commission is authorized by the statute to secure from corporations under the authority to require annual and special reports. So much was the commission desirous of learning the proper construction of the statute in this regard that it had, upon refusal of the steel companies to file the reports, applied to the Attorney General for the institution of suits in mandamus to compel compliance with the commission's order, and the Attorney General had in fact instituted two suits in the proper district courts of the United States, one against the Republic Iron and Steel Co., and the other against the Bethlehem Steel Co. The prosecution of these suits was stayed by the injunction issued by the Supreme Court of the District of Columbia, and, since the decision of the case by the Supreme Court, had been dismissed, the appropriation under which the investigation was being prosecuted having long since lapsed.

The Swift case--Acquisition of stock in violation of section 7 of the Clayton Act.--The commission in instituting its proceeding against Swift & Co. charged that the respondent, by taking over the Moultrie Packing Co. and the Andalusia Packing Co. in the name of its employees and acquiring a controlling interest in England, Walton & Co. (Inc.) had materially lessened competition and tended to create a monopoly in interstate sale of meats and the products and by-products arising out of the slaughtering of livestock and in the business of conducting tanneries and the production of various kinds of leather. The respondent, before the commission issued its complaint, had used the acquired stock to have transferred to itself the properties of the concerns whose stock it had acquired.

After trial the commission directed Swift & Co. to divest itself of the capital stock of the Moultrie and Andalusia companies and the properties acquired through the stock purchases. The portion of the complaint relating to England; Walton & Co. was severed and formed the basis of another proceeding.

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

aside, holding that under sections 7 and 11 of the Clayton Act the commission is without authority to require one who has secured actual title and possession of physical property before proceedings were begun against him to dispose of the same, although secured through an unlawful purchase of stock. The courts must administer whatever remedy there may be in such situation.

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

The commission ordered respondent to divest itself of stock and not to use the stock before divestiture to acquire the properties of the Nevada Packing Co. The properties had not been acquired. Respondent filed its petition for review with the United States Circuit Court of Appeals for the Ninth Circuit. The case was argued on May 15, 1924; and decided September 2, 1924, the commission's contentions being upheld.

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

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

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

The limitation placed upon the authority of the commission by the decision of the court after reargument being in direct conflict with the decisions rendered by other circuit courts in similar cases, and the commission being of the opinion that to permit the Western Meat Co. to acquire the plant and properties of the Nevada Packing

Co. would leave the Western Meat Co. in the same controlling position (with respect to the elimination of competition) as if it held the capital stock of such company, and would make the act of stock divestiture an empty gesture, and being of the belief that a principle of great importance to the public was involved, petitioned the United States Supreme Court for writ of certiorari. That court, on June 1, 1925, granted the petition. After briefing the case on its merits, it was argued on October 25 and 26, 1926, and the Supreme Court rendered its decision on November 23, 1926, upholding the commission's order and accordingly modifying and affirming the decree of the lower court, holding that the order here questioned was entered when respondent actually held and owned the stock contrary to law. The commission directed the respondent to so divest itself of all the stock as to include in such divestment the Nevada Packing plant and property necessary to the operation thereof, etc. Taken literally, this goes beyond the situation revealed by the record, but the order must be construed with regard to the existing circumstances. Divestment of the stock must be actual and complete and may not be effected by using the control resulting therefrom to secure title to the possessions of the Nevada Packing Co. and then dissolve it. The purpose which the lawmakers entertained might be wholly defeated if the stock could be further used for securing the competitor's property.

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

Before these acquisitions, the Thatcher Co. produced and sold about 40 per cent of all the milk bottles manufactured in the United States. After the acquisitions it produced and sold in commerce about 70 per

cent, and the president of the Thatcher Co. made the following statement in writing:

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

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

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

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

Thereafter the case was taken to the Supreme Court of the United States by writ of certiorari granted on petition of the Thatcher Manufacturing Co. Briefs were then filed and on October 25 and 26, 1926, the case was argued, and on November 23, 1926, the Supreme Court rendered its decision reversing the United States Circuit Court of Appeals and setting the commission's order aside. In the course of its opinion the court said: "The act has no application to ownership of a competitor's property and business obtained prior to any

action by the commission, even though this was brought about through stock unlawfully held. The purpose of the act was to prevent continued holding of stock and the peculiar evils incident thereto. If purchase of property has produced an unlawful status a remedy is provided through the courts. The commission is without jurisdiction under such circumstances.”

Eastman Kodak Co. case.--It was charged and found by the commission that, with the purpose, intention, and effect of stopping the importation of foreign-made film into the United States and eliminating the competition offered by such foreign-made film, the Eastman Co., which manufactures and sells 96 per cent of the film sold in the United States, acquired the Paragon, G. M., and Sen Jacq laboratories, three fully equipped film-printing and developing laboratories, the combined capacity of which was equal to that of all existing laboratories east of Chicago; that it did not operate said laboratories but held them, fully equipped, as a threat and means of coercing its customers, the film-printing laboratories, into buying their film exclusively from the Eastman Co. to the exclusion of foreign-made film produced by competitors; that as a result of such threat and coercion the Eastman Co. compelled the consumers of film to enter into an unlawful agreement, combination, and conspiracy with it to use exclusively American-made film to the elimination or exclusion of imported foreign-made film; and in consideration of the adherence to such agreement by the film consumers, the Eastman Co. refrained from using said three laboratories acquired by it, but holds them in constant readiness to enter the business of printing film in competition with its customers, the laboratory consumers of film; that the effect of said unlawful combination is to exclude foreign-made film from the United States, thus leaving the Eastman Co. with a virtual monopoly and in complete control of the positive cinematograph film industry in the United States.

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

use only American-made film, of which the Eastman Co. has a monopoly.

Shortly thereafter, petitions for review of the commission's order were filed in the United States Circuit Court of Appeals, Second Circuit, by the Eastman Co. and 5 of the other 17 respondents. In a decision rendered on May 18, 1925, the court affirmed the order of the commission, except that part which directed the Eastman Co. to dispose of the three laboratories acquired by it--namely, the Paragon, G.M., and Sen. Jacq.

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

The case was taken by the commission to the Supreme Court of the United States, where, after the filing of briefs, it was argued on May 10 and 11, 1927, and decided on May 31, 1927, affirming the decision of the lower court. That court said:

The question here presented (the authority of the commission to order the Eastman Co., to sell and convey its laboratories to other parties) is In effect ruled by *Federal Trade Commission v. Western Meat Co.*, 272 U. S. 554, 561, 563, in which the decisions in *Federal Trade Commission v. Thatcher Manufacturing Co.*, 5 Fed. 615, and *Swift & Co. v. Federal Trade Commission*, 8 Fed. 595, that were relied upon by the commission in its petition for the writ of certiorari, were reversed by this court. In that case it was held that although the commission, having been granted specific authority by paragraph 11 of the Clayton Act to require a corporation that had acquired the stock of a competitive corporation in violation of law "to cease and desist from such violations, and divest itself of the stock held," might require the corporation to divest itself of such stock in a manner preventing its use for the purpose of securing the competitor's property it could not, after the corporation by the use of such stock had acquired the properties of the competitor, require it to divest itself of the properties thus acquired so as to * * * restore the prior lawful condition So here, the commission had no authority to require that the company divest itself of the ownership of the laboratories which it had acquired prior to any action by the commission. If the ownership and maintenance of these laboratories has produced any unlawful status, the remedy must be administered by the courts In appropriate proceedings therein instituted.

Mr. Justice Stone, in a dissenting opinion, says:

I am unable to agree that the Federal Trade Commission in the performance of its duties under the Federal Trade Commission act lacks the power to order the divestment of physical properties or that the decision in *Federal Trade Commission v. Western Meat Co.*, 272 U; S. 534, forecloses our consideration of that question here. * * * The powers thus broadly given (sec. 5 of the Federal Trade Commission act) sharply contrast with the specific enumerations of paragraphs 11 and 7 of the Clayton Act. As was pointed out in the *Western Meat* case, the Clayton Act prohibits only acquisition of stock and not the

assets of the competing corporation, and in terms merely authorizes an order requiring the corporation "to cease and desist from such violations and divest itself of the stock held." For that reason alone the majority of the court thought that the language of these provisions was not broad enough to enable the commission to order the corporation to divest itself of the physical assets thus acquired, although their acquisition aggravated and brought to its final consummation the very evil aimed at by the statute. * * * It would seem that that part of the order which still stands, forbidding the agreement for the suppression of competition, is futile if the Eastman Co. may retain the laboratories as a threat to compel the manufacturers of prints to do that which they could not lawfully agree to do. In my view the decree below should be reversed and the order of the commission upheld.

This case and the three immediately preceding cases seem to very definitely decide that the commission is without authority under any circumstances to direct a divestiture of physical properties. The fact that the commission issues its complaint either under section 5 of the Federal Trade Commission act or under section 7 of the Clayton Act before the actual transfer of properties is made confers upon the commission no jurisdiction or gives it no authority to direct a disposition of physical properties that it does not have under the statutes. There is nothing in either statute which would indicate that the commission has the authority in one instance and not in the other.

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

Seattle-Tacoma Paper Trade Conference.

Spokane Paper Dealers.

Portland Paper Trade Association.

Paper Trade Conference of San Francisco.

Los Angeles Wholesale Paper Jobbers' Association.

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

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

competitors who failed to abide by the fixed prices and conditions laid down by said combination. The respondents were ordered to cease and desist from these practices.

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

The case was then taken by the commission to the Supreme Court of the United States, where, after the filing of briefs, it was argued on December 8, 1926. This court rendered its decision on January 3, 1927, reversing the lower court and upholding the commission's order on all points raised in that court.

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

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

The American Tobacco Co. was the only one of the respondents to appeal from the order, and it filed its petition for review in the Court of Appeals for the Second Circuit. The case was argued on November 19, 1924, and on October 20, 1925, the court reversed the order of the commission. The commission applied to the Supreme Court of the United States for a writ of certiorari to review the decision of the Court of Appeals on the ground that the lower court appears to hold that the commission's finding of price agreement between the jobbers and the manufacturer was not supported by evidence; that it is lawful for the manufacturer to aid and abet jobbers in making effective their illegal price agreement; that it is not unlawful for a

jobbing association to agree to fix prices and prevent members and nonmembers who do not observe the agreed price from procuring goods; that it is not an unfair method of competition for a manufacturer to join with a jobbers association in compelling observance of prices illegally agreed upon; that it is unlawful for jobbers to sell goods at prices satisfactory to themselves and which, in the past, have sustained their business, though such prices may be lower than those agreed upon by the members of the association of competing jobbers; and, conversely, that it is fair competition for jobbers to combine to coerce competitors into charging prices which they have agreed upon as satisfactory to themselves . that a combination in restraint of interstate commerce in violation of the Sherman Act is not also an unfair method of competition; that it is not to the interest of the public to prevent jobbers from agreeing upon prices at which they will sell and from agreeing to prevent those who will not observe their prices from getting the goods.

After allowing certiorari and hearing the case on briefs and oral argument, the Supreme Court on May 31, 1927, rendered its decision affirming the judgment of the lower court and stating that “ Proper decision of the controversy depends upon a question of fact. * * * It now appears to us that this matter of fact is of no general importance. * * * The opinion of the Circuit Court of Appeals is of uncertain intendment and is not satisfactory as an exposition of the law.”

Save for the general declaration of the unsoundness of the opinion of the court below, the commission did not receive any light respecting the proper construction of the statute on the various important points raised in the petition for certiorari, which points are common to many cases and on which opinions of other circuits appear to be in conflict with that of the Circuit Court of Appeals for the Second Circuit.

CASES IN THE UNITED STATES CIRCUIT COURTS OF APPEALS

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

After hearing, the commission ordered Procter & Gamble Co. to cease using the word “Naphtha” as a brand name for any soap or soap products when such commodities at the time of their sale to the

consuming public contain no naphtha, or naphtha in an amount of 1 per cent or less by weight.

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

The Supreme Court denied these petitions on October 25, 1926. At the close of the fiscal year an investigation was being conducted by the commission to determine the amount of naphtha necessary to put in the soap at the time of manufacture so that there will be more than 1 per cent in the product when it is marketed in the usual time as shown by experience, and as a result of this investigation a further order will probably be issued fixing the amount of naphtha to be put in at time of manufacture. This order may in time be taken to the Court of Appeals.

Arkansas Wholesale Grocers Association--Combination and conspiracy to lessen competition in groceries--Violation of section 5, Federal Trade Commission act.--On July 13, 1926, this association filed in the United States Circuit Court of Appeals, Eighth Circuit, a petition for review of an order entered by the commission May 15, 1926, by which the association, its officers and members, who are wholesale grocers numbering approximately 45, were directed to cease and desist from following a common course of action pursuant to mutual understanding, combination, agreement, or conspiracy, for the purpose or with the effect, directly or indirectly, of lessening competition in the course of trade in groceries or allied products

entering the State of Arkansas, by one or more of the following methods: (1) By ceasing to deal, or to deal less extensively than otherwise with one or more manufacturers, producers, brokers, or other agents representing any manufacturer or producer, on the ground or for the reason that such manufacturers, producers, brokers, or agents sell their goods, direct to chain stores, so-called cooperatives or retailers in their grocery trade, at prices lower than those at which retailers can purchase said goods in the same territory from whole sale grocers in the ordinary course of trade; (2) by advocating the said common course of action outlined in paragraph (1) foregoing, in bulletins, news letters or correspondence, or at meetings; (3) by threats, oral or in writing, express or implied, directed to any manufacturer, producer, broker, or manufacturers' agent for the purpose or with the effect of inducing, persuading, or constraining such manufacture, producer, broker, or agent to cease to sell, or diminish his sales to chain stores, so-called cooperatives or retailers, at prices lower than those at which retailers can purchase said goods in the same territory from wholesale grocers in the ordinary course of business; (4) by urging a common course of action by manufacturers, respondents, independent wholesale grocers and retailers to defeat the sales policy of manufacturers selling indiscriminately to jobbers and retailers as an encouragement to trading exclusively with rough jobbers, and as a discouragement to trading with manufacturers who do not distribute exclusively through jobbers; (5) by cooperatively soliciting assurances from manufacturers that they will remain loyal to the association's contention that it is improper and illegitimate for manufacturers to sell both jobbers and retailers, and by assurances on the part of the association to such manufacturers of special selling effort in return for or on account of said loyalty; (6) by circulating among the members, nonmembers, wholesale grocers, and retailers statements from members advocating the practice of selling exclusively or chiefly through wholesale grocers, or circulating, as aforesaid, communications from other sources urging united action in favor of following the channels of trade from the manufacturer to the wholesaler, thence to the retailer and thence to the consumer, to the exclusion of any other channel of distribution in the grocery trade; (7) by recommending or procuring the circulation of scurrilous or defamatory attacks on manufacturers or producers or their representatives who sell direct to chain stores, cooperatives, or retailers; (8) by obtaining the cooperation of the Little Rock or any other retail grocers organization or its members to the end that retail grocers cease to sell to the public, either wholly or in so far as practicable, the merchandise of manufacturers, producers, or their brokers who sell direct to chain stores, so-called cooperatives, or other retailers at prices described in paragraph (1) of this order:

or by concertedly advocating in bulletins, news letters, or correspondence or at meetings that the retailers carry out the said common course of action, with the purpose or effect of destroying or lessening the movement of the grocery products affected into Arkansas, through respondents to retail customers.

Briefs were filed and the case was argued before the court on January 14, 1927. The association's principal contention was that the Federal Trade Commission act under which "the findings of the commission as to the facts, if supported by testimony, shall be conclusive" is contrary to sections 1 and 2 of article 3 of the Constitution as an invasion of the judicial powers exclusively vested in the courts. The association also contended that the facts as found by the commission are not representative of the preponderance of the evidence; that there was no evidence of the collusion of the members of the association in procuring manufacturers, producers, or their representatives to refuse to sell to chain stores, cooperatives, and retailers.

On April 5, 1927, the court handed down a unanimous opinion affirming the commission's order in every respect and upholding the constitutionality of the provision of the Federal Trade Commission act which makes the findings of the commission conclusive, if supported by testimony. In upholding the constitutionality of the act, the court said: "We think the question can not now be regarded as an open one."

On June 21, 1927, the association filed a petition in the Supreme Court of the United States for certiorari, which petition was pending at the close of the fiscal year.

The Utah-Idaho Sugar Co. case--Suppression of competition in the manufacture and sale of beet sugar.--The respondents in this case--namely, the Utah-Idaho Co., the Amalgamated Sugar Co., E. R. Wooley, A. P. Cooper, and F. F. Cullen were charged by the commission with stifling and suppressing competition in the purchase of sugar beets in the manufacture and sale of refined beet sugar by means of a combination or conspiracy involving, among others, the following unfair trade practices: (1) The circulation of false, misleading, and unfair reports as to competitors and prospective competitors; (a) concerning financial standing and responsibility (b) that they would be unable to secure sugar-beet seed, or the beets, or to pay for those they did purchase (c) that their contemplated factories would not be built, etc.

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

The commission; after very extensive hearings, dismissed the complaint as to the respondent E. F. Cullen and entered its order to cease

and desist against the other respondents. The respondents filed petitions for review in the Circuit Court of Appeals for the Eighth Circuit.

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

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

Petitioner Wooley having failed to prepare and serve a condensed narrative, the commission filed a motion within the time specified by the court to dismiss his petition for review. Wooley opposed this motion, briefs were filed, and the question arising upon the motion was argued. This motion was denied by the court, which at the same time granted Wooley leave to adopt as his abstract of record the abstract prepared by the Utah-Idaho Sugar Co. Subsequently, on September 14, 1925, the case was called by the court and continued to the September term, 1926, and thereafter by stipulations continued to the May, 1927, term at St. Paul, Minn. At the close of the fiscal year the case awaits the commission's brief and oral argument.

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

After hearing, the commission entered its order on December 28, 1923, directing the Chamber of Commerce of Minneapolis and the other respondents to cease and desist from combining and conspiring among themselves or with others, directly or indirectly, to interfere with, or injure, or destroy the business or the reputation of the St. Paul Grain Exchange, or its officers and members, or the Equity Cooperative Exchange, or its officers and stockholders (or other competitors of the respondent chamber and its members), by (1) publishing or causing to be published in any newspaper, periodical, pamphlet, or otherwise, or circulating, or causing to be circulated orally or otherwise, among the customers or prospective customers

of the members of the St. Paul Grain Exchange, or the public generally, any false or misleading statements concerning the financial standing, the business, or the business methods of the said exchange, its officers, or members, or concerning the said Equity Cooperative Exchange, its officers or stockholders; (2) instituting vexatious or unfounded suits either at law or in equity against said Equity Cooperative Exchange with the purpose or intent or with the effect of hindering or obstructing the business of the said Equity Cooperative Exchange or injuring its credit and reputation.

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

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

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

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

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

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

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

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

Petition for review and vacation of the commission's order was filed by respondents in the United States Circuit Court of Appeals for the Eighth Circuit. The case was argued and submitted on May 25, 1925, and on July 13, 1926, the court rendered its decision sustaining the commission's order with the exception of the above paragraphs marked (6), (c), (d), (e), (f), and (g), which were set aside.

Pure Silk Hosiery Mills case--False advertising--False representations in sale of hosiery.--The Pure Silk Hosiery Mills sold hosiery to the consuming public generally throughout the United States Although it neither owned nor operated any factory, it represented by a great variety of means that the hosiery it offered for sale and sold was manufactured in mills owned and operated by it; that customers in purchasing from it obtained hosiery at wholesale or mill prices; that in buying from it purchasers eliminated middle-men's profits and derived many advantages (in price and otherwise) which they could not obtain if they purchased hosiery in the regular channels. The commission's complaint alleged that the use by respondent company of the word "Mills" in its name, when it neither owned nor operated any hosiery mill, was in violation of section 5 of the Federal Trade Commission act. On October 24, 1922, the commission directed the Pure Silk Hosiery Mills to cease selling hosiery in interstate commerce under a trade or corporate name which includes the word "Mills" in combination with the words "Pure Silk Hosiery, or words of like import," unless and until respondent actually owns or operates a factory or mills in which it manufactures the hosiery sold by it.

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

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

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

Prior to the acquisition of its stock by Armour & Co., the Stanton concern was engaged in a similar line of business in active competition with the acquiring company. The commission charged that the effect of the acquisition of stock was to substantially lessen competition between the two companies and to tend to create a monopoly in the purchase of cattle and livestock and in the sale of meat and meat products.

In its order the commission directed the Armour Co. to divest itself of all the capital stock and properties of the Stanton Co. which respondent had acquired following the stock acquisition.

The Armour Co. filed its petition for review with the United States Circuit Court of Appeals for the Seventh Circuit. Subsequently the case was reopened before the commission by order of the court. Additional testimony was taken and argument before the commission had on the additional evidence so submitted. A supplemental transcript of the record was filed with the court on December 31, 1924, and by stipulation the court proceedings were suspended to await the decision of the Supreme Court in the Swift case (hereinabove referred to), which was handed down on November 23, 1926. In view of this decision, holding the commission to be without authority to direct a divestiture of property under sections 7 and 11 of the Clayton Act, the petition for review in this case was dismissed on February 3, 1927, and on March 11, 1927, the commission rescinded its order of divestiture.

Louis Leavitt--Misrepresentation of paint.-- This respondent, a manufacturer, sold paint under the designation of "Gold seal combination white lead." The commission found that the paint contained not more than 3 per cent white lead, and that the term "combination white lead" is commonly understood and used by both the trade and the public to designate a mixture of genuine white lead with other ingredients in which mixture the white lead is not less than 50 per cent by weight. The commission directed Leavitt to cease and desist from calling his product "combination white lead" unless it contained not less than 50 per cent white lead, and on April 26, 1926,

entered a modified order to cease and desist containing in substance the important features of its original order. Leavitt petitioned the United States Circuit Court of Appeals, Second Circuit, for a review of the order to cease and desist. The case was briefed and thereafter argued on December 9, 1926, when in open court and without written opinion, the commission's order was affirmed.

Ostermoor & Co. (Inc.) et al.--Misrepresentation--Mattresses.--This corporation and one Edwin A. Ames, engaged in the business of manufacturing and selling bed mattresses, were directed by the commission on February 15, 1926, after complaint and hearings, to cease and desist from falsely representing pictorially and in advertising matter that their mattresses contain a greater number of superimposed layers of cotton or felt and with a greater expansion or buoyancy than in fact is true. The respondents petitioned the United States Circuit Court of Appeals, Second Circuit, for review of the order to cease and desist. The misrepresentations were found by the commission to consist in labels containing pictorial representations of respondents mattress one end of which had been ripped open showing the mattress constructed of superimposed layers of cotton felt, and further showing the expansion of the open end to be 35 inches or more, or six or seven times the thickness of the inclosed end; that in truth the expansion was only 3 to 6 inches instead of 35 inches or more. After hearing the case on briefs and oral argument, the court rendered its decision on January 10, 1927, annulling the commission's order, and in substance held that the pictorial representation, which it said is concededly "an exaggeration of the actual condition," can not in its judgment deceive the average purchaser, apparently viewing it as coming within legitimate puffing exaggeration of qualities.

Ajax Rope Co. (Inc.)--Misrepresentations--Rope.--This concern is engaged in the purchase of rope and sale thereof to jobbers and dealers throughout the United States. It was directed by the commission on October 30, 1923, to cease and desist from misrepresenting that it is the maker or manufacturer of the rope in which it deals.

It appearing that this company was continuing to conduct its business in violation of said order, an application for enforcement of same was filed by the commission on March 27, 1926, in the United States Circuit Court of Appeals, Second Circuit. Subsequently and before the case was heard in court, the company changed its form of advertising so as to eliminate objections thereto and agreed in the future to adhere strictly to the terms of the order. Thereupon the commission approved a stipulation to dismiss the application for enforcement without prejudice to a future proceeding should the company violate the terms of the order. In accordance with this

stipulation the enforcement proceedings were dismissed by order of court entered September 29, 1926.

Standard Education Society case--Misrepresentations-Books.--This is a Minnesota corporation, with headquarters at Chicago and engaged in the production and sale of sets of books known as "The Standard Reference Work," and also a loose-leaf service called "The Standard Loose-Leaf Extension Service." This concern was directed by an order entered by the commission on November 10, 1923, to cease and desist from (1) falsely representing and exaggerating the regular prices of said books, from which it purported to give reductions; (2) falsely representing that its products are bound in "rich maroon Levant" or other leather; (3) representing that its "Standard Reference Work" has been officially adopted by 24 States; (4) offering prospective customers fictitious "honorary membership" in the "Standard Education Society."

It appearing that respondent persisted in its course of action prohibited by the order, the commission, on May 27, 1926, filed in the United States Circuit Court of Appeals, Seventh Circuit, its application for affirmance and enforcement of the order to cease and desist. The commission alleged in its application, supported by affidavit, that respondent failed and neglected to obey the order to cease and desist. This was denied by respondent's answer; whereupon the commission moved the court to strike out such denial, it being the commission's contention that the Federal Trade Commission act, under which the proceedings were brought, does not provide for or contemplate the trying out of an issue as to the failure or neglect to obey the order before determining upon the record whether the order is valid. The court, however, in an opinion handed down October 22, 1926, overruled the commission's motion to strike, and ordered that unless an agreement is reached upon the facts as to the failure or neglect to obey the order either party may apply to the court for appointment of a referee or commissioner to hear the testimony and report his findings upon this issue. On November 22, 1926, such referee was appointed, before whom at the close of the fiscal year the case was awaiting the taking of testimony.

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

at Mount Olive, Ill., and in a small district immediately contiguous thereto generally known as the "Mount Olive district."

The company, on March 23, 1926, petitioned the United States Circuit Court of Appeals, Eighth Circuit, for a review of the commission's order. Subsequently and before hearing the parties stipulated to dismiss the proceedings before the court at cost of petitioner, and on October 27, 1926, an order of dismissal was entered by the court.

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

After filing briefs the case was argued on October 24, 1926, and on November 1, 1926, the court rendered its decision reversing the order of the commission. With references to respondent's practices, the court said, in part:

It had about 8,000 customers and there were not more than 50 complaints of customers as price cutters. It did not seek out such price cutters but from time to time they were reported by competitors in the jobbing and retail business and when such complaints were called to the petitioner's attention, a form letter was sent, of which the following is a type:

"Word has come to us that you are selling our product at less than retail prices. Probably you are not advised of the fact that we are very insistent upon having our resale prices upheld.

"We aim at a high standard for all of our products and will not knowingly permit any customer to lower them in the esteem of the buying public by cutting prices. It is our belief that you will hereafter cooperate with us in this connection in order that we may continue on a mutually friendly basis.

"Very few houses throughout the country cut prices on our articles against our known wishes, and as to those houses who do cut we refuse to fill future orders. Such persistent price-cutting has a demoralizing influence in any community. It is quite true that where the retailer receives and pays for merchandise, it belongs to him and he can do whatever he wants with it. That is the legal aspect. However, the ethical and moral aspect, upon which business is more particularly done, is that the retailer should observe and maintain the wholesaler's prices, whenever the wish to have this done is indicated. Because of the foregoing, we trust and believe that you will hereafter maintain our retail prices.

"Very truly yours."

At the same time the complaining customer received a form letter as follows:

“Replying to your letter of ----- date, we thank you very much for bringing this matter to our attention and have written to ----- company protesting against such action on their part. We would rather have them return the goods than sell them at cut prices and if you find that they continue to do so in the future, please notify us promptly.

“Thanking you again for bringing this matter to our attention and awaiting your further commands,

“Very truly yours,

“-----”

Unless the customer complained of continued to cut prices, and the petitioner received further complaints in regard to such price cutting, his orders were filled. The price cutter found himself an undesirable customer only when he continued in his refusal. Very rarely was an investigation made by a salesman or representative of the petitioner.

* * * * *

The information as to price cutters came from the retailers only. It was the market of the retailers which was being affected by the price cutter. There is testimony that a price list of petitioner's products was sent out in some of the packages, but there is no evidence to show that there was anything by way of direction in their merchandising system to compel or even request retail dealers to adhere to these prices in their resales. The price list sent out in the packages served no purpose other than to appraise the ultimate consumer of the ordinary retail price at which he could purchase petitioner's products and also to name the price at which the retailer or jobber could purchase its products. In each instance where the salesman visited the retailer, the latter assured petitioner that they would not offend further by a continued price cutting. In two instances the customer's order was refused on the ground that they were price cutters. There were some 29 letters offered in evidence of the same purport as the samples referred to. * * * Out of thousands of sales made with some 8,000 customers, but a few are referred to as instances of an effort to eliminate the price cutter. In doing this, we think the petitioner did no more than it might lawfully do in selecting its customer whom it considered desirable. Such occasional instances do not constitute unlawful or unfair methods of competition referred to within section 5 of the Federal Trade act.

The court further held that the resale price activities of a concern were not unlawful unless the company had a monopoly of the output of a given line, or unless there resulted therefrom an unreasonable restraint of trade. The decision on this point appeared to be directly in conflict with decisions of the Supreme Court and of other circuits. For this reason and because of other points in the opinion, the commission sought to have the case reviewed by the Supreme Court of the United States, but its petition for certiorari was denied by that court on March 14, 1927.

Cream of Wheat Co.--Resale price maintenance case--Cereal.--This company, the manufacturer of Cream of Wheat, was charged in complaint of the commission, issued May 31, 1922, with fixing uniform prices at which Cream of Wheat should be resold to the public by dealers and enforcing such fixed prices by combination and cooperation with dealers in ascertaining and cutting off source of

supply of price cutters, all in alleged violation of section 5 of the Federal Trade Commission act. After full hearing, the commission, on April 11, 1925, entered, its order directing the company to cease and desist from carrying into effect its policy of securing the observance of minimum resale prices for its product by cooperative methods in which the company and its distributors, customers, and agents undertake to prevent others from obtaining Cream of Wheat at less than the prices designated by it or from selling to others who fail to observe such prices--

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

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

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

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

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

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

Appeal from this order was taken by the Cream of Wheat Co. to the United States Circuit Court of Appeals for the Eighth Circuit. Thereafter the record and briefs were filed in court and the case argued and submitted on June 7, 1926. On July 26, 1926, the opinion of the court was handed down affirming the order of the commission in all respects, interpreting, however, paragraph 6 of the commission's order by adding the following proviso:

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

(a) Requesting its customers not to resell Cream of Wheat at less than a stated minimum price
(b) Refusing to sell to a customer because he resells below such requested minimum price or because of other reasons.

(c) Announcing in advance its intention thus to refuse.

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

No appeal from this decision has been taken.

J. W. Kobi Co.--Resale price maintenance.--On April 6, 1927, this company filed in the United States Circuit Court of Appeals, Second Circuit, its petition to review an order entered by the commission June 18, 1926, by which it was directed to cease and desist from carrying into effect its policy of securing the maintenance of resale prices for its hair dressing known as "Golden Glint Shampoo" and "Golden Glint Powder" through cooperative methods to prevent the resale of its products for less than such resale prices, (1) by seeking or securing or entering into contracts, agreements or understandings with customers or prospective customers that they will maintain the resale prices designated by it; (2) by soliciting customers to report the names of other customers who fail to observe such resale prices; (3) by utilizing any other equivalent cooperative means of accomplishing the maintenance of such resale prices. The company also filed a motion asking the court to direct the commission to certify as part of the proceedings the trial examiner's report and exceptions of petitioner. This motion was denied by the court in order entered June 13, 1927, and at the close of the fiscal year the case was awaiting briefs and argument.

F. W. Dobe case--Sundry misrepresentations of correspondence school and the inducements offered by it.--It appearing to the commission that respondent failed and neglected to obey the order to cease and desist issued by it on February 6, 1925, an application was filed in the United States Circuit Court of Appeals, Seventh Circuit, on December 21, 1926, for the enforcement of said order by which respondent was directed to cease and desist from falsely representing his school organization, the supplies and equipment to be furnished to pupils, and the employment and salary respondent will obtain for pupils. The commission's brief was filed on December 27, 1926. Respondent had not filed his brief at the close of the fiscal year. The court proceedings have been delayed somewhat, pending negotiations at the instance of respondent for withdrawal of the commission's application for enforcement in view of respondent's alleged willingness to abide by the terms of the order and to subscribe to a code of ethics adopted by the correspondence schools in conference and approved by the commission.

Sea Island Thread Co.--Misbranding of cotton thread.--On May 24, 1927, this company filed a petition in the United States Circuit Court of Appeals, Second Circuit, appealing from the commission's order entered against the company March 24, 1927, directing it to

cease and desist from using the word "satinsilk," or the words "satin silk" as a brand upon spools or containers of thread composed wholly of cotton. The commission filed transcript of the record in court on June 13, 1927, and at the close of the fiscal year the case was awaiting the filing of briefs and argument.

The B. Paul case--Misrepresentation of hair dye--Section 6, Federal Trade Commission act.--The commission on June 17, 1927, filed an application in the United States Circuit Court of Appeals, Second Circuit, for enforcement of its order to cease and desist, entered in April, 1922, against Paul Balme, trading under the name and style of B. Paul, by which the respondent was directed to discontinue the use of the word "Oreal" and containers simulating the containers and device of a competitor, and also the use of false and deceptive advertisements. At the close of the fiscal year the case was pending in court on the application for enforcement, and awaiting the filing of briefs and presentation to the court.

Jones Hardwood Co.--Misrepresentation of woods of the Philippine Islands--Violation of section 5 of the Federal Trade Commission act.--This company, by petition for review filed in the United States Circuit Court of Appeals, Ninth Circuit, appealed from an order of the commission entered July 15, 1926, by which the company was directed to cease and desist from advertising, describing, and selling as "mahogany" or "Philippine mahogany" the following woods: "Red lauan," "white lauan," "tanguile," "narra," "apitong," "bataan," "lamao," "almon," "orion," "batang," "bagaac," "batak," and "balachacan," or any other woods except woods of the trees of the mahogany or Meliaceae family. Before the transcript of the record had been prepared and by order of the court based upon a stipulation of the parties, the petition for review was, on October 28, 1926, dismissed without prejudice to the right of the petitioner to reinstate the cause should it so desire.

CASES IN COURTS OF DISTRICT OF COLUMBIA

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

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

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

On May 10, 1924, the court of appeals directed a reargument. The case was reached on the calendar October 10, 1924, and continued generally at that time pending the decision of the Supreme Court of the United States in the *Claire Furnace* case, decided April 18, 1927. Thereafter supplemental briefs were filed in the instant case, and shortly before the close of the fiscal year it was assigned for reargument in October, 1927.

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

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

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

After allowing certiorari at the instance of the commission, the Supreme Court of the United States heard the case on briefs and oral argument, and on April 18, 1927, rendered its decision in favor of the contention of the commission and holding that the Court of Appeals of the District of Columbia has jurisdiction to enforce the commission's orders in the District and for this purpose is the court referred to in the act as the "United States Circuit Court of Appeals."

The case has been restored to the docket of the lower court where at the close of the fiscal year it was awaiting argument on the merits.

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

16, 1924, the United States Senate, by resolution, directed the commission to investigate and report to the Senate, among other things, the extent and methods of price fixing, price maintenance, and price discrimination, in the flour and bread industries, developments in the direction of monopoly and concentration of control, and all evidence indicating the existence of agreements, conspiracies, or combinations in these industries. In the course of the investigation the commission made inquiry with respect to the activities of the Millers' National Federation, a voluntary, unincorporated association, whose members produce approximately 65 per cent of the flour milled in the United States, as well as of the activities of other milling associations and corporations engaged in the milling industry. Permission was requested of the Millers National Federation to inspect certain papers, documents, and correspondence files, which permission was in part granted. As a result of the inspection of certain correspondence, the commission requested the federation, to supply it with copies of certain designated letters, and further requested access, for the purpose of inspection, to minutes of meetings among members of the federation and other millers in various parts of the country and to letters passing between the federation and its members leading up to the adoption of a so-called code of ethics by the federation. The request was denied. The commission thereafter called a hearing in the investigation at Chicago, Ill., and served subpoena upon the secretary of the federation requiring him to produce at the hearing certain letters specified by dates, names of the parties correspondent, and subject matter, which its representative had been permitted to inspect in the federation's offices. Subpoenas were also served requiring the production of minutes of the meetings among members of the federation and other millers above mentioned (inspection of which had been denied) and of the letters relating to the adoption of the code of ethics. The Washburn-Crosby Co., a member of the federation and the largest milling corporation in the United States, having also refused to permit the commission to inspect certain letters specified by dates, names of parties correspondent, and subject matter, as well as having declined to permit a statement of its business, made up from its books by representatives of the commission, to be taken from its offices, subpoenas duces tecum were served upon officers of the corporation requiring the production of the letters and of the statement, at a hearing to be held at Minneapolis, Minn.

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

mission from taking any steps or instituting any proceedings to enforce the subpoenas or requiring the plaintiffs, or any of them, to produce the documents or letters required thereby. On the day of hearing set at Chicago the secretary of the federation, the officers of the Washburn-Crosby Co., and certain individuals connected with the federation through membership therein of corporations' in which they were officers, did not appear as required by subpoenas, and on the morning of the same day a temporary restraining order was issued by the Supreme Court of the District of Columbia as prayed for in the petition. A motion for temporary injunction was subsequently made. The commission answered the motion on the merits and moved to dismiss the petition on various grounds, among others, that the court was without jurisdiction to restrain the commission from proceeding with the hearing. Both motions were argued, and on September 22, 1926, the court rendered its decision enjoining the commission. From this an appeal was allowed on December 10, 1926, to the Court of Appeals of the District of Columbia. Before hearing of this appeal was had the commission on March 30, 1927, petitioned the Supreme Court of the United States under section 240 (a) of the Judicial Code for certiorari, which was denied on April 25, 1927, thus allowing the case to remain on appeal in the Court of Appeals of the District of Columbia, where, at the close of the fiscal year, it was awaiting briefs and argument.

Royal Baking Powder case--Violation of section of the Federal Trade Commission Act.--This company was charged, on complaint of the commission, with publishing false statements about the products of competitors, among which were (1) that competitors' baking powders contained alum and were therefore unfit for use in food; (2) that the alum contained in such powders is the astringent commonly sold in drug stores under the name of alum and chemically known as potassium aluminum sulphate; (3) that competitors' baking powders are poisonous, that they are made of ground-up cooking utensils, that they do not come within the pure-food laws, that they pucker up the stomach in the same manner that lump alum puckers up the mouth, and that they are made of the same substance used as a styptic after shaving. It was further charged that respondent had advertised anonymously to the same effect. Answer was filed, testimony taken, and briefs and oral argument presented to the commission upon which, on March 23, 1926, the commission issued its order dismissing the proceeding, having inferred from the evidence that the Royal Baking Powder Co. had abandoned its unfair practices prior to the filing of the com-

plaint. On the same day counsel for the commission filed a petition for reargument of the case before the commission, which petition was on said day granted. Notices of such dismissal and the granting of the petition for reargument were served upon the baking powder company simultaneously. Thereafter the case was reargued before the commission, upon which it vacated its order of dismissal entered March 23, 1926, and directed the reopening of the case for the taking of further testimony. Thereupon, on October 22, 1926, the Royal Baking Powder Co, filed in the Supreme Court of the District of Columbia a petition for a writ of certiorari which the court caused to be issued and served upon the commission, commanding it to certify and transmit to that court the record and papers in the case before the commission, it being the contention of the company that the commission lost jurisdiction of the proceedings before it upon its entering the order of dismissal of March 23, 1926. On October 30, 1926, the commission moved the court to dismiss the petition and to quash the writ of certiorari, and on November 13, 1926, in addition to its motion to quash the writ of certiorari, the commission also filed a demurrer to the petition. Thereafter the matter was argued, briefs were filed, and on June 21, 1927, the court rendered its decision sustaining the commission's motion to quash the writ of certiorari on the ground of lack of jurisdiction in the court. The court declined to pass upon the demurrer to the petition, offering at the election of the petitioner to transfer the matter to the equity side of the court. After this time baking powder company filed a petition for rehearing, which was pending in the court at the close of the fiscal year.

METHODS OF COMPETITION CONDEMNED

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

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

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

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

Making unduly large contribution of money to associations of customers.

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

Procuring breach of competitors' contracts for the sale of products by misrepresentation or by other means.

Inducing employee's of competitors to violate their contracts or enticing away employees of competitors in such numbers or under such circumstances as to hamper or embarrass them in business.

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

The use of false or misleading advertisements

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

Widespread threats to the trade of suits for patent infringement arising from the sale of alleged infringing products of competitors, such threats not being made in good faith but for the purpose of intimidating the trade.

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

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

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

Trade boycotts or combinations of traders to prevent certain wholesale or retail dealers or certain classes of such dealers from procuring goods or goods at the same terms accorded to the boycotters or conspirators, or to coerce the trade policy of their competitors or of manufacturers from whom they buy.

Passing off of products, facilities, or business of one manufacturer or dealer for those of another by imitation of product, dress of goods, or by simulation or appropriation of advertising or of corporate or trade names, or of place of business, and passing off by a manufacturer of an inferior product for a superior product theretofore made, advertised, and sold by him.

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

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

Misrepresentation in the sale of stock of corporations.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Discriminating in price, with the effect of substantially lessening competition.

Subsidizing public officials or employees through employing them or their relatives under such circumstances as to enlist their interests in situations in which they will be called upon by virtue of their official position to act officially, making unauthorized changes in proposed municipal bond issues, corrupting public officials or employees and forging their signatures, and using numerous other grossly fraudulent, coercive, and oppressive practices in dealing with small municipalities.

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

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

Concealing business identity in connection with the marketing of one's product, or misrepresenting the seller's relation to others--e. g., claiming falsely to be the agent or employee of some other concern, or failing to disclose the termination of such a relationship in soliciting customers of such concern, etc.

Misrepresenting in various ways the advantages to the prospective customer of dealing with the seller, such as--

(1) Seller's alleged advantages of location or size.

(2) False claims of being the authorized distributor of some concern.

(3) Alleged indorsement of the concern or product by the Government or by nationally known businesses.

(4) False claim by a dealer in domestic products of being an importer, or by a dealer of being a manufacturer, or by a manufacturer of some product of being also the manufacturer of the raw material entering into said product.

(5) False claim of "no extra charge for credit."

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

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

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

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

Use by business concerns associated as trade Organizations or otherwise of methods which result or are calculated to result in the observance of uniform prices or practices for the products dealt in by them with consequent restraint or elimination of competition, such as use of various kinds of so-called standard cost systems, price lists or guides, exchange of trade information , etc.

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

(1) Securing prospective customer's signature by deceit to a contract and promissory note represented as simply an order on approval, securing agents to distribute the seller's products through promising to refund the money paid by them should the product prove unsatisfactory, and through other undertakings not carried out.

(2) Securing business by advertising a "free-trial" offer proposition, when, as a matter of fact, only a "money back " opportunity is offered the prospective customer, etc.

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

(1) Names implying falsely that the particular products so named were made for the Government or in accordance with its specifications and of corresponding quality, or are connected with it in some

way, or in some way have been passed upon, inspected, underwritten, or indorsed by it.

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

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

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

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

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

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

CHIEF EXAMINER'S DIVISION

OUTLINE OF PROCEDURE

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

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

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

In filing a complaint with the commission few formalities are required. A letter suffices if it is signed by the complaining party and contains the name and address of the party complained against, together with a statement of the nature of relief sought. It should also transmit all the evidence in the possession of the complaining party.

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

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

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

The chief examiner passes upon the examining attorney's report and indicates his approval or disapproval. If the examining attorney and chief examiner agree in their opinion that the application should be dismissed, the case passes to the full commission for its immediate consideration. If either the examining attorney or the chief examiner are of the opinion that complaint should issue, or if the chief examiner believes that the matter can be settled by stipulation, the case passes to the board of review for its consideration.

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

The investigating and other work of the commission is carried on from Washington and through three branch offices located at No.45 Broadway, New York City; 608 Dearborn Street, Chicago, Ill., and 544 Market Street, San Francisco, Calif. Business men can consult at these places with well qualified representatives of the commission.

SUMMARY OF WORK, 1927

In addition to the work of the chief examiner's office reflected in Tables 1 and 2 on page 104, a word may be said regarding the inquiries instituted as a result of resolution adopted by Congress and referred to the commission.

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

A preliminary study of the problem was completed, facts and figures collected, men sent into the field to interview officers of the larger associations, and the collection of the special information called for by the resolution carried forward on a comprehensive scale.

An investigation is also being made of the cottonseed industry. This inquiry was instituted as a result of House Resolution 439, approved March 2, 1927, which requested the commission to investigate and report if there is a combination, agreement, or association to fix prices for cottonseed. It is contemplated that a report on this matter will be made during the coming year.

BOARD OF REVIEW

OUTLINE OF PROCEDURE

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

The statements of all witnesses interviewed by the commission's investigators attached to the chief examiner's staff and all documentary evidence and exhibits secured, as well as the decisions cited in the reports of the investigators, are carefully considered by a member of the board to whom the case is assigned for study and report, and his report is presented to the entire board for its consideration. When deemed necessary, the board may require further investigation to be made under the direction of the chief examiner.

Ordinarily, if the board believes that complaint should issue it affords the proposed respondent a hearing upon three weeks' notice by the secretary to show cause why complaint should not issue. Such hearing is informal in character and does not involve the taking of testimony. The proposed respondent is permitted to appear in person or by counsel and to make or submit such statements of fact or law as lie may desire.

However, when the board is of the opinion that a hearing is not required because (a) the respondent has been fully interviewed and has given to the examiner every fact or argument that could be offered as a defense, or (b) the practice has been fully established and is of such character that in the nature of the case nothing could be adduced in mitigation, or (c) to delay the issuance of a complaint to afford a hearing might result in a loss of jurisdiction, or (d) otherwise unnecessary or incompatible with the public interest, the board may then transmit the case to the commission with its conclusions and recommendations without a hearing.

Upon full consideration of any application, either with or without a hearing, the board transmits its report written by one or more of its members, as outlined above, to the commission. This report consists of (1) a detailed summary of the facts developed, (2) a

full opinion based upon the facts and the law, and (3) the board's recommendation. The board may make one of three recommendations in any case; first, it may recommend the dismissal of the application for lack of evidence in support of the charge or on the ground that the charge indicated does not violate any law over which the commission has jurisdiction; second, the board may recommend the dismissal of the application upon the signing by the proposed respondent of a stipulation of the facts and an agreement to cease and desist the alleged unlawful practice charged, to be prepared by the chief trial examiner with the alternative recommendation of issuance of a complaint if the proposed respondent will not sign a suitable stipulation and agreement; and, third, the board may recommend the issuance of a complaint without further procedure.

Whenever it appears to the board that a trade practice unfair to the public or competitors is prevalent in any industry, it shall report such fact to the commission for reference to the trade practice conference division.

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

SUMMARY OF WORK, 1927

The work of the board of review upon applications for complaint is, of course, included in the statistical tables presented on page 104. During the current year the board was called upon to handle 267 applications for complaint, of which 211 were forwarded during the year and 56 were pending at the end. Of this number 41 applications were recommended for dismissal, 29 for complaint, 86 for stipulation, and 28 were sent to the division of trade practice conferences. In connection with these applications 53 informal hearings were held.

ADMINISTRATIVE DIVISION

PERSONNEL

Commissioner Vernon W. Van Fleet, of Indiana, resigned July 31, 1926. Mr. Abram F. Myers, of Iowa, under date of July 29, 1926, was given a recess appointment to fill the vacancy, taking the oath of office and entering upon duty August 2, 1926. On December 7, 1926, the President sent his nomination of Mr. Myers to be a Federal Trade commissioner for the term expiring September 25, 1928, to the United States Senate. The nomination was confirmed March 1, 1927, and Mr. Myers took the oath of office and entered upon duty under the new commission March 4, 1927.

The term of Commissioner Huston Thompson expired September 25, 1926, and this vacancy was filled by the appointment of Mr. Edgar A. McCulloch, of Arkansas, for the ensuing term ending September 25, 1933. Mr. McCulloch took the oath of office and entered upon duty February 11, 1927. Mr. McCulloch's nomination was sent to the Senate January 21, 1927, and confirmed by that body February 7, 1927.

Under the practice of rotating the chairmanship, Commissioner C. W. Hunt was elected chairman of the commission for the year December 1, 1926, to November 30, 1927, succeeding Commissioner John F. Nugent. On the same date Commissioner William E. Humphrey was elected vice chairman for the same period.

The personnel of the commission at the close of the year ended June 30, 1927, consisted of 5 commissioners and 288 employees, with a total pay roll of \$818,220, which included \$50,000 for the salaries of commissioners, leaving a pay roll of \$768,220 for the 283 employees. During the year 23 employees entered the service and 47 left the service of the commission. Of a personnel of 293, including commissioners and employees, 168 were under civil service appointment, and 120 employees and 5 commissioners held excepted positions.

At the close of the fiscal year the commission had 47 employees who have had United States military or naval service. The total number of women employees was 88. The total number of employees coming under the provisions and benefits of the retirement law at the close of the fiscal year was 189.

Of the grand total of personnel, 293 at the close of June 30, 1927, 161 were administrative employees, 79 attorneys, 26 economists, and

27 accountants. The general average salary for all employees, including commissioners, was \$2,792.56. Excluding the commissioners and secretary; the average salary for all employees was \$2,655.81. The average salary for administrative employees scattered throughout the commission was \$1,745.68; for attorneys, \$4,073.67; for economists, \$3,644.61 and for accountants, \$2,780.

The Federal Trade Commission, during the fiscal year beginning July 1, 1927, has received official notice that the Personnel Classification Board granted appeals for reallocation in nine cases; four appeals were denied; three other appeals are still pending.

The amount of money deducted during the fiscal year from the salaries of our employees subject to the provisions of the United States civil service retirement law amounted to \$14,534.08.

In accordance with the provisions of law and regulations issued thereunder by the United States Bureau of Efficiency, approved and promulgated by the Personnel Classification Board, efficiency ratings were made up for the various employees of our commission for the year ending May 15, 1927; first by the immediate chiefs, then reviewed and revised by chiefs of divisions, and finally by the board of review, consisting of the secretary and personnel officer. They were then submitted to the commission for action.

The record of leave with pay taken by the employees of the commission during the calendar year 1926 is noteworthy. Seventy-nine employees (38 men and 41 women) each took 15 days or more sick leave; 44 employees each took more than 50 days sick and annual leave combined; 25 employees took approximately all accrued annual and sick leave due them under our regulations. The total number of days sick leave taken for the year was 2,917 days, and annual leave, 8,763 days, omitting fractions; male employees averaged 7 days and 2 1/4 hours sick leave; female employees averaged 14 days and 1 3/4 hours; male employees averaged 28 days annual leave and female employees 29 days and 2 hours ; 2,446 days and 6 1/2 hours without pay were granted by the commission during the year.

The amount of deductions made from the salaries of the employees of this commission on account of the civil service retirement law for the fiscal years is as follows:

1921	\$7,500.42	1924	\$7,662.25
1922	8,005.88	1925	10,640.54
1923	7,865.50	1926	10,459.18

On account of the increase from 2 1/2 to 3 1/2 per cent in the retirement deduction made under the new law effective July 1, 1926, there is a material increase in the amount of salary withheld on account of the retirement law. The amount of retirement deduction certified in the case of applications for refund under the civil service retirement

law from August 1, 1920, to June 30, 1927, has been noticeably increasing year by year as the following figures show:

1921	\$338.35	1924	\$962.20
1922	824.37	1925	1,125.56
1923	1,739.31	1926	3,014.18

PUBLICATIONS

The following publications were issued during the year:

Annual report for the Fiscal Year ended June 30, 1926; issued December 10, 1926; 169 pages.

Bakery Combines and Profits--Preliminary report on bread-baking industry (in partial response to S. Res. 163, 68th Cong., 1st sess., printed as S. Doc. 212); issued February 11, 1927; 95 pages.

Control of Power Companies--Preliminary report on the electric-power industry (in partial response to S. Res. 329, 68th Cong., 2d sess., printed as S. Doc. 213); issued February 21, 1927; 272 pages.

Decisions, Findings, and Orders of the Federal Trade Commission; Volume VIII (July 21, 1924, to March 22, 1925, inclusive); issued June 30, 1927; 654 pages. Volume IX (March 23, 1925, to November 27, 1925, inclusive); issued June 30, 1927; 691 pages.

Rules of Practice, Amended; issued June 30, 1927; 17 pages.

Trade Practice Conferences; issued September 15, 1927; 75 pages.

Copies of these publications may be purchased from the Superintendent of Documents, Washington, D. C., for nominal sums. During the fiscal year ended June 30, 1926, 3,466 copies of reports of the commission were sold by the Superintendent of Documents for \$1,699.11. The figures for the fiscal year 1927 are not yet available.

LIBRARY

The library has a collection of 25,000 books, pamphlets, and bound periodicals devoted largely to the subjects of law, economics, and industries. In addition are extensive files of clippings, leaflets, etc. The distinctive features of the economic collection are the files relating to corporation and trade association data and files of trade periodicals for the more important industries. There is a function peculiar to the commission's library in the character of work it performs, and that is in the material it gathers in the form of pamphlets, corporation reports, association records, current financial and statistical services, catalogues, and trade lists, which are not ordinarily found in libraries of even a technical character. The greater amount is furnished gratuitously. This material furnishes a valuable adjunct to the investigatory work, and is adapted to furnish leads to examinations rather than to complete and substantive information on the subject matter.

FISCAL AFFAIRS

Appropriations available to the commission for the fiscal year ended June 30, 1927, under the executive and sundry civil act approved April 22, 1926, amounted to \$997,000. This sum was made up of three separate items: (1) \$50,000 for salaries of the commissioners, (2) \$930,000 for the general work of the commission, and (3) \$17,000 for printing and binding.

Expenditures and liabilities for the year amounted to \$960,881.99, which leaves a balance of \$36,118.01. This represents a balance (1) of \$5,638.91 in salaries for commissioners and (2) \$30,479.10 in the lump-sum appropriation.

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

Appropriations, expenditures, liabilities, and balances

	Amount available	Amount expended	Liabilities	Expend- itures and liabilities	Balances
Federal Trade Commission, 1927:					
Salaries, commissioners	\$50,000.00	\$44,361.09		\$44,361.09	\$5, 638. 91
Printing and binding	17,000.00	11,638.15	\$5,361.85	17,000.00	
All other authorized expen- ses	930,000.00	881,311.68	18,209.22	899,520.90	30,479.10
Total, fiscal year 1927	997,000.00	937,310.92	23,571.07	960,881.99	36,118.01
Unexpended balances:					
1926	39,038.09	27,652.63			11,385.46
1925	1,805.25	804.05			1,001.20
Total	1,037,843.34	965,767.60			48,504.67

Statement of costs for the fiscal year ended June 30, 1927

	Office	Field	Total
Administrative	\$250,795.23		\$250,795.23
Economic	214,197.47	\$15,788.92	229,936.39
Legal:			
Chief counsel	150,957.66	25,316.91	176,274.57
Chief examiner	166,810.27	29,262.01	196,072.28
Board of review	31,158.06		31,158.06
Expert trade	12,003.33	2,327.80	14,331.13
Trial examiners	39,616.12	8,153.73	47,769.85
Trade-practice conference	10,794.17	2,824.88	13,619.05
Grand total	876,332.31	83,674.25	960,006.56

Detailed statement of costs for the fiscal year ended June 30, 1927

Item	Office	Field
Annual leave	\$69,726.46	
Application for complaints	35,837.68	\$10,713.69
Board of review	27,902.03	
Bread inquiry	35,265.02	957.22
Communications	3,428.44	
Complaints, formal	128,289.61	35,709.99
Computing-machine work	1,360.81	
Cooperative associations (congressional)	17, 633.73	6,451.04

Detailed statement of costs for the fiscal year ended June 30, 1927--Continued

Item	Office	Field
Court leave	\$16.95	
Docket section	17,373.03	
Drafting complaints	4,502.58	
Economic supervision	25,045.29	
Electric-power industry (congressional)	44,554.64	\$1,961.82
Equipment	9,361.00	
Export trade	10,832.34	2,327.80
Fiscal affairs	10,712.68	
Flour-milling inquiry (congressional)	7.01	
General administration, commissioners, etc	72,145.83	
Grain and produce exchanges	2,690.18	
Heat and light	177.06	
Labor	3,167.07	
Legal supervision	60,200.40	628.83
Library section	5,926.48	
Lumber trade associations	3,900.18	1,477.05
Mail and file section	9,265.74	
Medical attendant	1,366.18	
Messengers	9,309.02	
Military leave	1,292.56	
Milk products	65.79	
Miscellaneous	285.48	
Miscellaneous economic	970.24	859.39
Miscellaneous legal	144.13	
Open-price associations (congressional)	21,001.79	4,631.86
Panhandle petroleum (congressional)	42.44	109.39
Personnel section	8,660.95	
Petroleum prices (congressional)	33,889.59	5,881.68
Preliminary inquiries (legal)	38,216.55	8,471.14
Printing and binding	16,939.05	
Publications section	13,779.82	
Purchases and supplies section	5,353.69	
Rents	9,198.75	
Repairs	216.56	
Sick leave	16,838.13	
Special legal work for the commissioners	213.66	
Stenographic	52,420.54	435.95
Stipulations	6,584.52	307.82
Stock dividends inquiry (congressional)	17,617.36	
Supplies	7,077.39	
Time excused by the Executive or commission's order	6,040.66	
Trade-practice conference	7,825.92	2,683.93
Transportation of things	288.63	
Travel expense, Washington (D.C.) car tokens	80.00	
Virginia independent oil men's association	47.67	65.65
Witness fees	1,193.00	
	876,332.31	83,674.25
Total office expenses		876,332.31
Total cost		960,006.56

Adjustments.--The following adjustments are made to account for the difference between costs and expenditures:

Total cost for the year ended June 30, 1927	\$960,006.56
Less transportation issued	27,174.90
New total	932,831.06
Plus transportation paid	31,484.41

Plus retirement costs for the fiscal year 1926 taken up in previous costs	1,451.53
Expenditures for the fiscal year ended June 30, 1927	965,767.60

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

ADMINISTRATIVE DIVISION

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Year	Appropriations	Expenditures	Balance
1915	\$184,016.23	\$90,442.05	\$93,574.18
1916	430,964.08	379,927.41	51,036.67
1917	567,025.92	472,501.20	94,524.72
1918	1,608,865.92	1,462,187.32	156,678.60
1919	1,753,530.75	1,522,331.95	231,198.50
1920	1,305,708.82	1,120,301.32	186,407.80
1921	1,032,005.67	938,659.69	93,345.98
1922	1,026,150.54	956,116.50	70,034.04
1923	974,480.32	970,119.66	4,360.66
1924	1,010,000.00	977,018.28	32,981.72
1925	1,010,000.00	1,008,998.80	1,001.20
1926	1,008,000.00	996,745.58	11,254.42
1927	997,000.00	960,881.99	30,479.10

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

TABLE 1.--*Preliminary investigations*

	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925
1926 1927											
Pending beginning of year	0	4	12	32	19	29	61	68	182	181	234
186 314											
Request for action from public	119	265	462	611	843	1,107	1,070	1,258	1,313	1,584	1,623
1,535 1,319											
Total for disposition	119	269	474	643	862	1,136	1,131	1,326	1,495	1,765	1,857
1,721 1,633											
Dismissed after investigation	3	123	289	292	298	351	500	731	931	1,209	1,215
1,121 983											
Docketed as applications for complaints	112	134	153	332	535	724	563	413	383	322	456
286 293											
Total disposition during year	115	257	442	624	833	1,075	1,063	1,144	1,314	1,531	1,671
1,407 1,276											
Pending end of year	4	12	32	19	29	61	68	182	181	234	186
314 357											

SUMMARY

Instituted to June 30, 1927	13,109
Dismissed after investigation	8,046
Docketed as applications for complaint	4,706
Total disposition to June 30, 1927	12,752
Pending July 1, 1927	357

TABLE 2.--*Applications for complaint*

	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924
1925 1926 1927										
Pending beginning of year	0	104	130	188	280	389	554	467	458	572
565 488 422										
Docketed during year	112	134	153	332	535	724	426	382	416	377
340 273 292										
Closed for other reasons	0	0	0	0	0	0	0	6	6	5
4 5 10										
Total for disposition	112	238	283	520	815	1,113	980	855	880	954
909 766 714										
Dismissed during year	8	105	79	160	301	339	357	293	187	246
299 186 130										
Disposed by stipulation during year	0	0	0	0	0	0	0	0	0	0
4 102 80										
To complaints during year	0	3	16	80	125	220	156	104	121	143
118 56 45										
Total disposition during year	8	108	95	240	426	559	513	397	308	389
421 344 255										
Pending end of year	104	130	188	280	389	554	467	458	572	565
488 422 459										

SUMMARY

Docketed to June 30, 1927	4,496
Dismissed (net)	2,664
Disposed of by stipulation	186
To complaints	1,187
Total disposition to June 30, 1927	4,037

TABLE 3.--*Complaints*

	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924
1925 1926 1927										
Pending at beginning of year 264 220 152	0	0	5	10	86	133	287	312	257	232
Docketed during year 62 76	0	5	9	154	135	308	177	111	144	154 132
Previous dismissals rescinded 0 0 1	0	0	0	0	0	0	1	0	1	1
Previous orders to cease and desist rescinded 0 0 0	0	0	0	0	0	0	0	0	0	5
Total for disposition 390 282 229	0	5	14	164	221	441	455	423	402	392
Dismissed during year 103 86 30	0	0	1	7	13	44	37	75	88	36
Orders to cease and desist entered during year 73 44 52	0	0	3	71	75	110	116	91	82	92
Total disposition during year 176 130 82	0	0	4	78	88	154	153	166	170	128
Pending at end of year 220 152 147	0	5	10	86	133	217	312	257	232	264

TABLE 3.--*Complaints--Continued*

SUMMARY		
Docketed to June 30, 1927		1,467
Dismissed (net)	516	
Orders to cease and desist (net)	804	
Total disposition to June 30, 1927		1,320
Pending July 1, 1927		147

COURT PROCEEDINGS--ORDERS TO CEASE AND DESIST

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

	1919	1920	1921	1922	1923	1924	1925	1926	1927
Pending at beginning of year	0	2	8	13	9	4	14	9	8
Appealed during year	4	9	18	5	5	15	6	5	4
Total for disposition	4	11	26	18	14	19	20	14	12
Decisions for commission	1	0	1	4	5	1	6	5	4
Decisions against commission	1	3	11	5	4	4	3	1	2
Petitions withdrawn	0	0	1	0	1	0	2	0	3
Total disposition during year	2	3	13	9	10	5	11	8	9
Pending at end of year	2	8	13	9	4	14	9	8	3

SUMMARY		
Appealed to June 30, 1927		71
Decisions for		27
Decisions against commission		34
Petitions withdrawn		7
Total disposition to June 30, 1927		68
Pending July 1, 1927		3

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

	1919	1920	1921	1922	1923	1924	1925	1926	1927
Pending at beginning of year	0	0	1	3	3	1	0	4	6
Appealed by commission	0	2	2	4	5	0	5	2	1
Appealed by others	0	0	0	0	2	1	1	3	1
Total for disposition	0	2	3	7	10	2	6	9	8
Decisions for commission	0	0	0	2	0	20	0	0	3
Decision against commission	0	1	0	0	5	1	0	0	2
Petitions withdrawn by commission	0	0	0	0	1	0	0	0	0
Writ denied commission	0	0	0	2	1	0	1	2	1
Writ denied others	0	0	0	0	2	1	1	1	1
Total disposition during year	0	1	0	4	9	2	2	3	7
Pending at end of year	0	1	3	3	1	0	4	6	1

SUMMARY		
Appealed by commission to June 30, 1927		21
Appealed by others to June 30, 1927		8
Total appealed to June 30, 1927		29
Decisions for commission		5
Decisions against commission		9
Petitions withdrawn by commission		1
Writ denied commission		7
Writ denied others		6
Total disposition to June 30 1927		28

Pending July 1, 1927

1

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

	1919	1920	1921	1922	1923	1924	1925	1926	1927
Pending at beginning of year	0	0	0	0	0	1	3	1	3
Appealed during year	0	0	0	0	1	2	1	3	2
Total for disposition	0	0	0	0	1	3	4	4	5
Decisions for commission	0	0	0	0	0	0	2	0	0
Decisions against commission	0	0	0	0	0	0	2	0	0
Petitions by commission denied	0	0	0	0	0	0	1	1	0
Petitions withdrawn	0	0	0	0	0	0	0	0	1
Total disposition during year	0	0	0	0	0	0	3	1	1
Pending at end of year	0	0	0	0	1	3	1	3	4

SUMMARY

Appealed to June 30, 1927	9
Decisions for commission	2
Decisions against commission	0
Petitions by commission denied	2
Petitions withdrawn	1
Total disposition to June 30, 1927	5
Pending July 1, 1927	4

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

	1919	1920	1921	1922	1923	1924	1925	1926	1927
Pending at beginning of year	0	0	0	0	0	0	0	0	2
Appealed by commission	0	0	0	0	0	0	0	1	0
Appealed by others	0	0	0	0	0	0	0	1	0
Total for disposition	0	0	0	0	0	0	0	2	2
Decisions for commission	0	0	0	0	0	0	0	0	1
Decisions against commission	0	0	0	0	0	0	0	0	1
Total disposition during year	0	0	0	0	0	0	0	0	2
Pending at end of year	0	0	0	0	0	0	0	2	0

SUMMARY

Appealed to June 30, 1927	2
Decisions for commission	1
Decisions against commission	1
Total disposition to June 30, 1927	2
Pending July 1, 1927	0

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

	1919	1920	1921	1922	1923	1924	1925	1926	1927
Pending beginning of year	0	0	1	0	1	0	0	2	1
Appealed during year	0	1	0	3	0	2	9	3	0
Total for disposition	0	1	1	3	1	2	9	5	1
Decisions for commission	0	0	0	1	0	0	1	0	0
Decisions against commission	0	0	0	0	0	0	1	0	0
Petitions by commission denied	0	0	1	0	0	2	1	2	0
Petitions by others denied	0	0	0	1	1	0	3	2	0
Total disposition during year	0	0	1	2	1	2	7	4	0
Pending at end of year	0	1	0	1	0	0	2	1	1

SUMMARY

Appealed to June 30, 1927	16
Decisions for commission	2
Decisions against commission	1

Petitions by commission denied	6	
Petitions by others denied	6	
Total disposition to June 30, 1927		15
Pending July 1, 1927		1

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

	1919	1920	1921	1922	1923	1924	1925	1926	1927
Pending beginning of year	0	0	0	0	0	0	0	0	0
Appealed during year	0	0	0	1	0	0	0	1	4
Total for disposition	0	0	0	1	0	0	0	1	4
Petitions by commission denied	0	0	0	0	0	0	0	0	2
Petitions by others denied	0	0	0	1	0	0	0	1	2
Total disposition during year	0	0	0	1	0	0	0	1	4
Pending at end of year	0	0	0	0	0	0	0	0	0

SUMMARY

Appealed to June 30, 1927	6
Petitions by commission denied	2
Petitions by others denied	4
Total disposition to June 30, 1927	6
Pending July 1, 1927	0

COURT PROCEEDINGS--MISCELLANEOUS

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

	1919	1920	1921	1922	1923	1924	1925	1926	1927
Pending at beginning of year	0	1	4	5	6	4	4	4	4
Appealed during year	2	4	2	6	5	0	1	1	2
Total for disposition	2	5	6	11	11	4	5	5	6
Decisions for commission	1	0	1	3	0	0	0	0	1
Decisions against commission	0	1	0	1	7	0	0	0	1
Petition withdrawn by Commission	0	0	0	0	0	0	1	1	0
Petitions withdrawn by others	0	0	0	1	0	0	0	0	0
Total disposition during year	1	1	1	5	7	0	1	1	2
Pending at end of year	1	4	5	6	4	4	4	4	4

SUMMARY

Appealed to June 30, 1927	23
Decisions for commission	6
Decisions against commission	10
Petitions withdrawn by commission	2
Petitions withdrawn by others	1
Total disposition to June 30, 1927	19
Pending July 1, 1927	4

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

	1919	1920	1921	1922	1923	1924	1925	1926	1927
Pending beginning of year	0	0	0	0	0	6	4	1	1
Appealed during year	0	0	0	0	6	0	0	0	1
Total for disposition	0	0	0	0	6	6	4	1	2
Decisions for commission	0	0	0	0	0	0	0	0	1
Decisions against commission	0	0	0	0	0	2	3	0	0
Petitions by commission denied	0	0	0	0	0	0	0	0	1
Total disposition during year	0	0	0	0	0	2	3	0	2
Pending end of year	0	0	0	0	6	4	1	1	0

SUMMARY

Appealed to June 30, 1927	7
Decisions for commission	1
Decisions against commission	5

Petitions by commission denied	1
Total disposition to June 30, 1927	7
Pending July 1, 1927	0

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COURT PROCEEDINGS MISCELLANEOUS--MANDAMUS, INJUNCTION, ETC.

TABLE 12.--Rehearing, modification, etc.--Lower courts

	1919	1926	1921	1922	1923	1924	1925	1926	1927
Pending at beginning of year	0	0	0	0	0	0	0	0	
Appealed during year	0	0	0	0	0	2	0	0	0
Total for disposition	0	0	0	0	0	2	0	0	0
Petitions by commission denied	0	0	0	0	0	2	0	0	0
Total disposition during year	0	0	0	0	0	2	0	0	0
Pending end of year	0	0	0	0	0	0	0	0	0

SUMMARY

Appealed to June 30, 1927	2
Petitions by commission denied	2
Total disposition to June 30, 1927	2
Pending July 1, 1927	0

EXHIBITS

EXHIBITS

EXHIBIT 1

PROCEDURE AND POLICY

POLICY IN PURELY PRIVATE CONTROVERSIES

On March 17, 1925, the commission announced changes In its rule of procedure and policies as follows:

“Hereafter It shall be the policy of the commission not to entertain proceedings of alleged unfair practices where the alleged violation of law is a purely private controversy redressable in the courts except where said practices substantially tend to suppress competition as affecting the public. In all such cases there must be three parties involved, the respondent, the competitor Injured, and the public. In cases where the alleged injury is one to a competitor only and Is redressable in the courts by an action by the aggrieved competitor and the interest of the public is not substantially Involved, the proceeding will not be entertained.”

In accordance with the foregoing the commission amended paragraph 3, of subdivision 2, of the Rules of Practice, headed “II. Complaints,” by inserting after the word “jurisdiction” the following: “and If it shall appear to the commission that a proceeding by it in respect thereof would be to the interest of the public.”

SETTLEMENT OF CASES BY STIPULATION

The commission also adopted the following as its policy in the handling and settlement of cases:

“The end and object of all proceedings of the Federal Trade Commission is to end all unfair methods of competition or other violations of the law of which it is given jurisdiction. The law provides for the issuance of a complaint and a trial as procedure for the accomplishment of this end. But it Is also provided that this procedure shall be had only when it shall be deemed to be in the public interest. plainly giving the commission a judicial discretion to be exercised In the particular case.

“It has been contended that the language of the statute using the word shall’ is mandatory, but in view of the public-interest clause no member of the commission as now constituted holds or has ever held that the statute is mandatory. Hence, the proposed rule for settlement of applications for complaint [by stipulation] may he considered on its merits.

“If it were not for the public-interest clause it might appear that the Statute would be mandatory. It remains to determine what effect the public-interest clause has. In the interest of economy and of dispatch of business as well as the desirability of accomplishing the ends of the commission with as little harm to respondents as possible (therefore), all cases should he So settled where they can be except where the public Interest demands otherwise.

“But when the very business itself of the proposed respondent is fraudulent, it may well be considered by the commission that the protection of the public demands that the regular procedure by complaint and order shall prevail. Indeed there are some eases where that is the only course which would be of any value at all. As for instance the so-called ‘blue-sky cases’

and all such where the business itself is inherently fraudulent or where a business of a legitimate nature is conducted in such a fraudulent manner that the commission is warranted in the belief that no agreement made with the proposed respondent will be kept by him.

“The rule shall be that all cases shall be settled by stipulation except when the public interest demands otherwise for the reasons set forth above.”

ON AFFORDING PROSPECTIVE RESPONDENTS OPPORTUNITY TO SHOW CAUSE WHY

COMPLAINT SHOULD NOT ISSUE

The commission also adopted a rule providing for hearings by proposed respondents before a complaint is issued, reading as follows (as amended June 18, 1927):

“Except as hereinafter provided, the board of review, before It shall recommend to the commission that a complaint issue in any case, Shall afford the proposed respondent a hearing to show cause why a complaint should not issue. Such hearing shall be informal in character and shall not involve the taking of testimony. The proposed respondent shall be permitted to make or submit such statements of fact or law as he shall desire. The extent and control of such hearing shall rest with a majority of the board. The respondent shall have three weeks’ notice of the time and place of hearing, to be served on the respondent by the Secretary of the commission.

“Provided, That if in any case the majority of the board shall be of opinion that a hearing is not required because (a) the respondent has been fully interviewed and has given to the examiner every fact or argument that could be offered as a defense, or (b) the practice has been fully established and is of such character that in the nature of the case nothing could be adduced in mitigation, or (c) to delay the issuance of a complaint to afford a hearing might result in a loss of jurisdiction, or (d) otherwise unnecessary or incompatible with the public interest, the board may transmit the case to the commission, via the docket section, with its conclusions and recommendation, without a hearing, as in this rule provided.”

ON PUBLICITY IN THE STATEMENT OF CASES

On April 30, 1925, the commission adopted a rule and issued a statement regarding publicity, as follows:

“From and after this date, in the settlement of any matter by stipulation before complaint is issued, no statement in reference thereto shall be made by the commission for publication.¹ After a complaint is issued, no statement in regard to the case shall be made by the commission for publication until after the final determination of the case.

“After a complaint has been issued and served the papers in the case shall be open to the public for inspection, under such rules and regulations as the secretary may prescribe.”

It has been the rule, which is now abolished, to issue a statement upon the filing of a complaint, stating the charges against a respondent.

Concerning the withholding of publicity where cases are settled by stipulation without complaint, the custom has always been not to Issue any statement. The so-called applicant or complaining party has never been regarded as a party in the strict sense. The commission is not supposed to act for any applicant but wholly in the public interest. It has always been and now is the rule not to publish or divulge the name of an applicant or complaining party, and such party has no legal status before the commission except where allowed to intervene as provided by the statute.

ON DEALING WITH UNFAIR COMPETITION THROUGH TRADE-PRACTICE CONFERENCES

The trade-practice conference affords, broadly stated, a means through which representatives of an industry voluntarily assemble, either at their own instance or that of the commission, but

under the auspices of the latter, for the purpose of considering any unfair practices in their industry, and collectively agreeing upon and providing for their abandonment in cooperation with and with the support of the commission.

This procedure deals with an industry as a unit. It is concerned solely with practices and methods, not with individual offenders. It regards the Industry as occupying a position comparable to that of "friend of the court" and not as that of the accused. It wipes out on a given date all unfair methods condemned at the conference and thus places all competitors on an equally fair competitive basis. It performs the same function as a formal complaint with-

¹ The commission does, however, after omitting the names of the proposed respondents, make public digests of cases in which it accepts stipulations of the facts and agreements to cease and desist.

out bringing charges, prosecuting trials, or employing any compulsory process, but multiplies results by as many times as there are members in the industry who formerly practiced the methods condemned and voluntarily abandoned.

The beneficial results of this form of procedure are now well established, and the commission is always glad to receive and consider requests for the holding of trade-practice conferences. ²

² The commission has prepared and published for public distribution a pamphlet entitled "Trade Practice Conferences," in which the history, theory, and working of this procedure and the various trade practice conferences theretofore held by the commission are described.

EXHIBIT 2.

FEDERAL TRADE COMMISSION ACT.

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That a commission is hereby created and established, to be known as the Federal Trade Commission (hereinafter referred to as the commission), which shall be composed of five commissioners, who shall be appointed by the President, by and with the advice and consent of the Senate. Not more than three of the commissioners shall be members of the same political party. The first commissioners appointed shall continue in office for terms of three, four, five, six, and seven years, respectively, from the 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 Commissioner and Deputy Commissioner of Corporations shall cease to exist; and all pending investigations and proceedings of the Bureau of Corporations shall be continued by the commission.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(h) To investigate, from time to time, trade conditions in and with foreign countries where associations, combinations, or practices of manufacturers, merchants, or traders, or other conditions, may affect the foreign trade of the United States, and to report to Congress thereon, with such recommendations as it deems advisable.

SEC. 7. That in any suit in equity brought by or under the direction of the Attorney General as provided in the antitrust acts, the court may, upon the conclusion of the testimony therein, if it shall be then of opinion that the complainant is entitled to relief, refer said suit to the commission, as a master in chancery, to ascertain and report an appropriate form of decree therein. The commission shall proceed upon such notice to the parties and under such rules of procedure as the court may prescribe, and upon the coming in of such report such exceptions may be filed and such proceedings had in relation thereto as upon the report of a master in other equity causes, but the court may adopt or reject such report, in whole or in part, and enter such decree as the nature of the case may in its judgment require.

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

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

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

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

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

Any of the district courts of the United States within the jurisdiction of which such inquiry is carried on may, in case of contumacy or refusal to obey a subpoena issued to any corporation or other person, issue an order requiring such corporation or other person to appear before the commission, or to produce documentary evidence if so ordered, or to give evidence touching the matter in question; and any failure to obey such order of the court may be punished by such court 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 subpoena of the commission on the ground or for the reason that the testimony or evidence, documentary or otherwise, required of him may tend to criminate him or subject him to a penalty or forfeiture. But no natural person shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he may testify, or produce evidence, documentary or otherwise, before the commission in obedience to a subpoena issued by it: *Provided*, That no natural person so testifying shall be exempt from prosecution and punishment for perjury committed in so testifying

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

Any person who shall willfully make, or cause to be made, any false entry or statement of fact in any report required to be made under this act, or who shall willfully make, or cause to be made, any false entry in any account, record, or memorandum kept by any corporation subject to this act, or who shall willfully neglect or fail to make, or to cause to be made, full, true, and correct entries in such accounts, records, or memoranda of all facts and transactions appertaining to the business of such corporation, or who shall willfully remove out of the jurisdiction of the United States, or willfully mutilate, alter, or by 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 3.

PROVISIONS OF THE CLAYTON ACT WHICH CONCERN THE FEDERAL TRADE COMMISSION

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

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

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

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

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

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

No corporation shall acquire, directly or indirectly the whole or any part of the stock or other share capital of two or more corporations engaged in commerce where the effect of such acquisition, or the use of such stock by the

voting or granting of proxies or otherwise, may be to substantially lessen competition between such corporations, or any of them, whose stock or other share capital is so acquired, or to restrain such commerce in any section or community, or tend to create a monopoly of any line of commerce.

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

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

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

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

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

* * * * *

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

Commission where applicable to all other character of commerce, to be exercised as follows:
Whenever the Commission or Board vested with jurisdiction thereof shall have reason to believe that any person is violating or has violated any of the

provisions of sections two, three, seven and eight of this act, it shall issue and serve upon such person a complaint stating its charges in that respect, and containing a notice of a hearing upon a day and at a place therein fixed at least thirty days after the service of said complaint. The person so complained of shall have the right to appear at the place and time so fixed and show cause why an order should not be entered by the commission or board requiring such person to cease and desist from the violation of the law so charged in said complaint. Any person may make application, and upon good cause spoken may be allowed by the commission or board, to intervene and appear in said proceeding by counsel or in person. The testimony in any such proceeding shall be reduced to writing and filed in the office of the commission or board. If upon such hearing the commission or board, as the case may be, shall be of the 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 notice shall have been filed in a circuit court of appeals of the United States, as hereinafter provided, the commission or board may at any time, upon such notice and in such manner as it shall deem proper, modify or set aside, in whole or in part, any report or any order made or issued by it under this section.

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

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

conclusive.

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

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

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

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Approved, October 15, 1914.

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EXHIBIT 4

EXPORT TRADE ACT

AN ACT To promote export trade, and for other purposes

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

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

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

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

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

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

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

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

Whenever the Federal Trade Commission shall have reason to believe that an association or any agreement made or act done by such association is in restraint of trade within the United States or in restraint of the export trade of any domestic competitor of such association, or that an association either in the United States or elsewhere has entered into any agreement, understanding, or conspiracy, or done any act which artificially or intentionally enhances or depresses prices within the United States of commodities of the class exported by such association, or which substantially lessens competition within the United States or otherwise restrains trade therein it shall summon such association, its officers, and agents to appear 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.

EXHIBIT 5

RULES OF PRACTICE BEFORE THE COMMISSION ¹

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, and if it shall appear to the commission that a proceeding by it in respect thereof would be to the interest of the public, 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

(1) In case of desire to contest the proceeding the respondent shall, within 30 days from the service of the complaint, unless such time be extended by order of the commission, 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. Respondent shall specifically admit or deny or explain each of the facts alleged in the complaint, unless respondent is without knowledge, In which case respondent shall so state, such statement operating as a denial. Any allegation of the complaint not specifically denied in the answer, unless respondent shall state in the answer that respondent is without knowledge, shall be deemed to be admitted to be true and may be so found by the commission.

(2) In case respondent desires to waive hearing on the charges set forth in the complaint and not to contest the proceeding, the answer may consist of a statement that respondent refrains from contesting the proceeding or that respondent consents that the commission may make,

enter, and serve upon respondent an order to cease and desist from the violations of the law alleged

1 As amended and revised to June 30, 1927.

in the complaint, or that respondent admits all the allegations of the complaint to be true. Any such answer shall be deemed to be an admission of all the allegations of the complaint and to authorize the commission to find such allegations to be true.

(3) Failure of the respondent to file answer within the time as above provided for shall be deemed to be an admission of all allegations of the complaint and to authorize the commission to find them to be true and to waive hearing on the charges set forth in the complaint.

(4) Three copies of answers must be furnished. All answers must be signed in ink by the respondent or by his duly authorized attorney and must show the office and post-office address of the signer. All answers must be typewritten or printed. If typewritten, they must be on paper not more than 8¼ inches wide and not more than 11 inches long. If printed, they must be on paper 8 inches wide by 10 ½ inches long.

IV. SERVICE

Complaints, orders, and other processes of the commission may be served by anyone duly authorized by the commission, either 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 8 ½ inches wide and not more than 11 inches long, and weighing not less than 16 pounds to the ream, folio base, 17 by 22 inches, with left-hand margin not less than 1 ½ inches wide, or they may be printed in 10 or 12 point type on good unglazed paper 8 inches wide by 10 ½ inches long, with inside margins not less than 1 inch wide.

VI. CONTINUANCES AND EXTENSIONS OF TIME

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

VII. WITNESSES AND SUBPOENAS

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

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

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

by them.

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

VIII. TIME FOR TAKING TESTIMONY

Upon the joining of issue in a proceeding by the commission the examination of witnesses therein shall proceed with all reasonable diligence and with the least practicable delay. Not less than five days' notice shall be given by the commission to counsel or parties of the time and place of examination of witnesses before the commission, a commissioner, or an examiner.

IX. OBJECTIONS TO EVIDENCE

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

X. MOTIONS

A motion in a proceeding by the commission shall briefly state the nature of the order applied for, and all affidavits, records, and other 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 INVESTIGATION

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

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

XII. HEARINGS BEFORE EXAMINERS

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

When, in the opinion of the trial examiner engaged in taking testimony in any formal proceeding, the size of the transcript or complication or importance of the issues involved warrants it, he may of his own motion or at the request of counsel at the close of the taking of

testimony announce to the attorneys for the respondent and for the commission that the examiner will receive at any time before he has completed the drawing of the "trial examiner's report upon the facts" a statement in writing (one for either side) in terse outline setting forth the contentions of each as to the facts proved in the proceeding.

These statements are not to be exchanged between counsel and are not to be argued before the trial examiner.

Any tentative draft of finding or findings submitted by either side shall be submitted within 10 days after the closing of the taking of testimony and not later, which shall not be extended.

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

The testimony of the witness shall be reduced to writing by the officer before whom the deposition is taken or under his direction, after which the deposition shall be subscribed by the witness and certified in usual form by the officer. After the deposition has been so certified it shall, together with a copy thereof made by such officer or under his direction, be forwarded by such officer under seal in an envelope addressed to the commission at its office in Washington, D. C. Upon receipt of the deposition and copy the commission shall file in the record in said proceeding such deposition and forward the copy to the defendant or the defendant's attorney.

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

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

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

XIV. DOCUMENTARY EVIDENCE

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

XV. BRIEFS

All briefs must be filed with the secretary of the commission and briefs on behalf of the commission must be accompanied by proof of the service of the same as hereinafter provided, or the mailing of same by registered mail to the respondent or Its attorney at the proper address. Twenty copies of each brief shall be furnished for the use of the commission unless otherwise ordered. The exceptions, if any, to the trial examiner's report must be incorporated in the brief. Every brief, except the reply brief on behalf of the commission, hereinafter mentioned, shall contain in the order here stated:

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

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

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

The reply brief on the part of the commission shall be strictly in answer to respondent's brief.

The time within which briefs shall be filed is fixed as follows: For the opening brief on behalf of the commission, 30 days from the day of the service upon the chief counsel or trial attorney of the commission of the trial examiner's report; for brief on behalf of respondent, 30 days after the date of service upon the respondent or his attorney of the brief on behalf of the commission; for reply brief on behalf of the commission, 10 days after the filing of the respondent's brief. Reply brief on behalf of respondent will not be permitted to be filed. Applications for extension of the in which to file briefs shall be by petition in writing, stating the facts on which the application rests, which must be filed with the commission at least five days before the time fixed for filing such briefs. Briefs not filed with the commission on or before the dates fixed therefor will not be received except by special permission of the commission. Appearance of additional counsel in a case shall not, of itself, constitute sufficient grounds for extension of the for filing brief or for postponement of final hearing.

Briefs on behalf of the commission may be served by delivering a copy thereof to the respondent's attorney or to the respondent in case respondent be not represented by attorney; or by registering and mailing a copy thereof addressed to the respondent's attorney or to the respondent in case respondent be not represented by attorney, at the proper post-office address. Written acknowledgment of service, or the verified return of the party making the service, shall constitute proof of personal service as hereinbefore provided, and the return post-office receipt aforesaid for said brief, when registered and mailed, shall constitute proof of the service of the same.

Oral arguments may be had only as ordered by the commission on written application of the chief counsel or of respondent filed not later than five days after expiration of the time allowed for filing of reply brief of counsel for the commission.

XVI. ADDRESS OF THE COMMISSION

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

EXHIBIT 6

PROCEEDINGS DISPOSED OF JULY 1, 1926, TO JUNE 30, 1927

1. ORDERS TO CEASE AND DESIST

NOTE.--On or immediately before June 30, 1927, the commission mailed six orders to cease and desist in addition to those shown below. This action is properly reflected in the statistical tables but not individually indicated, because service upon parties at interest had not been effected at the close of the fiscal year. On order to cease and desist included in statistics for 1928 but served during 1927 is included herewith.

Complaint No. 455.--In the matter of Armour & Co. Charge: That respondent acquired three-fifths of the capital stock of Harold L. Brown Co. (Inc.), a competitor, which company had previously acquired the capital stock and business of Beyer Broq Commission Co., and also the capital Stock and business of Beyer Bros. Co.; that it acquired as vendee and pledgee a controlling amount of the capital Stock of the Eau Claire Creamery Co.; that It acquired through its agents 503 of the 1,000 shares of the capital stock of the Loudon Packing Co., an Ohio corporation, which corporation transferred all Its business. and property to the Loudon Packing Co., a Delaware corporation, in consideration of all of the stock of the Delaware corporation, consisting of 1,000 shares, 503 of which are held by the agents of respondent In trust for respondent; that it acquired one-half of the capital stock of the A. S. Kinimmoth Produce Co.; that it acquired the entire capital stock of the Pacific Creamery, which company the respondent held out and advertised as wholly independent without connection with respondent; and acquired 501 shares of the capital stock of Smith, Richardson & Conroy, a Florida corporation, and that the result of such acquisitions by respondent is the domination by respondent of the business of some of the above-mentioned companies, the elimination of competition between the above-mentioned companies, and the creation of conditions which tend to create a monopoly, in alleged violation of section 5 of the Federal Trade Commission act and section 7 of the Clayton Act.

Disposition: After hearing, an order to cease and desist was entered July 14, 1926, Commissioner Nugent dissenting to that portion of the order dismissing charges against respondent on account of the acquisition of Loudon Packing Co., A. S. Kinimmoth Produce Co., and Smith, Richardson & Conroy. On April 13, 1927, the order entered July 14, 1926, was vacated by the commission.

Complaint No. 1066.--In the matter of Jacob Busch. Charge: Unfair methods of competition are charged in that the respondent's practice of stamping as "Sheffield" his silver-plated ware which is not manufactured in Sheffield, England, and which is of a quality inferior to that of the shiver and silver-plated ware commonly known as Sheffield silver or Sheffield silver plate, tends to mislead and deceive the purchasing public as to the value and quality of his wares, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After stipulation In lieu of testimony an order to cease and desist was entered July 7, 1920.

Complaint No. 1067.--In the matter of Ontario Silver Co. Charge: Unfair methods of competition are charged In that the respondent's practice of stamping as "Sheffield" its silver-plated ware, which is not manufactured In Sheffield, England, and which is of a quality inferior to that of the silver and silver-plated ware commonly known as Sheffield silver or Sheffield

silver plate, tends to mislead and deceive the purchasing public as to the value and quality of its wares, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After stipulation in lieu of testimony, an order to cease and desist was entered July 7, 1926.

Complaint No. 1068.--In the matter of Samuel E. Bernstein (Inc.). Charge: Unfair methods of competition are charged in that the respondent's practice of stamping as "Sheffield" its silver-plated ware which is not manufactured in Sheffield, England, and which is of a quality inferior to that of the silver and silver-plated ware commonly known as Sheffield silver or Sheffield silver

plate, tends to mislead and deceive the purchasing public as to the value and quality of its wares, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After stipulation in lieu of testimony, an order to cease and desist was entered July 7, 1926.

Complaint No. 1097.--In the matter of H. O. Rogers Silver Co., a corporation. Charge: Unfair methods of competition are charged in that the respondent's practice of stamping as "Sheffield" or "Sheffield, made in U. S. A.," its silver-plated ware which is not manufactured in Sheffield, England, and which is of a quality inferior to that of the wares commonly known as Sheffield silver or Sheffield silver plate, tends to mislead and deceive the purchasing public as to the value and quality of its ware, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After stipulation in lieu of testimony, an order to cease and desist was entered July 7, 1926.

Complaint No. 1102.--In the matter of White Silver Co. Charge: Unfair methods of competition are charged in that the respondent, engaged in the manufacture and sale of silver-plated tableware, tends to mislead and deceive the purchasing public by stamping its product as "Quadruple plate," thereby indicating that its wares have been plated four times or bear a fourfold thickness of silver plating, when, in fact, the respondent's products are stated to be the most thinly plated and least durable quality or variety of silver-plated commodities, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After stipulation in lieu of testimony, an order to cease and desist was entered July 7, 1926.

Complaint No. 1143.--In the matter of P. Perlmutter and C. W. Quigley, partners doing business under the trade name and style P. and Q. Furniture Store. Charge: Unfair methods of competition are charged in that the respondents, engaged in the purchase and resale of furniture and having no factory of their own, sell and advertise said furniture as from "factory direct to you," thereby tending to mislead the purchasing public to believe that in dealing with the respondents they are buying direct from the manufacturer and saving the profits of middlemen, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After hearing, an order to cease and desist was entered December 18, 1926.

Complaint No. 1145.--In the matter of Northwestern Traffic & Service Bureau (Inc.), its officers, directors, and subscribers, and Northwestern Publishing Co. and its president. Charge: Unfair methods of competition are charged in that the respondents, by cooperating in the employment of various unfair, intimidating, and coercive measures in behalf of their subscribers, heretofore affiliated with the Northwestern Retail Coal Dealers Association, and with the aid of the respondent publishing company's trade journal, *The Coal Dealer*, tend to constrain producers and wholesalers of coal to confine distribution to so-called regular channels selected and approved by the respondents and to prevent the sale of coal to independents and consumers, thereby obstructing and hindering competition, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After hearing, cause was dismissed as to respondents Northwestern Publishing Co. and I. C. Cuvellier, individually and as president of said company, and an order to cease and desist was entered against remaining respondents November 5, 1926.

Complaint No. 1156.--In the matter of Hemill Silverware Co. Charge: Unfair methods of competition are charged in that the respondent's practice of using the word "Sheffield" or "Sheffield plate" in designating its silver-plated ware which is not manufactured in Sheffield, England, nor of the quality of genuine Sheffield silver and Sheffield plate, tends to mislead and deceive the purchasing public as to the value and quality of said product, in alleged violation

of section 5 of the Federal Trade Commission act.

Disposition: After hearing, an order to cease and desist was entered July 7, 1926.

Complaint No. 1157.--In the matter of Benedict Manufacturing Co. Charge: Unfair methods of competition are charged in that the respondent, engaged in the manufacture and sale of silver-plated ware, stamps its products with the words "Quadruple plate," thereby tending to create the false Impression that Its ware has been coated or plated four times and to induce the purchase of

its product in preference to competitors' commodities of similar quality not misrepresented, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After stipulation in lieu of testimony, an order to cease and desist was entered July 7, 1926.

Complaint No. 1159.--In the matter of I. Weisenfreind and B. Lieberman, partners doing business under the trade name and style Century Silver Manufacturing Co. Charge: Unfair methods of competition are charged in that the respondents engaged in the manufacture of silver-plated ware in the city of New York, confuse and mislead the purchasing public by stamping their ware with such designations as "Sheffield," "Sheffield plate," "Quadruple plate," "Guaranteed Dutch silver," any and all of which are misrepresentative of the manufacture, quality, and Value of the respondent's products in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After stipulation in lieu of testimony, an order to cease and desist was entered July 7, 1926.

Complaint No. 1160.--In the matter of A. L. Wagner Manufacturing Co. Charge: Unfair methods of competition are charged in that the respondent, engaged in the manufacture of silver-plated ware in the city of New York, stamps its silverware with the words "Sheffield," or other similar designations containing the word "Sheffield," thereby tending to create the false impression that its silver-plated ware was manufactured in Sheffield, England, and is of the high quality associated with genuine Sheffield silver and Sheffield plate, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After stipulation in lieu of testimony, an order to cease and desist was entered July 7, 1926.

Complaint No. 1163.--In the matter of Keystone Metal Spinning & Stamping Co. Charge: Unfair methods of competition are charged in that the respondent, engaged in the manufacture of silver-plated ware in the city of New York, confuses and misleads the purchasing public by stamping its wares with such designations as "Sheffield," "Sheffield plate," and "Quadruple plate," any and all of which are misrepresentative of the manufacture, quality, and value of the respondent's products, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After stipulation in lieu of testimony, an order to cease and desist was entered July 7, 1926.

Complaint No. 1192.--In the matter of Kritzer (Inc.). Charge: Unfair methods of competition are charged in that respondent engaged in the resale of furniture which he has purchased, for the most part from manufacturers other than those of Grand Rapids, Mich., by using the trade name "Furniture manufacturers warehouse" and falsely advertising that he is a sales agent for furniture manufacturers of Grand Rapids, Mich., tends to mislead the purchasing public to believe that in dealing with the respondent they are buying direct from the manufacturer and saving the profits of middlemen, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After hearing, an order to cease and desist was entered November 24, 1926.

Complaint No. 1193.--In the matter of Grand Rapids Sales Co. Charge: Unfair methods of competition are charged in that respondent, engaged in the resale of furniture which he has purchased, for the most part from manufacturers other than those of Grand Rapids, Mich., by using the trade name "Grand Rapids Sales Co.," and falsely advertising that he is a sales agent for furniture manufacturers of Grand Rapids, Mich., tends to mislead the purchasing public into the belief that in dealing with the respondent they are buying direct from the manufacturer and saving the profits of middlemen, in alleged violation of section 5 of the Federal Trade

Commission act.

Disposition: After hearing, cause was dismissed as to Jacob A. Miller and Harry Tobias, and an order to cease and desist was entered against remaining respondent November 24, 1926.

Complaint No. 1196.--In the matter of Wisconsin Wholesale Grocers' Association, James D. Godfrey, individually and as president of said Association; M. J. Brew, Individually and as first vice president of said Association; Mitchell Joannes, individually and as second vice president of said Association; Francis E Dewey, Individually and as treasurer of said Association; Francis J. Reckert, individually and as secretary of said Association; Glass-Turbush Co. Otto L. Kuehn & Co. Charge: Unfair methods of competition are charged, in that respondents have agreed to confine the distribution of groceries and allied

products to "regular" and "legitimate" channels of trade, to wit, from the producer or manufacturer to the wholesaler, from the wholesaler to the retail dealer, and to fix uniform wholesale prices and to prevent price cutting, the said agreement, enforced by intimidation, coercion, and boycotting, tending to suppress and hinder competition and to obstruct the natural flow of commerce, In alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After hearing, an order to cease and desist was entered November 3, 1926.

Complaint No. 1211.--In the matter of Sea Island Thread Co. (Inc.). Charge: Unfair methods of competition are charged in that the respondent sells certain of its cotton sewing thread as "Satin Silk" or "Satinsilk," adding, in some instances, in smaller and less conspicuous letters, the words "Mercerized Cotton" or "Perfect Substitute for Best Silk," thereby tending to mislead and deceive the purchasing public as to the quality of said product, In alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After hearing, an order to cease and desist was entered March 24, 1927, Case is now pending in United States Circuit Court of Appeals for the Second Circuit, on appeal by respondent from commission's order to cease and desist.

Complaint No. 1234.--In the matter of Superior Silver Co. (Inc.). Charge: Unfair methods of competition are charged in that the respondent, engaged in the manufacture of silver-plated ware by the electroplating process, stamped its product "Superior Sheffield" and held itself out to be "manufacturers of Sheffield plate silver ware," using the trade-mark "Superior Sheffield," thereby tending to mislead the purchasing public to believe that it is a manufacturer of copper-rolled plate similar to that known as "Sheffield," and that its product is of "Sheffield" quality, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After stipulation in lieu of testimony, an order to cease and desist was entered July 7, 1926.

Complaint No. 1242.--In the matter of Jacques E Greenberger and Carrie Greenberger, individually and as copartners, trading as Big G Furniture Works, and Big G Furniture Works, a corporation. Charge: Unfair methods of competition are charged in that the respondents, engaged in the purchase of furniture and its sale at retail, employ their trade and corporate names and advertise to mislead the purchasing public to believe that they are manufacturers and that said purchasing public in dealing with the respondents saves the profits of middlemen, all in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After hearing, an order to cease and desist was entered February 10, 1927.

Complaint No. 1267.--In the matter of G. H. Koppel, doing business under the trade name and style Cuban-American Sponge Co. Charge: Unfair methods of competition are charged in that the respondent, engaged in the purchase and sale of chamois-leather and sponges, falsely indicates on Its business stationery and literature that it is a chamois tanner and manufacturer and operates chamois tanneries and sponge fishing fleets when in fact it is not engaged but purchases its leathers and sponges for resale, thereby tending to mislead and deceive the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After hearing, an order to cease and desist was entered September 25, 1926.

Complaint No. 1270.--In the matter of Nanyang Bros. (Inc.). Charge: Unfair methods of competition are charged in that the respondent, engaged in the importation of lace from China and the sale thereof to garment manufacturers, designates its lace as "Irish lace," thereby misleading and deceiving the purchasing public as to the quality and value of respondent's product and tending to injure competitors who are in fact Importers of Irish lace, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After stipulation in lieu of testimony, an order to cease and desist was entered

September 25, 1926.

Complaint No. 1272.--In the matter of N. B. Bardwil, T. B. Bardwil, M. Bardwil, partners doing business under the trade name and style N. B. Bardwil & Co. Charge: Unfair methods of competition are charged in that the respondent, engaged in the importation of lace from China and the sale thereof to garment manufacturers, designates its lace as "Irish lace," thereby misleading and deceiving the purchasing public as to the quality and value of respondent's

product, and tending to Injure competitors who are in fact importers of Irish lace, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After stipulation in lieu of testimony, an order to cease and desist was entered October 19, 1926.

Complaint No. 1281.--In the matter of Thomas E Powe and F. C. Harrington, partners, doing business under the firm name and style of Thomas E Powe Lumber Co. Charge: Unfair methods of competition are charged in that the respondents, engaged in the sale of lumber and wood products, have advertised and represented certain of their products as mahogany when in fact they consist of woods other than mahogany but resembling mahogany in general appearance, thereby tending to mislead and deceive the purchasing public and to injure competitors who represent lumber and wood products truthfully, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After hearing, an order to cease and desist was entered July 15, 1926, Commissioner Humphrey dissenting.

Complaint No. 1282.--In the matter of Twinplex Sales Co., a corporation. Charge : Unfair method of competition are charged in that the respondent, engaged in the manufacture and sale of safety razor blade stropers, offered and gave sums of money to salesmen in the employ of retail merchants, without the knowledge or consent of their employers, to induce said salesmen to sell the respondents' product to the exclusion of the products of its competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After stipulation in lieu of testimony, an order to cease and desist was entered January 11, 1927.

Complaint No. 1289.--In the matter of F. Burkhalter, an individual doing business under the trade name and style Royal Soap Co. Charge: Unfair methods of competition are charged in that the respondent advertises and represents its "Royal Medicated Cuticle Doctor Soap" as a high-grade medicated toilet soap of the regular value of 25 cents per cake, containing various ingredients having a curative and healing effect upon the skin, when in fact said soap is not medicated, is of the reasonable value of not more than 10 cents a cake, at which price it is habitually sold by retailers, and contains no ingredients having a curative and healing effect, thereby tending to mislead and deceive the purchasing public as to the quality and value of respondent's product and to injure competitors who do not misrepresent their soaps, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After hearing, an order to cease and desist was entered November 29, 1926.

Complaint No. 1293.--In the matter of Progress Paint Manufacturing Co., a corporation, and Regulation Paint Co., a corporation. Charge: Unfair methods of competition are charged in that the respondents label certain of their products with the words "Regulation Paint" and "Camp Mixed Paint" in connection with a shield or insignia simulating that which appears on the flag of the President of the United States or as is commonly used and recognized by the public as an insignia of the United States Government, thereby tending to mislead and deceive the purchasing public to believe that the respondents' products were declared and sold as surplus paint by the United States Government or manufactured in accordance with Army specifications or Government requirements; and in that the respondents have marketed their products through so-called Army and Navy stores, thereby furthering the deception, all in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After hearing, an order to cease and desist was entered September 25, 1926.

Complaint No. 1301.--In the matter of Windsor Cigar Co. Benjamin Paris, doing business under the trade name and style Paris Cigar Co.; Raphael N. Paris. Charge: Unfair methods of

competition are charged in that the respondents, engaged in the manufacture of cigars In the State of Pennsylvania and in the sale thereof, label their product "Havana Cadet," thereby tending to mislead the purchasing public to believe that said cigars are made of tobacco grown on the Island of Cuba and to injure competitors who do not misbrand their products, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After hearing, an order to cease and desist was entered May 24, 1927.

Complaint No. 1306.--In the matter of Maud B. Clough and W. H. Siebrecht, jr., partners doing business under the trade name and style Siewin Co. Charge: Unfair methods of competition are charged in that the respondents, engaged In the manufacture and sale of a depilatory, falsely advertise and

represent that their product kill and destroys the roots of the hair, thus preventing its regrowth, thereby tending to mislead and deceive the purchasing public and to injure competitors who do not misrepresent their products, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After hearing, an order to cease and desist was entered September 25, 1926.

Complaint No. 1308.--In the matter of Arnold Electric Co. Charge: Unfair methods of competition are charged in that the respondent, engaged in the manufacture and sale of electrically driven drink-mixing machines, has enforced a merchandising system adopted by it of fixing and maintaining specified uniform prices for the resale of its machines by dealers, refusing to supply price-cutters and employing cooperative means for the maintenance of its resale prices, thereby tending to suppress competition and to deprive the ultimate purchasers of advantages in price which would obtain from the natural and unobstructed flow of commerce in said machines under conditions of free competition, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After hearing, an order to cease and desist was entered December 23, 1926.

Complaint No. 1313.--In the matter of W. Harris Thurston (Inc.). Charge: Unfair methods of competition are charged in that the respondent, engaged in the importation and sale of cotton shirt fabrics, offers and sells under the trade name of "Nusylk" a certain imported fabric which has the appearance of silk, but is made from cotton and contains no silk whatever, the words "all cotton" or "superfine cotton" appearing in small and inconspicuous letters in conjunction with said trade name, thereby tending to mislead the trade and to injure competitors who do not practice misrepresentation, in alleged violation of section 5 of the Federal Trade Commission act,

Disposition: After hearing, an order to cease and desist was entered January 15, 1927, Commissioner Humphrey dissenting.

Complaint No. 1315.--In the matter of A. Herskowitz, Morris Goldberg, Samuel Bell, partners doing business under the trade name and style Bell Cap Co. Charge: Unfair methods of competition are charged in that the respondents, engaged in the manufacture and sale of shop caps, label and advertise said product as "union made" when in fact the respondents do not employ members of any labor union in the manufacture of said shop caps, thereby tending to mislead and deceive the trade and consuming public and to injure competitors who do not practice misrepresentation, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After hearing, an order to cease and desist was entered December 8, 1926, Commissioner Humphrey dissenting.

Complaint No. 1316.--In the matter of Indiana Quartered Oak Co. Charge: Unfair methods of competition are charged in that the respondent, engaged in the sale of lumber and wood products, sells woods other than mahogany, but resembling mahogany in general appearance, as "mahogany" or "Philippine mahogany," thereby tending to mislead the purchasing public and to injure competitors who do not practice misrepresentation, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After hearing, an order to cease and desist was entered July 15, 1926, Commissioner Humphrey dissenting.

Complaint No. 1317.--In the matter of Reuben Bernuin, doing business under the trade name and style, Silktex Hosiery Mills.- Charge: Unfair methods of competition are charged in that the respondent, engaged in selling direct to the consuming public, labels its hosiery with the words "Silktex" and "Silk" when in fact said hosiery is composed of but 15 per cent of silk and is

interwoven with other material which is not true silk but which resembles silk in general appearance; and in that the respondent Indicates by the use of its business name that it operates mills and manufactures its hosiery, thus saving the consumer the profits of middlemen, when in fact the respondent is not a manufacturer and does not own or operate any mill or mills but purchases its hosiery for resale, thereby tending to mislead the purchasing public and to injure competitors who do not practice misrepresentation in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : After hearing, an order to cease and desist was entered January 15, 1927.

Complaint No. 1331.--In the matter of W. R. Maxwell, trading under the name of International Publishing Co. Charge: Unfair methods of competition

are charged in that the respondent, engaged in the purchase and sale of a publication entitled "International Reference Work," makes numerous false and misleading statements as to his publication of said work; the cities in which he has places of business; the authors of said work; date of publication; binding; sales price; loose-leaf extension service; enrollment of purchasers in the International Research Bureau, a nonexistent organization; testimonial letters, and indorsement by educators; and in that the respondent agrees to maintain resale prices, and by means of trickery induces customers to give negotiable promissory notes and enforces payment thereof all in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After hearing, an order to cease and desist was entered January 19, 1927.

Complaint No. 1332.--In the matter of Jones Hardwood Co. Charge: Unfair methods of competition are charged in that the respondent, engaged in the sale of hardwood lumber and other hardwood products, represented and sold as "Philippine mahogany" certain hardwoods which were not mahogany wood, thereby tending to mislead the trade and the purchasing public and to injure competitors who do not practice misrepresentation, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After hearing an order to cease and desist was entered July 15, 1926, Commissioner Humphrey dissenting. Case was appealed by respondent to United States Circuit Court of Appeals for the Ninth Circuit. but petition was withdrawn October 28, 1926.

Complaint No. 1354.--In the matter of J. L. Heaps, trading under the name Civil Service Correspondence School. Charge: Unfair methods of competition are charged in that the respondent advertises under the trade name "Civil Service Correspondence School," and asserts or implies connection with the United States Government or the Civil Service Commission, and that his courses of instruction are approved by the Government or its commission, and, further, in that the respondent causes to be depicted on his categories and advertising literature pictorial representations & of the United States Capitol Building, the caricature known as "Uncle Sam," and a shield emblematical of the United States Government, when in fact the respondent has no relationship with the Government, thereby misleading the public as to the status of the respondent's courses of instruction and his qualifications, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : After hearing. an order to cease and desist was entered June 30, 1926. (This proceeding, disposed of during fiscal year 1926, and so recorded in the statistical tables. was not so recorded in the text of the annual report for that year, as service upon the parties at interest had not been effected.)

Complaint No. 1357.--In the matter of Miles F. Goodman, doing business under the trade name and style Keystone Furniture Co. Charge : Unfair methods of competition are charged in that the respondent sells certain of his furniture as mahogany or walnut, when In fact said furniture is made wholly of woods other than mahogany and walnut, thereby tending to mislead the purchasing public and to injure competitors who do not practice misrepresentation. In alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After stipulation in lieu of testimony, an order to cease and desist was entered November 1, 1926.

Complaint No. 1359.--In the matter of La Fayette Institute (Inc.). Charge: Unfair methods of competition are charged in that the respondent, engaged in teaching business management and administration by mail, made false, misleading, and deceptive statements concerning its course of study by making on its stationery and advertising the statement "La Fayette Institute (Inc.), La Fayette Building, Philadelphia, Pa.," implying that respondent owns, controls, or occupies the entire building, whereas it occupies one room only therein; implies that its course of study

is under the administration of various departments, when in fact there is only one; states that It maintains a large and efficient staff of professors, instructors, and experts, but really conducts Its business through its officers and sundry employees who are not professors or instructors; and offers a “special price” for its course, which is in fact no less than its regular price to all persons alike, all in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : After stipulation in lieu of testimony, an order to cease and desist was entered October 5, 1926.

Complaint No. 1363.--In the matter of The Daisy Products (Inc.). Charge: Unfair methods of competition are charged in that the respondent, engaged in the manufacture and sale of hand baggage, advertises and represents its "Daisy hat bags" as made of patent leather, when in fact the said hat bags are made of materials other than patent leather and are covered with a woven fabric the exposed surface of which is coated and finished to resemble patent leather in appearance, thereby tending to mislead the purchasing public and to injure competitors who do not practice misrepresentation, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : after hearing, an order to cease and desist was entered October 19, 1926.

Complaint No. 1364.--In the matter of Atlanta Wholesale Confectioners Association, its officers and members, Brower Candy Co., A. B. Tenenbaum, J. L. Tenenbaum, and J. P. Tenenbaum, partners, doing business under the trade names and styles Tenenbaum Bros., Sugarman-Hirsch Co., Cohen Bros. Co., T. S. Lewis Co., Harry L. Schlesinger, members of said association. Charge : Unfair methods of competition are charged In that the respondents have cooperated to confine distribution of confectionery to so-called regular and legitimate channels of trade and to the respondent members as wholesale dealers, to prevent so-called irregular and illegitimate dealers (doing both a wholesale and retail business or retail business only) from obtaining confectionery and allied products directly from the manufacturers thereof and to suppress competition and especially competition in price m the sale and distribution of said products, employing cooperative means to make effective their undertaking and threatening to boycott and otherwise seeking to persuade and compel manufacturers to sell their products to members of respondent association only and to refrain from selling to irregular or illegitimate dealers, all in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After hearing, cause was dismissed as to respondents Harry L. Schlesinger and T. S. Lewis Co., and an order to cease and desist was entered against remaining respondents March 30, 1927.

Complaint No. 1372.--In the matter of Synthetic Products Co. Charge : Unfair methods of competition are charged in that the respondents engaged in the manufacture and sale of a compound for use m softening rubber and rendering the same more resilient, labels and advertises its product as "Liquid Rubber," when in fact the said product contains no rubber whatsoever, thereby tending to mislead and deceive the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After hearing, an order to cease and desist was entered October 9, 1926.

Complaint No. 1374.--In the matter of M Samuels & Co. (Inc.). Charge: Unfair methods of competition are charged in that the respondent, engaged in the manufacture and sale of shoes, brands and advertises the soles of certain of its shoes as "Tufhide," when in fact the said soles are made of a material and composition other than and containing no leather, thereby tending to mislead and deceive the purchasing public and to injure competitors who do not practice misrepresentation in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : After hearing, an order to cease and desist was entered March 22, 1927.

Complaint No. 1376.--In the matter of Great Lakes Rubber Products Co. Charge : Unfair methods of competition are charged in that the respondent, engaged in the manufacture and sale of a compound for use in softening rubber and rendering the same more resilient, labels and advertises its product as "Rubberite Compound," when in fact the said product contains no rubber whatsoever, thereby tending to mislead and deceive the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : After hearing, an order to cease and desist was entered October 9, 1926

Complaint No. 1377.--In the matter of H. Reisman & Co., a corporation, and Harry Reisman, Individually and as president of respondent H. Reisman & Co. Charge : Unfair methods of competition are charged in that the respondents, engaged in the sale of watches, jewelry, and other articles of merchandise by mail, make numerous false and misleading statements and representations concerning the character and quality of their merchandise and the value thereof, describing certain articles as composed in whole or in part of precious metals and ornamented with precious stones, when in fact said articles con-

tain no precious metals and are not ornamented with precious stones, representing other articles as made, covered, or finished with heather, when in fact no leather is used, or made of ivory and French Ivory, when in fact no ivory is used, and further in that the respondents make misleading statements and representations as to prices and values, thereby tending to deceive the purchasing public, and to injure competitors who do not practice misrepresentation, m alleged violation of section 5 of the Federal Trade Commission act.

Disposition : After stipulation in lieu of testimony, an order to cease and desist was entered September 25, 1926.

Complaint No. 1393.--In the matter of McGowan Laboratories (Inc.) and Womanhood Publishing Corporation. Charge: Unfair methods of competition are charged m that the respondent, McGowan Laboratories (Inc.), engaged in the manufacture or preparation of a certain toilet compound or cream alleged to be useful and effective in dissolving away and removing excess flesh of the human body, publishes false and misleading statements as to the quality and effectiveness of said compound in various publications anti in a monthly magazine of the respondent Womanhood Publishing Corporation, with its aid and cooperation, to the prejudice of the public and of competitors of the respondent McGowan Laboratories (Inc.), who do not make any such false, misleading, and fraudulent assertion and representations, all in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : Order to cease and desist entered June 6, 1927.

Complaint No. 1427.--In the matter of Northwest Chair Co. Charge : Unfair methods of competition are charged in that respondent engaged m the manufacture and sale of chairs to dealers falsely designated and described in its catalogues, price lists, and advertising, said chairs to be "Walnut" and "Mahogany," when in truth and in fact said chairs are made of woods other than walnut and mahogany and contain no walnut or mahogany woods whatsoever, for the purpose of deceiving the purchasing public and to prejudice competitors through said dealers, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: After stipulation in lieu of testimony, an order to cease and desist was entered May 9, 1927.

Complaint No. 1429.--In the matter of Flora Levy and Sarah Lee, partners doing business under the trade name and style Acme Fountain Pen Co. Charge: Unfair methods of competition are charged in that respondents engaged in the business of selling fountain pens and lead pencils, label their pens and pencils with fictitious and exaggerated prices, said prices being greatly in excess of the actual value of said pens and pencils, anti represent in their advertisements and correspondence that they are the manufacturers of said products, when in fact they are not manufacturers but purchase said products from others, said acts being to the prejudice of the public and respondents' competitors, who do not practice misrepresentation, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : After hearing, an order to cease and desist was entered April 26, 1927.

2. ORDERS OF DISMISSAL

NOTE.--On or immediately before June 30, 1927, the commission mailed two orders of dismissal in addition to those shown below. This action is properly reflected in the statistical tables but not individually indicated, because service upon parties at interest had not been effected at the close of the fiscal year. Four orders of dismissal included in statistics for 1926 but served during 1927 are included herewith.

Complaint No. 266.--In the matter of Pictorial Review Co. Charge : Using unfair methods of competition in the sale of paper dress patterns, consisting of selling patterns to dealers under a

contract permitting the dealer to return all unsold patterns on the termination of contract at three-fourths of the cost thereof, upon the condition that during the continuance of such contracts they have sold no patterns except those manufactured by respondent, or shall have sold such patterns at the prices fixed by respondent, in alleged violation of section 5 of the Federal Trade Commission act; selling and making contracts for sale of its paper dress patterns Oil 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.

Dispositions: Dismissed after stipulation and hearing practices complained of having been discontinued following issuance of complaint.

Complaint No. 775.--In the matter of Swift & Co., National Leather Co. Charge : That the respondent Swift & Co., by reason of its acquisition of a controlling interest in England, Walton & Co. (Inc.) and its subsidiaries, and the subsequent organization by Swift & Co. of respondent National Leather Co. and the transfer thereto of the Swift & Co. interest in England, Walton & Co., and in numerous other corporations engaged in tanning and the manufacture and sale of leather and by-products, the corporate stock of which had been acquired by Swift & Co., has been for the purpose and effect of substantially lessening competition and of creating a combination in restraint of trade in the manufacture and sale of leather, in alleged violation of section 5 of the Federal Trade Commission act and section 7 of the Clayton Act.

Disposition : Dismissed after hearing and stipulation.

Complaint No. 956.--In the matter of Oakleed Oil Co., Mark Kleeden, and Julia K. Threlkeld. Charge : Unfair methods of competition in commerce are charged in the sale of the share stock of respondent company in that the respondents have misrepresented the business, management, properties, and prospects of the said respondent of company for the purpose of misleading and deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: Dismissed after hearing without prejudice. (This proceeding, disposed of during fiscal year 1926 and so recorded in the statistical tables, was not so recorded in the text of the annual report for that year, as service upon the parties at interest had not been effected.)

Complaint No. 960.--In the matter of Texas-Mexia Drilling Syndicate, B. M Hatfield, Sterling Syndicate, J. D. Johnson, Old Timers Oil Pool, Albert S. Leach, Cooperative Oil Interests, and C. R. Farmer. Charge : Unfair methods of competition in the sale of the share stock of the respondent syndicates and interests are charged, in that the respondents have misrepresented the business, management, properties, and prospects of said respondent syndicates and interests for the purpose of misleading and deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : Dismissed after hearing, without prejudice. (This proceeding, disposed of during fiscal year 1926 and so recorded in the statistical tables, was not so recorded in the text of the annual report for that year, as service upon the parties at interest had not been effected.)

Complaint No. 988.--In the matter of Paramout Royalty Syndicate and Lea R. Ellis. Charge: Unfair methods of competition in commerce are charged in the sale of securities of respondent syndicate in that the respondents have misrepresented the organization, business, management, properties, and prospects of said respondent syndicate for the purpose of misleading and deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : Dismissed without prejudice. (This proceeding, disposed of during fiscal year 1926 and so recorded in the statistical tables, was not so recorded in the text of the annual report for that year, as service upon the parties at interest had not been effected.)

Complaint No. 1028.--In the matter of Guaranty Royalties Co., W. F. Rogers, W. L. Hughes, and A. C. Loughrey. Charge : Unfair methods of competition are charged in the sale of the stock of the respondent joint-stock association in that the respondents have made numerous false, misleading, and deceptive statements concerning the organization, management, properties, production, earnings, and prospects of the respondent company for the purpose of inducing the public to purchase said stock, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : Dismissed without prejudice. (This proceeding, disposed of during fiscal year 1926 and so recorded in the statistical tables, was not so recorded in the text of the annual report

for that year, as service upon the parties at interest had not been effected.)

Complaint No. 1044.--In the matter of Pacific Commercial Co. and Exporters' and Importers' Association of the World. Charge : Respondents are charged with having accepted orders and received payment from foreign customers for first-class new automobile chassis, and through negligence or collusion have caused or permitted to be substituted for the goods ordered secondhand, inferior, or worthless goods, which unfair methods of competition has the tendency to injure and damage the reputation of respondents' competitors who truthfully fulfill their contracts, in alleged violation of section 5 of the Federal Trade Commission act as extended by the provision of section 4 of the Webb Act.

Disposition : Dismissed after hearing.

Complaint No. 1053.--In the matter of The Worell Manufacturing Co. Charge : Unfair methods of competition are charged in that respondent, engaged in the sale of insecticides, disinfectants, and sanitary appliances, offers and gives goods and merchandise as premiums or gratuities to public officials in charged of Government departments, boards, and administrative offices purchasing supplies for public institutions, as an inducement to purchase respondent's products, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : Dismissed, Commissioner Myers dissenting, respondent having agreed to abide by the resolution adopted by the trade practice conference held with this industry.

Complaint No. 1131.--In the matter of Cosmopolitan Silver Co. Charge : Unfair methods of competition are charged in that the respondent engaged in the manufacture of silver-plated ware in the city of New York and in the sale thereof, stamps its silverware with the words "Sheffield," "Sheffield plate," or other similar designations containing the word "Sheffield," thereby tending to create the false impression that its silver-plated ware was manufactured in Sheffield England and is of the high quality associated with the terms "Sheffield silver" and "Sheffield plate," in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : Dismissed, respondent having gone out of business.

Complaint No. 1158.--In the matter of W. A. L. Silver Manufacturing Co. Charge : Unfair methods of competition are charged in that the respondent, engaged in the manufacture of silver-plated ware in the city of New York, stamps its silverware with the words "Sheffield," "Sheffield plate," or other similar designations containing the word "Sheffield," thereby tending to create the false impression that its silver-plated ware was manufactured in Sheffield, England, and is of the high quality associated with genuine Sheffield silver and Sheffield plate, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : Dismissed, respondent having gone out of business.

Complaint No. 1162.--In the matter of The Rialto Silver Plated Ware Co. (Inc.). Charge : Unfair methods of competition are charged in that the respondent, engaged in the manufacture of silver-plated ware in the city of New York, stamps its silverware with the words "Sheffield," "Sheffield plate," or other similar designations containing the word "Sheffield," thereby tending to create the false impression that its silver-plated ware was manufactured in Sheffield, England, and is of the high quality associated with genuine Sheffield silver and Sheffield plate, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : Dismissed, respondent having gone out of business.

Complaint No. 1203.--In the matter of Barnes-Ames Co., Barnes-Irwin Co. Charge: Unfair methods of competition are charged in that the respondents, exporters of wheat, have accepted orders and received payment from foreign customers for wheat of a specified quality and, wilfully or through negligence, have delivered wheat of a quality inferior to that ordered and containing large quantities of chaff and other foreign substances, thereby tending to injure the export trade generally, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : Dismissed.

Complaint No. 1216.--In the matter of John R. Walker and American Woods Export Association, in corporation. Charge : Unfair methods of competition are charged in that the respondents engaged in the export of lumber, failed to fulfill contracts with foreign customers, delivered lumber of a different kind and of a lower grade and quality, and in less amounts, and at dates much later than those specified in said contracts and, with the intent and purpose of deceiving said customers, falsely invoiced their deliveries as of the kind and quality designated in said contracts, falsely representing said lumber as measured and inspected by the Lumberman's Bureau of Washington, D. C., thereby tending to bring into disrepute and

injuriously affect the export trade in lumber, in alleged violation of section 5 of the Federal Trade Commission act

Disposition : Dismissed after hearing, respondents having gone out of business. *Complaint No. 1218.*--In the matter of Cheinno Co., a corporation Charge: Unfair methods of competition are enlarged in that the respondent, charged in the manufacture and sale of disinfectants, antiseptics, and soaps, offers

and gives prizes or premiums to administrative officers and purchasing agents of public institutions, without the knowledge or consent of their principals, to induce said purchasers to buy the respondent's products in preference to those of its competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition: Dismissed after hearing, Commissioner Myers dissenting, respondent having agreed to abide by the resolution adopted at the trade practice conference held with this industry.

Complaint No. 1219.--In the matter of Hayes Wheel Co. Charge : Unfair methods of competition are charged in that respondent, by acquiring all the outstanding common capital stock of the Imperial Wheel Co., tends to substantially lessen competition between the respondent and said Imperial Wheel Co., to restrain commerce in the sale of automobile wheels in certain territories and to create a monopoly in the sale and distribution thereof, in alleged violation of section 7 of the Clayton Act.

Disposition : Dismissed.

Complaint No. 1226.--In the matter of Double A Platinum Works (Inc.) . Charge: Unfair methods of competition are charged in that the respondent engaged in the manufacture of unfinished jewelry known to the trade as " findings," stamps said findings as "Double A Platinum" or "A. A. Plat.," thereby tending to mislead the trade and public to believe that the respondent's products are composed of pure platinum, when in fact they are made of platinum alloyed with other metals, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : Dismissed without prejudice after hearing, respondent having gone out of business.

Complaint No. 1247.--In the matter of Allied Chemical & Dye Corporation. Charge: Unfair methods of competition are charged in that respondent by the acquisition of the stock or share capital of the Barrett Co., General Chemical Co., the Solvay Process Co., Semet-Solvay Co., and National Aniline & Chemical Co. (Inc.), tends to substantially lessen competition, to restrain commerce in various and sundry articles, products, and chemical produced by said corporations, and to create in the respondent a monopoly in the lines of commerce in which said corporations were respectively engaged, and especially in the chemicals and coal-tar products required in the production of dyes and dyestuffs, in alleged violation of section 7 of the Clayton Act.

Disposition : Dismissed after hearing, Commissioner Nugent dissenting.

Complaint No. 1258.--In the matter of Grand Rapids Furniture Co., an Illinois corporation. Charge : Unfair methods of competition are charged in that the respondent falsely represented and pretended that it owned or operated a furniture factory at Grand Rapids, Mich.; that it sold its furniture direct from manufacturer to consumer, thereby eliminating the middleman's profit; that its furniture was made at Grand Rapids, Mich.; that the respondent and the long-established and favorably known "Grand Rapids Furniture Co.," of Grand Rapids, Mich., were one and the same company; and that the respondent was a selling agency through which the said Grand Rapids Furniture Co., of Grand Rapids, Mich., sold its furniture to the consuming public; and in that the respondent in the sale of certain upholstered furniture, the coverings and upholstery of which were composed entirely of materials and substances other than silk, represent said coverings and upholstery as "genuine silk mohair," all in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : Dismissed after hearing for lack of interstate commerce, Commissioner Nugent dissenting.

Complaint No. 1298.--In the matter of Wickwire-Spencer Steel Corporation. Charge: Unfair methods of competition are charged in that the respondent acquired the entire capital stock of the American Wire Fabrics Corporation which succeeded to the business of the American Wire

Fabrics Co., a competitor of the respondent, thereby tending to eliminate competition, to restrain commerce in the sale and distribution of screen-wire cloth and to create a monopoly, in alleged violation of section 7 of the Clayton Act.

Disposition: Dismissed without prejudice to right of commission to reinstate proceedings after an authoritative interpretation of section 7 of Clayton Act has been rendered.

Complaint No. 1314.--In the matter of S. Goodman and J. Cohein, partners doing business under the trade name and style Goodman, Cohen & Co. Charge: Unfair methods of competition are charged in that the respondents, engaged in the manufacture and sale of shirts, used a cotton fabric containing no silk

whatever, but which has the appearance of silk, and label the shirts made therefrom with the name "Nusylk" (the words "all cotton" or "superfine cotton" appearing in small and inconspicuous letters), thereby tending to mislead the purchasing public to believe that the respondents' shirts are made of silk and to injure competitors who do not practice misrepresentation, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : Dismissed.

Complaint No. 1338.--In the matter of Spear & Co. Charge: Unfair methods of competition are charged in that the respondent advertised and sold certain of its furniture as "mahogany," "combination mahogany," "genuine mahogany," "finished in mahogany," "combination golden oak," "combination walnut," "two-tone walnut," and "French walnut finish," when in fact said furniture consisted wholly or in part of woods other than those designated, thereby tending to mislead the purchasing public and to injure competitors who do not misrepresent their products, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : Dismissed, respondent having subscribed to resolutions adopted at the trade practice conference held with this industry.

Complaint No. 1339.--In the matter of Ludwig Baumann & Co. Charge: Unfair methods of competition are charged In that the respondent sold certain of its furniture as "French walnut combination" and as "mahogany combination," when in fact said furniture consisted wholly or in part of woods other than those designated, thereby tending to mislead the purchasing public and to injure competitors who do not misrepresent their products, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : Dismissed, respondent having subscribed to resolutions adopted at the trade practice conference held with this industry.

Complaint No. 1341.--In the matter of Sheppard Knapp Son Co. (Inc.). Charge : Unfair methods of competition are charged in that the respondents sold certain of its furniture as "mahogany," when in fact said furniture consisted of wood other than "mahogany," thereby tending to mislead the purchasing public and to injure competitors who do not misrepresent their products, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : Dismissed, respondent having gone out of business.

Complaint No. 1344.--In the matter of Centennial Mill Co., Fisher Flouring Mills Co., Sperry Flour Co., Portland Flour Mills Co., Wasco Warehouse Milling Co., American Factors (Ltd.), Alexander & Baldwin (Ltd.), Fred L. Waldron (Ltd.), Theo. H. Davies & Co. (Ltd.), Castle & Cook (Ltd.), C. Brewer & Co., Henry May & Co. Charge : Unfair methods of competition are charged in that respondents, some of whom are engaged in the business of milling grain and some in selling and distributing flour, have been and are engaged in aim unlawful combination and conspiracy to suppress competition in the sale of flour in the Territory of Hawaii, to which end they fix and sell at uniform prices and agree among themselves as to said uniform prices, and said respondent grain millers agree among themselves to restrict the quantities of flour shipped by them to respondent dealers, which acts deny to dealers in and consumers of flour in the Territory of Hawaii those advantages in price and otherwise which they would obtain under conditions of normal and unobstructed competition, to the prejudice of the public in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : Dismissed.

Complaint No. 1356.--In the matter of Gotham Silk Hosiery Co. (Inc.). Charge: Unfair methods of competition are charged in that the respondent, engaged in the manufacture and sale of silk hosiery, has adopted a merchandising system of establishing and maintaining specified uniform prices for the resale of its hosiery, refusing to sell to price cutters, and employing

cooperative means for the enforcement of its system of price maintenance, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : Dismissed, respondent having gone out of business.

Complaint No. 1361.--In the matter of H. S. Cruikshank. Charge : Unfair methods of competition are charged in that the respondent represents and offers for sale as timothy hay of the best grade and quality hay of a grade and quality inferior to said timothy hay, thereby tending to mislead and deceive the purchasing public and to injure Competitors who do not practice misrepresentation, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : Dismissed after hearing.

Complaint No. 1366.--In the matter of Eclipse Fountain Pen & Pencil Corporation, Marx Finstone, Lillian Finstone, David Klein. Charge : Unfair methods of competition are charged in that the respondents, engaged in the manufacture and sale of fountain pens and pencils, label certain of their products with fictitious and exaggerated resale prices, thereby tending to mislead and deceive the consuming public as to the value of said products and to Injure competitors who do not practice misrepresentation, In alleged violation of section 5 of the Federal Trade Commission act.

Disposition : Dismissed after hearing.

Complaint No. 1388.--In the matter of T. V. Aaron, trading under the name and style of Home Art Co. Charge : Unfair method's of competition are charged In that the respondent engaged in the business of selling so-called pictures falsely states and represents in advertisements placed In magazines of wide circulation that for selling 24 pictures at 10 cents each there will be given as a premium a genuine American stem wind and set watch with a 10-year time guarantee, ring, and chain, and also that there was being given as a premium for selling his pictures "A handsome white gold, 6-jewel, silver dial, Vanity movement, 25-year case, wrist watch," whereas the watch given contains no gold and is without a chain and ring and the wrist watch given contains no-gold, has three jewels only, and neither its works nor its case is capable of service or use for a period of 25 years or any substantial portion thereof, the effect of which is to mislead the unwary and to injure competitors who do not misrepresent the premiums given by them, all in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : Dismissed without prejudice after hearing, respondent having gone out of business.

Complaint No. 1389.--In the matter of Louis J., H. L. Mortimer, and S. Altman, a copartnership, doing business under the trade name and style of U. S. Woolen Mills Co. Charge : Unfair methods of competition are charged In that the respondents, engaged In the business of selling sweaters, overcoats, mackinaws, blankets, hosiery, stag pants and shirts, flannel shirts, leather jackets, sheepskin-lined coats, and like articles of merchandise, by the use of the trade name "U. S. Woolen Mills Co." on letterheads, In advertising matter, etc., and In letters to customers and prospective customers and to prospective salesmen and agents represent that they are the manufacturers of the articles sold by them and that purchasers are purchasing direct from the manufacturer, whereas In fact they do not own, control, or operate any woolen mill or other kind of factory wherein. the aforesaid articles are made, and do not manufacture any of such articles, such practice having the tendency to mislead and deceive the purchasing public Into the belief that respondents own and operate mills or factories and that by purchasing from respondents profits of middlemen are saved, to the prejudice of. competitors who do manufacturing and sell direct to customers and users, all in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : Dismissed, respondent having gone out of business.

Complaint No. 1428.--In the matter of American Disinfecting Co. (Inc.) Charge : Unfair methods of competition are charged In that respondent engaged In manufacturing and selling disinfectants, insecticides, and germicides, offers and gives premiums and gratuities to the purchasing officials of public institutions such as penitentiaries, hospitals, etc., without the knowledge and consent of anyone having legal authority to consent thereto, to Induce said purchasers to buy the respondent's products, said act tending to obstruct the business of respondent's competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : Dismissed, Commissioner Myers dissenting, respondent having agreed to abide by the resolution adopted at the trade practice conference held with this industry.

Complaint No. 1433.--In the matter of Nathaniel Abraham and Albert White jointly and severally doing business under the trade name and style, Army & Navy Surplus Warehouse. Charge : Unfair methods of competition are charged In that respondents, engaged in the business of selling paint and other merchandise, display conspicuously in their advertisements the trade name "Army & Navy Warehouse," together with many false and misleading representations to the effect that said paint and merchandise are surplus Government supplies such advertising having the capacity and tendency to mislead and deceive dealers and the purchasing public, all to the prejudice of the public and

respondents' competitors, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : Dismissed, respondent having gone out of business.

Complaint No. 1437.--In the matter of Lightner Publishing Corporation. Charge: Unfair methods of competition are charged in that respondent, engaged in the publication and sale of an agricultural magazine named "The County Agent and Farm Bureau," prints therein statements and representations to the effect that said magazine is the official organ and publication of, and is sponsored by, county agents, farm bureaus, and associations of said agents and bureaus, which statements and representations are false and misleading and have the capacity and tendency to and do cause many farmers and others of the public to subscribe for, purchase, and read and be guided by respondent's magazine and, further, to cause many manufacturers and others to advertise therein, all to the prejudice of the public and respondent's competitors who do not make such representations, in alleged violation of section 5 of the Federal Trade Commission act.

Disposition : Dismissed without prejudice.

EXHIBIT 7

COMPLAINTS PENDING JULY 1, 1927, AND STATUS

NOTE.--On or immediately before June 30, 1927, the commission mailed six orders to cease and desist and two orders of dismissal, terminating eight of the proceedings shown as pending. This action is properly reflected in the statistical tables, but not individually indicated because service upon parties at interest had not been effected at the close of the fiscal year.

Complaint No. 82.--In the matter of Photo-Engravers' Club of Chicago. Charge: Adopting a standard scale of uniform prices at which the members sell their products, with the intent of stifling and suppressing competition in the manufacture and sale of photo-engraving, the respondent having entered into an agreement with the Chicago Photo-Engravers' Union No. 5, I. P. E. U., by their terms of which the respondent's members employ only union labor in their manufacturing plants and the members of the union do not accept employment from any manufacturing photoengraver not a member of the respondent club. In furtherance of such agreement the union has adopted a rule whereby union labor is to cease working in photoengraving plants which do not maintain such standard scale of prices, and has initiated a series of fines and threats to withdraw labor, thereby compelling members to maintain such prices against their will, all in alleged violation of section 5 of the Federal Trade Commission act. (Consolidated with docket 928.) Status: In course of trial.

Complaint No. 457.---In the matter of Western Meat Co. and Nevada Packing Co. Charge: That respondents in ave violated section 5 of the Federal Trade Commission act and section 8 of the Clayton Act by having F.L. Washburn, a director of both the Western Meat Co. and the Nevada Packing Co. (between which companies competition existed), and illegally acquiring by the Western Meat Co., the capital stock of the Nevada Packing Co., which acquisition suspended between respondents competition which theretofore existed between them and tended to create a monopoly Status: Awaiting briefs.

Complaint. No. 540.--In the matter Royal Baking Powder Co. Charge: Using unfair methods of competition by unfairly representing and charging that its competitors' products contain alum, to wit, sodium aluminum sulphate (SaS), and are harmful, unhealthful, deleterious, and dangerous to users and consumers of such baking powders, in alleged violation of section 5 of the Federal Trade Commission act. Status: Awaiting trial following denial of respondent's appeal to Supreme Court of the District of Columbia from commission's order rescinding its order of dismissal entered March 23, 1926, and reopening case.

Complaint No. 785---In the matter of J. H. Crites, John G. Dee, W. J. Ross, M. W. McQuaid, and M. L. Chandler. Charge: Using unfair methods of competition in the sale of share stock of the O-tex Production Co., by the use of numerous false and misleading statements as to the said company's drilling operations and the productivity of its properties, to the effect of misleading and deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status: Before the commission for final determination.

Complaint No. 835.---In the matter of Famous Players-Lasky Corporation, the Stanley Co. of America, Stanley Booking Corporation, Black New England Theaters (Inc.), Southern Enterprises (Inc.) Saenger Amusement Co., Adolphe Zukor, Jesse L. Lasky, Jules Mastbaum, Alfred S. Blank, Stephen A. Lynch, Ernest V. Richards, Jr. Charge: Unfair methods of competition in that the respondents Famous Players-Lasky Corporation, Adolphe Zukor, and

Jesse L. Lasky have combined and conspired to secure control of and monopolize the motion picture industry, and to restrain, restrict, and suppress competition in the distribution of motion picture films by (a) acquisition of all the corporate stock of Bosworth (Inc.), Jesse L. Lasky Feature Play Co (Inc.), Famous

Players Film Co., and by coercion, Paramount Pictures Corporation ; (b) affiliation with certain independent producers (c) the creation and exploitation of the Realart Pictures Corporation which the respondents held out to the general public as wholly independent and not affiliated with or controlled by said respondents ; (d) acquiring, with the aid of the other respondents, the control of numerous theater corporations operating motion picture theaters throughout the United States ; and (e) building or acquiring numerous theaters for the exhibition of respondents' motion pictures, exclusively, all in alleged violation of section 5 of the Federal Trade Commission act, and as to respondents Famous Players-Lasky Corporation, Adolphe Zankor, and Jesse L. Lasky, in alleged violation of section 7 of the Clayton Act. Status: Before the commission for final determination.

Complaint No. 857.---In the matter of S. F. Shepard, Rockwood Brown, A. L. Todd, R. Allyn Lewis, R. J. Wiswell, D. M. Leopold, H. P. Hanson, E. H. Eshleman, F. L. Moorman, and E. H. McArthur. Charge: The respondents are trustees for or associated in the promotion of the Burkley Oil Co., Buck Crest Oil Co., Burk Bethel Oil Co., Gypsy Burk Oil Co., Burk Imperial Oil Co., and Burk Consolidated Oil Co. Unfair methods of competition are charged in that the respondents, to further the sale of the share stock of said unincorporated associations, issued and published numerous false and misleading statements and concealed or withheld other material information relative to the organization, business, and properties of the said companies, thereby deceiving and misleading the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status: Before the commission for final determination.

Complaint No. 865.---In the matter of Henry H. Hoffman, R. C. Russell, J. H. Cain, R. V. Wilson, B. Baernstein, the Ranger-Burkburnett Oil Co., the Ranger-Comanche Oil Co., and the Union National Oil Co. Charge: The respondent individuals are promoters of the respondent corporation. Unfair methods of competition are charged in that they, in order to further the sale of the share stock of the said corporations, issued and published numerous false and misleading statements and concealed or withheld other material information relative to the organization, business, and properties of the said corpora corporations, thereby deceiving and misleading the purchasing public in alleged violation of section 5 of the Federal Trade Commission act. Status: Before the commission for final determination.

Complaint No. 871.---In the matter of A. W. Perryman, doing business under the name and style Perry man Investment Co. ; A. W. Perry man, F. P. Penfleid, C. S. Thomas, individually and as trustees and officers of the Houston Oil & Refining Co., a trust ; W. L. Diehl, individually and as second vice president of the Houston Oil & Refining Co., a trust; and William M. Huff, individually and as third vice president of the Houston Oil & Refining Co., a trust. Charge: The respondents are the promoters of the Houston Oil & Refining Co., a Texas trust. Unfair methods of competition are charged in that the respondents, for the purpose of furthering the sale of the share stock of the said oil company, issued and published numerous false and misleading statements and concealed or withheld other material information relative to the organization, business, property, and prospects of said corporation, thereby deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status: Before the commission for final determination.

Complaint No. 873.---In the matter of Hewitt Brothers Soap Co. Charge: Unfair methods of competition in that the respondent advertises, brands, and labels its soap as "white naphtha," stating that it is made by a new process and of a combination of naphtha, coconut oil, and other cleansing ingredients, when, in fact, the said soap contains no naphtha, but contains instead a petroleum distillate other than naphtha, originally only to the extent of 1 per cent or less of the whole constituent ingredients, and substantially all lost by volatilization or evaporation before

such soap reaches the ultimate consumer, thereby misleading and deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue.

Complaint No. 902.--In the matter of The Chicago Tobacco Jobbers' Association, its officers and members, and the American Tobacco Co., respondents. Charge: The charge is unfair competition in that the association and its members agreed upon a schedule of fixed prices at which the members should resell tobacco products to their customers and that the American Tobacco Co. entered into an agreement with the association and its members to assist them in maintaining the prices fixed and agreed upon, all in alleged violation of section 5 of the Federal Trade Commission act Status:Before the commission for final determination.

Complaint No. 925. --In the matter of Mid-American Oil & Refining Co. and J.H. Crites, Charge: The respondent individual is the promoter of respondent Mid-American Oil & Refining Co., a Texas trust. Unfair methods of competition in commerce are charged in that respondents, with the aid of certain subsidiaries known as Mid-American Syndicate, Mid-American Mexia Syndicate, and Mid-American Stevens County Syndicate, published numerous false and misleading statements and representations relative to the organization, business, property, and prospects of respondent company and said syndicates to further the sale of the share stock of the respondent, and thereby deceived the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status: Before the commission for final determination.

Complaint No. 928 (in consolidation with 82).---In the matter of The American Photo-Engravers' Association and others, and the international Photo-Engravers' Union of North America, and others. Charge : Unfair methods of competition in commerce are charged in that the respondents conspired and agreed to adopt and maintain a scale of uniform prices for the sale of all photo-engraving products. The respondent, International Photo-Engravers' Union of North America and its local organizations threatened to call strikes or withdraw union employees from photo-engraving establishments that would not maintain said uniform scale of prices, it being understood between the respondents that the members of the respondent association would employ none but members of respondent union's local organization thereby and with the aid of other methods of enforcement of said agreement, regulating, controlling, and suppressing competition between manufacturers of photo-engraving products, making possible the establishment and maintenance of enhanced prices of at quality inferior to that of the wares commonly known as "Sheffield silver" or "Sheffield silver plate" tends to mislead and deceive the purchasing public as to the value named quality of its ware in alleged violation of section 5 of the Federal Trade Commission act. Status : Before the commission for final determination.

Complaint No. 930.--In the matter of Right-Way Royalty Syndicate, E. L. Chapman, H. F. Mitchell, and A. J. Chapman. Charge: Respondent syndicate is an unincorporated Texas trust. The respondent individuals are trustees, officers, organizers, and promoters and constitute the board of trustees of said respondent syndicate. Unfair methods of competition are charged in that the respondents, to further the sale of syndicate securities have made and are still making numerous false, misleading, and deceptive statements concerning the business, management, operations, property, prospects, etc., of said syndicate, in violation of section 5 of the Federal Trade Commission act. Status : Before the commission for final determination.

Complaint No 932.--In the matter of Dispatch Petroleum Co., Porter Oakes, and James T. Chiles. Charge : Respondent company is a Texas joint-stock association and respondent individuals are promoters thereof. Unfair methods of competition in commerce are charged in that respondents, to further the sales of the share stock of said company, made numerous false and misleading statements and concealed essential facts as to the properties, prospects, and earnings of said company, in alleged violation of section 5 of the Federal Trade Commission act. Status : Before the commission for final determination.

Complaint No 962.--In the matter of Bethlehem Steel Corporation, Bethlehem Steel Co., Bethlehem Steel Bridge Corporation, Lackawanna Steel Co., Lackawanna Bridge Works Corporation, Midvale Steel & Ordnance Co., Cambria Steel Co. Charge : The respondent, the Bethlehem Steel Corporation, on or about October 25, 1922, acquired the properties, assets, and businesses of the Lackawanna Steel Co. and its subsidiaries and is now acquiring and has acquired the properties, assets, and businesses of the respondents, Midvale Steel & Ordnance Co. and Cambria Steel Co. Unfair methods of competition in commerce are charged in that the respondents by uniting under a common ownership and management and thereby effecting control of the iron and steel products originating in their respective territories tend to substan-

tially lessen potential and actual competition, contrary to the public policy expressed in section 7 of the Clayton Act and in alleged violation of section 5 of the Federal Trade Commission act, to unduly hinder competition in the Iron and steel industries in said territory and unreasonably restrict competition so as to restrain trade contrary to the public policy expressed in sections 1 and 3 of the Sherman Act and In alleged violation of section 5 of the Federal Trade Commission act. Status : In course of trial.

Complaint No. 963.--In the matter of Roller Oil & Refining Co. (Inc.), H. C. Roller, C. F. Gibbons, Percie C. Wilie, E. H. Doud. Charge: Unfair methods of competition are charged in the sale of share stock of the respondent corporation

in that the respondents have misrepresented the business, management, properties, and prospects of said corporation for the purpose of misleading and deceiving the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status : Awaiting final argument.

Complaint No. 1089.--In the matter of The Three-In-One oil Co. Charge : Unfair methods of competition are charged in that the respondent employs a system for the maintenance and enforcement of certain specified uniform prices fixed by it at which its shall be resold by wholesale and retail dealers, respectively, and uses cooperative e means of accomplishing the maintenance of said retail prices, thereby tending to restrain the natural flow of commerce and freedom of competition, in alleged violation of section 5 of the Federal Trade Commission act. Status : Before the commission for final determination.

Complaint No. 1100.--In the matter of American Snuff Co. Charge: Unfair methods of competition are charged in that the respondent adopted and enforced a system of uniform prices for the resale of its products, refusing to sell to price cutters and employing other cooperative means and methods to compel the maintenance of its resale prices, thereby tending to suppress competition and to deprive the consuming public of advantages in price which they would obtain under conditions of free competition, in alleged violation of section 5 of the Federal Trade Commission act. Status: Before the commission for final determination.

Complaint No. 1110.--In the matter of James S. Kirk & Co. Charge: Unfair methods of competition are charged in that the respondent has manufactured and sold in addition to its several brands of soap which contain various percentages of olive oil, seven other separate kinds of soap which it labeled, advertised, and sold as "Castile" soaps, though said soaps contained no olive oil content whatsoever, thereby tending to mislead and deceive the public into the belief that the respondent's soaps are genuine Castile soap the oil ingredient of which is olive oil, in alleged violation of Section 5 or the Federal Trade Commission act. Status : In course of trial.

Complaint No. 1111.---In the matter of Dwinell Wright Co. a corporation. Charge, : Unfair methods of competition are charged in that the respondent, engaged in the importation and sale of teas and coffees, employs a system of fixing and maintaining certain specified uniform prices at which its products will be resold by wholesaler jobbers to retailers and by retailers to the consuming public, using various cooperative methods of maintaining the said established resale system, and thereby tending to hinder and suppress competition and top obstruct the free and natural flow of commerce, in alleged violation of section 5 of the Federal Trade Commission act. Status : Before the commission for final determination.

Complaint No 1115.---In the matter of General Electric Co., American Telephone & Telegraph Co., Western Electric Co. (Inc.), Westinghouse Electric & Manufacturing Co., The International Radio Telegraph Co., United Fruit Co., Wireless Specialty Apparatus Co., and Radio Corporation of America. Charge : Unfair methods of competition are charged In that the respondents have combined and conspired for the purpose and with the effect of restraining competition and creating an monopoly in the manufacture, purchase, and smile of radio devices and apparatus by: (1) Acquiring patents and patent rights covering all radio devices and apparatus and combining and pooling or allotting the rights thereunder ton manufacture, sell, or use such devices and apparatus; (2) granting to the respondent Radio Corporation of America the exclusive right to sell certain radio devices and restricting its purchases to the products of certain of the respondent manufacturers; (3) restricting the competition of certain respondents ; (4) restricting the use in radio communication or broadcasting of articles manufactured and sold under respondent's patents mind patent rights; (5) acquiring equipment heretofore existing for transoceanic radio communication and perpetuating the monopoly thereof by refusing to supply to others the apparatus and devices necessary for the employment and operation of certain service ; (6) entering into exclusive contracts and preferential agreements for the

handling of transoceanic radio traffic and the transmission of radio messages in this country, thereby excluding others from the necessary facilities for the transmission of radio traffic; and (7) agreeing and contracting among themselves to cooperate in the development of new inventions relating to radio and to exchange patents covering the results of the research and experiment of their employees in the art of radio, seeking thereby to perpetuate their control and monopoly of the various means of radio com-

munication and broadcasting license the time covered by existing patents owned by their or under which they are licensed, all in alleged violation of section 5 of the Federal Trade Commission act.. Status : In course of trial.

Complaint No. 1127.--In the matter of Calumet Baking Powder Co. Charge : Unfair methods of competition are charged in that the respondent has published and circulated numerous false and misleading statements in disparagement of "K. C. baking powder," a product of the Jaques Manufacturing Co., thereby tending to mislead the trade into the belief that said K. C. baking powder is an inferior, adulterated, and undesirable product and to injure and damage the business and good will of said competitor, the Jaques Manufacturing Co., in alleged violation of section 5 of the Federal Trade Commission act. Status : In course of trial.

Complaint No. 1150.--In the matter of Morton F. Baum, an Individual doing business under the trade name and style Michigan Sample Furniture Co. Charge : Unfair methods of competition are charged in that the respondent retailer falsely advertises that its furniture is sold at manufacturers' prices, thereby tending to mislead the purchasing public into the belief that middlemen's profits are saved to the respondent's customers, and in that the respondent advertises and offers certain of his furniture as "walnut" when in fact said furniture is made of woods other than walnut and in imitation of genuine walnut wood, all in alleged violation of section 5 of the Federal Trade Commission act. Status : Awaiting briefs.

Complaint No. 1153.--In the matter of The National Association of Stationers & Manufacturers of the United States, its officers and members, et al. Charge : Unfair methods of competition are charged In that the respondent associations of stationery manufacturers and dealers entered into a combination and conspiracy with the purpose, intent, and effect of discouraging, stifling, and suppressing competition in the wholesale and retail stationery trade and of enhancing the prices of such goods by (a) establishing and maintaining a National Catalogue Commission for the preparation and distribution of lists of standard minimum retail prices; (b) establishing and maintaining local committees to further the purposes of the National Catalogue Commission ; (c) inducing manufacturers to adopt the recommendations of the National Catalogue Commission and to increase their list prices, enlarge trade discounts and standardize resale prices; (d) endeavoring to compel the adoption of said minimum prices and standard retailers' discounts (e) securing the adoption of standard cost-keeping methods which have the effect of inflating costs as a basis for the gross margins to be secured and the resale prices to be recommended ; (f) encouraging refusal to sell to price cutters; (g) by inducing dealers to boycott manufacturers not in harmony with the policies of the respondents and give preference to cooperating manufacturers ; (h) circulating false and derogatory statements concerning the quality of goods and business methods of those who refuse to adopt the respondents' recommendations; (i) inducing manufacturers to refuse to sell to the so-called irregular dealers. transient dealers and brokers; (j) endeavoring to eliminate competition between the various branches of the trade and discriminating in favor of manufacturers who abstain from selling direct to consumers; (k) gathering and disseminating information in aid of the enforcement of the aforesaid policies and excluding from membership in the respondent association all retailers not in harmony with said policies, all in alleged violation of section 5 of the Federal Trade Commission act. Status : In course of trial.

Complaint No 1156.--In the matter of Hemill Silverware Co. Charge : Unfair methods of competition are charged in that the respondent's practice of using the word "Sheffield" or "Sheffield plate" in designating its silver-plated ware which is not manufactured in Sheffield, England, nor of the quality of genuine Sheffield silver and Sheffield plate, tends to mislead and deceive the purchasing public as to the value and quality of said product, in alleged violation of section 5 of the Federal Commission act Status: Awaiting briefs.

Complaint No. 1165.--In the matter of James A McCafferty Sons Manufacturing Co. (Inc.). Charge : Unfair methods of competition are charged in that the respondent, engaged in the manufacture and sale of paint and paint products, advertises and sells one of its products as "Gold seal combination white lead," when in fact said product contains no sulphate or carbonate of lead in amount greater than 3 per cent of the total ingredients of said product, thereby tending to mislead and deceive the purchasing public as to the quality of said product, in alleged violation of section 5 of the Federal Trade Commission act. Status : Before the commission for final determination.

Complaint No. 1184.--In the matter of Philip Carey Manufacturing Co., Philip Carey Co. Charge: Unfair methods of competition are charged in that the respondent's practice of entering into exclusive contracts whereby competitors bind themselves not to deal in the products of any competitor of respondents tends to substantially lessen competition in the sale of asbestos and asphalt products, and asphalt paving joints particularly, and to create a monopoly of such commerce in the hands of the respondents, in alleged violation of section 5 of the Federal Trade Commission act and section 3 of the Clayton Act and in that the respondents make disparaging statements concerning competitors' products, business methods, and financial responsibility, practice espionage, threaten and intimidate customers of competitors, thereby causing them to break existing contracts, and threaten infringement suits without intention of bringing such suits, said persecution and harassment against competitors being calculated and intended to prevent sales of said competitors paving joints, in alleged violation of section 5 of the Federal Trade Commission act. Status : Before the commission for final determination.

Complaint No. 1201.--In the matter of J. R. Speal, Hartman & Manahan, L. L. Hardesty & Co., Charles Jacobs, Rowe V. Clark, J. A. Morgan & Sons, W. K. Morgan & Co., Paul Brown, W. F. Allen & C. Charge : Unfair methods of competition are charged in that the respondents have combined and cooperated to eliminate competition in the purchase of strawberries in the producers' market for a large strawberry producing area, and thereby restrict the prices paid to an amount substantially less than the growers would receive under conditions of free and open competitive purchasing; and in that the respondents thereafter cause their principals, without their knowledge or consent, to pay prices substantially in excess of the amounts paid by the respondents to the growers of the strawberries, thereby tending to enhance prices of said strawberries to a large number of the consuming public, in alleged violation of section 5 of the Federal Trade Commission act. Status : In course of trial.

Complaint No. 1215.--In the matter of Motor Wheel Corporation. Charge : Unfair methods of competition are charged in that respondent, engaged in the manufacture and sale of wooden wheels and steel disc wheels for automobiles and sundry parts and materials therefor, having acquired the businesses and assets of its competitors, Prudden Wheel Co. and Auto Wheel Co.; proceeded to and did acquire the corporate stock of Forsythe Bros. Co., the only competitor of the respondent during the year 1922 in the manufacture of steel disc wheels, thereby tending to lessen competition, restrain interstate commerce and to create a monopoly, in alleged violation of section 7 of the Clayton act. Status : At issue.

Complaint No. 1238.--In the matter of M. Rea Gano, Gano Moore Co., Gano Moore Coal Mining Co. (Inc.). Charge: Unfair methods of competition are charged in that the respondents, engaged in the business of exporting coal from the United States to South America, accepted orders and received payment from foreign customers for coal of a specified quality and quantity and willfully or through negligence delivered for the coal so ordered coal of a quality inferior thereto, failed to make deliveries at the time specified and of the quantities ordered, refused to make deliveries contracted for except at increased prices, and endeavored to induce customers to enter into agreements to disregard the export regulations of the United States Government, thereby tending to bring American trade into disrepute with the South American buying public and to injure and damage the reputation and business of American exporters, in alleged violation of the Federal Trade Commission act as extended by the provisions of section 4 of the Webb Act. Status : At issue.

Complaint No. 1241.--In the matter of Julius Klorfein. Charge : Unfair methods of competition are charged in that the respondent, engaged in the manufacture of cigars in the States of New York and Pennsylvania and in the sale thereof, labels his product with the words "Havana," "Vuelta Abajo," and "Garcia" in connection with a design registered by him in the

United States Patent Office as a trade-mark for cigars and causes the said words to appear as a part of said trade-mark when such is not the fact, thereby tending to mislead and deceive the purchasing public to believe that the respondent's cigars are made wholly from tobacco grown in Cuba and either wholly or In part of tobacco grown in the Vuelta Abajo district by manufacturers of the surname " Garcia" and that the respondent was the first, and Is entitled to the exclusive right in the United States, to use the word "Garcia" in connection with the sale of cigars, all in alleged violation of section 5 of the Federal Trade Commission act. Status : Before the commission for final determination.

Complaint No. 1245.--In the matter of B. Z. B. Knitting Co. Charge : Unfair methods of competition are charged in that the respondent, engaged in the manufacture and sale of hosiery, advertised its product as "fashioned" or "full fashioned" hosiery, when in fact said hosiery is not "fashioned" as the term is understood by the public, thereby tending to mislead and deceive the purchasing public, in alleged violation of section 5 of the Federal Trade Commission act. Status : At issue.

Complaint No. 1251.--In the matter of American Association of Advertising Agencies, its officers, executive board, and members ; American Press Association, a corporation ; Southern Newspaper Publishers' Association, its officers, directors, and members. Charge : Unfair methods of competition are charged in that the respondents are engaged In a combination and conspiracy affecting national advertising throughout the United States, entered into with the purpose of compelling national advertisers to employ respondent agencies or other advertising agencies in the placing of national advertising in newspapers throughout the United States and to prevent said advertisers from advertising directly in said newspapers at the minimum "net" rates and to compel said advertisers to pay at the maximum "gross" rates, employing various cooperative means to effectuate said combination and conspiracy the effect of which is to hinder and obstruct national advertising throughout the United States : to restrict the distribution of such advertising, and of the type parts essential thereto, to channels and upon terms and conditions dictated by the respondents ; to restrict the publication of national advertising to newspapers selected and approved by the respondents ; to compel newspaper publishers to charge for the publication of national advertising at maximum gross rates and to prevent them from according minimum net rates to direct advertisers ; to compel the employment of the respondents or other agencies as intermediaries in placing national advertising, or in the alternative to pay for direct advertising at the maximum gross rates and in addition thereto to prepare and distribute their advertisements at their own expense, and to hinder and obstruct the marketing of goods, wares, and merchandise, all in alleged violation of section 5 of the Federal Trade Commission act. Status : In course of trial.

Complaint No. 1263.--In the matter of National Leather & Shoe Finders' Association, Its officers, executive committee, and members; Greater Boston and New England Leather and Finders' Credit Bureau; Central States Leather and Finders' Credit Bureau; Central West Leather and Finders' Credit Bureau; Northwestern Leather and Finders' Credit Bureau; Northern New Jersey Leather and Finders' Credit Bureau; Wisconsin Leather and Finders' Credit Bureau; New York State Leather and Finders' Credit Bureau; Shoe Finders' Board of Trade; Colorado Leather and Finders' Credit Bureau; Pittsburgh Leather and Finders' Credit Bureau; Philadelphia Leather and Finders' Credit Bureau; Baltimore Leather and Finders' Credit Bureau; Greater New York Leather and Finders' Credit Bureau; Capital Leather and Finders' Credit Bureau of Albany, N. Y.; Michigan Leather and Finders' Credit Bureau of Detroit; Illinois Leather and Finders' Credit Bureau (Inc.); Cleveland Leather and Finders' Credit Bureau; Toledo Leather and Finders' Credit Bureau; Cincinnati Leather and Finders' Credit Bureau; St. Louis Leather and Finders' Credit Bureau; Connecticut Leather and Finders' Credit Bureau; Virginia Leather and Finders' Credit Bureau; Iowa and Nebraska Leather and Finders' Credit Bureau; Missouri, Kansas, and Arkansas Leather and Finders' Credit Bureau; Illinois State Leather and Finders' Credit Bureau ; Louisville Leather and Finders' Credit Bureau; Twin Cities Leather and Finders' Credit Bureau; Rubber Heel Club of America and the officers and members thereof. Charge: Unfair methods of competition are charged In that the respondents have combined and conspired with the intent and effect of discouraging, stifling, and suppressing competition in price and otherwise In the sale and distribution of shoe findings and In shoe-repair service, and of confining such commerce to "regular" channels of trade and

“legitimate” dealers, in alleged violation of section 5 of the Federal Trade Commission act.
Status : At issue.

Complaint No. 1269.--Federal Trade Commission v. Shanghai Lace Corporation. Charge: Unfair methods of competition are charged in that the respondent, engaged in the importation of lace from China and in the sale thereof to the manufacturers of garments, describes its lace as “Irish picot,” “Irish edge,” and “Real Irish edge,” thereby misleading and deceiving the purchasing public as to the quality and value of respondent’s product and tending to injure competitors who are in fact importers of Irish lace, in alleged violation of section 5 of the Federal Trade Commission act. Status: In course of trial.

Complaint No. 1271.--In the matter of Wadeh Rizcallah, Selin Katin, Badie Katin, partners doing business under the trade name and style W. Rizcallah & Co. Charge: Unfair methods of competition are charged in that the respondents, engaged in the importation of lace from China and the sale thereof to garment manufacturers, designate their lace as "Irish picot," "Irish beading," and "Real Irish edge," thereby misleading and deceiving the purchasing public as to the quality and value of respondent's product, and tending to injure competitors who are in fact importers of Irish lace, in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue.

Complaint No. 1273.--In the matter of Abraham D. Sutton, David Sutton, Selim Sutton, partners doing business under the trade name and style A. D. Sutton & Sons. Charge: Unfair methods of competition are charged in that the respondents, engaged in the importation of lace from China and the sale thereof to garment manufacturers, designate their lace as "Irish picot," "Irish beading," and "Real Irish edge," thereby misleading and deceiving the purchasing public as to the quality and value of respondent's product, and tending to injure competitors who are in fact importers of Irish lace, in alleged violation of section 5 of the Federal Trade Commission act. Status: In course of trial.

Complaint No. 1274.--In the matter of Alfred Kohlberg (Inc.). Charge: Unfair methods of competition are charged in that the respondent, engaged in the importation of lace from China and the sale thereof to garment manufacturers, designates its lace as "Irish Swatow" and "Irish Siccawei," thereby tending to mislead and deceive the purchasing public as to the quality and value of the respondent's product and to injure competitors who are in fact importers of Irish lace, in alleged violation of section 5 of the Federal Trade Commission act. Status: In course of trial.

Complaint No. 1275.--In the matter of Abraham Lian, George Marabak, R. Lian, William Lian, Michael Marabak, Joseph Marabak, John Marabak, Sahid Lian, partners doing business under the trade name and style Lian & Marabak. Charge: Unfair methods of competition are charged in that the respondents, engaged in the importation of lace from China and the sale thereof to manufacturers of garments, designate their lace as "Irish lace," thereby misleading and deceiving the purchasing public as to quality and value of respondents' product and tending to injure competitors who are in fact importers of Irish lace, in alleged violation of section 5 of the Federal Trade Commission act. Status: In course of trial.

Complaint No. 1276.--Federal Trade Commission v. Robert M. Lease Co. (Inc.), Lease Bros. Motor Co. (Inc.), Acoma Motors Co. (Inc.), Lease Motors Co. (Inc.), Lease Motors Export Sales Corporation, Panther Motor Co. (Inc.), Exporters and Importers Association of the World, Robert M. Lease, Irving Lease, Albert Lease, and John P. Agnew. Charge: Unfair methods of competition are charged in that the respondents, falsely representing themselves as manufacturers and vendors of new motor trucks and automobiles and contracting for the sale thereof for export with standard factory equipment and right-hand drive, made a practice of shipping motor trucks which were not new, many of the parts being old, used, rusted, or secondhand parts, and without complete factory equipment and right-hand drive, gave buyers no opportunity for examination or inspection of trucks prior to shipment, and refused to refund payments in excess of agreed prices or for trucks returned or rejected for reason; and in that the respondent Lease Bros. Motor Co. (Inc.), by falsely representing that it had entered into the purchase of plant and equipment obtained a contract for the sale of certain chassis and the payment of earnest money thereon, when in fact it had not entered into the purchase of said properties and did not at any time intend to perform the said contract. thereby tending to bring discredit and loss of business to American manufacturers seeking foreign trade, all in alleged violation of section 5 of the Federal Trade Commission act. Status: Awaiting final argument.

Complaint No. 1283.--In the matter of Non-Plate Engraving Co. (Inc.), a corporation. Charge: Unfair methods of competition are charged in that the respondent, engaged in the printing of stationery, indicates by the use of its corporate name and its advertising matter that it is engaged in the business of engraving when in fact the process used by the respondent is not one of engraving but involves printing to simulate the impression made from engraved plates, in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue.

Complaint No. 1290.--In the matter of Abrasive Paper and Cloth Manufacturers' Exchange, its officers and members. Charge: Unfair methods of competition are charged in that the respondents are engaged in an unlawful combination and conspiracy entered into with the purpose and intention of unduly enhancing the prices of abrasives and of fixing uniform prices, terms, and discounts at and upon which the abrasives manufactured by the members should be sold, and of stifling and suppressing competition in the sale and distribution of abrasives, in alleged violation of section 5 of the Federal Trade Commission act. Status: In course of trial.

Complaint No. 1292.--In the matter of Calumet Baking Powder Co. Charge: Unfair methods of competition are charged in that the respondent, engaged in the manufacture and sale of baking powders, has caused to be set forth statements and innuendoes untruthfully and unfairly representing that its competitor, Royal Baking Powder Co., packs its Royal Baking Powder in 6 and 12 ounce cans, instead of one-half pound and pound cans, for the purpose of cheating the public by passing off and causing the trade to pass off said 6 and 12 ounce cans as and for one-half pound and pound cans, respectively; and in that the respondent has adopted the practice of disseminating statements and comments calculated to further the interests of respondent and in disparagement and derogation of the products and businesses of its competitors, concealing its connection with the various methods through which said practice was carried into effect; and further in that the respondent falsely represented that the baking powder of its competitor, Royal Baking Powder Co., forms or tends to form a hard mass in the digestive tract in persons consuming food prepared therewith, its house-to-house canvassers and demonstrators making misleading comparisons and tests to deceive the purchasing public, all in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue.

Complaint No. 1295.--In the matter of Chipman Knitting Mills, a corporation, and Chas. Chipman's Sons Co. (Inc.), a corporation. Charge: Unfair methods of competition are charged in that the respondents' "seamless" hosiery is falsely represented as "form fashioned" hosiery, thereby tending to mislead and deceive the purchasing public and to injure competitors who do not misrepresent their product, in alleged violation of section 5 of the Federal Trade Commission act. Status: Awaiting respondent's brief.

Complaint No. 1299.--In the matter of Heywood-Wakefield Co. Charge: Unfair methods of competition are charged in that the respondent, engaged in the manufacture of furniture, perambulators and other like articles which consist in whole or in part of a woven fabric resembling wicker-work, advertises and represents its wares as "wicker" wares when in fact the material used by the respondent is wood-paper pulp processed and worked into a form resembling withes or cordage, thereby tending to deceive the trade and purchasing public and to injure competitors who do not misrepresent their products, in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue.

Complaint No. 1311.--In the matter of Masland Duraleather Co., W. & J. Sloane. The respondent Masland Duraleather Co. is engaged in the manufacture of imitation leather and the sale thereof through the respondent W. & J. Sloane. Charge: Unfair methods of competition are charged in that the respondents brand and label a coated fabric, made in imitation of but containing no leather, as "Duraleather," thereby enabling vendees to misrepresent articles made of respondents' product and injuring the business of competitors who do not practice misrepresentation; and in that the respondents' trade name "Duraleather" simulates the trade name "Duro," used for many years by their competitor A. C. Lawrence Leather Co., in advertising and selling its product as "Duro leather," thereby tending to mislead and deceive the trade into belief that the respondents' product is a product of the aforesaid competitor, all in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue.

Complaint No. 1319.--In the matter of West Coast Theatres (Inc.). West Coast Theatres

(Inc.) of Northern California, Venice Investment Co., Hollywood Theatres (Inc.), All Star Feature Distributors (Inc.), Educational Film Exchange Principal Pictures Corporation H. M. Turner Fred Dahnken, C. L. Langley, and F. W. Livingston, partners, doing business under the name and style of Turner D. Dahnken & Langley, and Messrs. A. L. Gore, Michael Gore Sol. Lesser, Adolph Ramish and Dave Bershon. Charge: Unfair methods of competition are charged in that the respondents combined for the purpose of preventing producers or distributors of motion-picture films in other States from leasing their films to competitors of the respondents and from shipping said

films into the State of California. and preventing competition in negotiating for and leasing of said motion-picture films, employing threats, coercive measures, and other cooperative and individual means to make effective the aforesaid undertakings, in alleged violation of section 5 of the Federal Trade Commission act. Status : In course of trial.

Complaint No. 1320.--In the matter of West Coast Theatres (Inc.), West Coast Theatres (Inc.) of Northern California, The T. & D. Jr. Enterprises (Inc.), and H. M. Turner, Fred Dahnken, C. L. Langley, and F. W. Livingston, partners, doing business under the trade name and style of Turner, Dahnken & Langley. Charge: Unfair methods of competition are charged in that the respondents combined for the purpose of restraining and preventing producers or distributors of motion-picture films in other States from leasing their films to competitors of the respondents and from shipping said films into the State of California for delivery to respondents' competitors, and restraining and preventing competition in negotiation for and leasing of said motion-picture films, in the respondents effecting joint management of their theatres, recognizing restrictive territorial arrangements, observing agreements to refrain from competition, and employing coercive and other cooperative and individual means to make effective their undertakings in alleged violation of section 5 of the Federal Trade Commission act. Status: in course of trial.

Complaint No. 1322.--In the matter of Pacific Southwest Import Co. Charge: Unfair methods of competition are charged in that respondent has products, at wholesale and retail, to dealers in hardwood lumber, manufacturers of furniture, and other users of hardwood lumber under the name and designation of "Philippine mahogany," and in advertisements, circular letters, and other correspondence with purchasers and prospective purchasers, on letterheads, invoices, price lists, and other trade literature, has represented, named, and designated, and continues to represent, name, and designate, said hardwood lumber and other hardwood products as "Philippine mahogany," when in truth and in fact said hardwood lumber and other hardwood products so sold by it are not mahogany wood, in alleged violation of section 5 of the Federal Trade Commission act. Status : Before the commission for final determination.

Complaint No. 1323.--In the matter of Kirschmann Hardwood Co. Charge: Unfair methods of competition are charged in that respondent has sold, and continues to sell certain hardwood lumber and other hardwood products, at wholesale and retail, to dealers in hardwood lumber, manufacturers of furniture, and other users of hardwood lumber, under the name and designation of "Philippine mahogany," and in advertisements, circular letters, and other correspondence with purchasers and prospective purchasers, on letterheads, invoices, price lists, and other trade literature, has represented, named, and designated, and continues to represent, name, and designate, said hardwood lumber and other hardwood products as "Philippine mahogany" when in truth and in fact said hardwood products so sold by it are not mahogany wood, in alleged violation of section 5 of the Federal Trade Commission act. Status : Before the commission for final determination.

Complaint No. 1324.--In the matter of Hammond Lumber Co. Charge: Unfair methods of competition are charged in that respondent has sold, and continues to sell, certain hardwood lumber and other hardwood products, at wholesale and retail, to dealers in hardwood lumber manufacturers of furniture, and other users of hardwood lumber under the name and designation of "Philippine mahogany," and in advertisements, circular letters, and other correspondence with purchasers and prospective purchasers, on letterheads, in voices, price lists, and other trade literature, has represented, named, and designated, and continues to represent, name, and designate, said hardwood lumber and other hardwood products as "Philippine mahogany," when in truth and in fact said hardwood lumber and other hardwood products so sold by it are not mahogany wood, in alleged violation of section 5 of the Federal Trade Commission act. Status

: Before the commission for final determination.

Complaint No. 1325.--In the matter of The Robert Dollar Co. Charge: Unfair methods of competition are charged in that respondent has sold, and continues to sell, certain hardwood lumber and other hardwood products, at wholesale and retail, to dealers in hardwood lumber under the name and designation of "Philippine mahogany," and in advertisements, circular letters, and other correspondence with purchasers and prospective purchasers, on letter heads, invoices, price

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lists, and other trade literature, has represented, named, and designated, and continues to represent, name, and designate, said hard wood lumber and other hardwood products as "Philippine mahogany," when in truth and in fact said hardwood lumber and other hardwood products so sold by it are not mahogany wood, in alleged violation of section 5 of the Federal Trade Commission act. Status :Before the commission for final dtermination.

Complaint No. 1326.--In the matter of D. A. Horn and J. M. Hyson, partners, doing business under the trade name and style "Tampa Cigar Co." Charge : Unfair methods of competition are charge in that the respondents, engaged in the manufacture of cigars in Pennsylvania and the sale thereof in interstate commerce, label their cigars and their containers with various names and legends in Spanish, including the word "Tampa," or the word "Havana" thereby tending to mislead the public into the belief that such cigars are made in the Tampa district, Florida, or are made wholly of tobacco grown on the island of Cuba, respectively, whereas such cigars are made in Pennsylvania and are composed wholly of tobacco grown elsewhere than in Cuba; and in that the respondents indicate, without basis therefor that one of their products was awarded a "Double Grand Prize, St. Louis Exposition, 1904," thereby tending to mislead the trade and public, and to injure competitors who do not practice misrepresentation, in alleged violation of section 5 of the Federal Trade Commission act. Status :Before the commission for final determination.

Complaint No. 1328.--In the matter of National Cash Register Co. Charge: Unfair methods of competition are charged in that the respondent has inaugurated and systematically conducted a plan and scheme to unduly hinder and restrain competition in the manufacture and sale of cash registers and similar machines, to monopolize or attempt to monopolize said manufacture and sale, to eliminate, stifle and force out of said business the Remington Cash Register Co. and to harass and discourage the agents and employees of said competitor; carrying out its plan against the Remington Cash Register Co. by (a) ascertaining the names of its customers and prospective customers; (b) making false and misleading statements in disparagement of said company and its products; (c) tampering with the Remington Co.'s cash registers; (d) under taking to persuade and induce customers of the Remington Co. to breach their contracts with said company; (e) representing the Remington Co.'s executory contracts of purchase as not binding on the customers; (f) offering to accept Remington cash registers in the possession of customers under executory contracts at a substantial valuation in money as part of the purchase price for cash registers of respondent's manufacture and offering the latter at prices greatly below the normal retail prices; (g) circulating false statements and representations concerning the business of the Remington Cash Register Co. and its financial stability, and by means thereof. as well as by means of threats, intimidation, and persuasion, attempting to induce employees to violate and terminate their contracts with said Remington Co.; and (h) practicing espionage against said Remington Co. and its employees, all in alleged violation of section 5 of the Federal Trade Commission act. Status: In course of trial.

Complaint No. 1329.--In the matter of The Armand Co., its officers and agents; Spurlock-Neal Co., Berry, DeMoville & Co., Robinson-Pettet Co., Lamar & Rankin Drug Co., Greiner-Kelly Drug Co., The J. W. Crowds Drug Co., San Antonio Drug Co., Western Wholesale Drug Co., Fuller-Morrison Co., Humiston, Keeling & Co., Peter Van Schaack & Sons, The McPike Drug Co., Faxon-Gallagher Drug Co., J. S. Merrell Drug Co., A. M. Berry, A. D. Berry, F. S. Berry, W. D. Phillips, M. P. Williams, copartners doing business under the trade name of Berry, DeMoville & Co., The Fair (Inc.), E. H. Cone (Inc.), T. C. Marshall, doing business under the name of Marshall's Pharmacy, Clarence E Jeffares and Malcolm J. Long, copartners, doing business under the trade name of Jeffares-Long Drug Co., Owl Drug Co. (Inc.). Charge: Unfair

methods of competition are charged in that the respondent The Armand Co., engaged in the manufacture of toilet articles and cosmetics, and the respondent wholesalers and dealers, unlawfully and knowingly conspired and agreed to monopolize and restrain interstate trade in the products of The Armand Co. by selling the Said products at uniform, noncompetitive, wholesale and retail prices arbitrarily suggested and fixed by The Armand Co. and largely in excess of the prices which would have prevailed without such agreement, refusing to sell said products to dealers other than those engaged in the drug business, refusing to sell to price cutters, and employing cooperative means for the enforcement of the said suggested or fixed prices, in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue.

Complaint No. 1330.--In the matter of Plateless Engraving Co. (Inc.). Charge: Unfair methods of competition are charged in that the respondent, engaged in process printing and in the sale of process printed stationery, uses lime word "Engraving" in its corporate name, and thereby tends to mislead and deceive the purchasing public into the erroneous belief that the respondent's stationery is "engraved," and tends to injure competitors who do not misrepresent their products, in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue.

Complaint No. 1334.--In the matter of E R. Marshall, doing business under the trade name and style of Crescent Calendar Co. Charge: Unfair methods of competition are charged in that the respondent in soliciting orders for school commencement announcements and invitations represents that the name of the school will be "process embossed in gold" or "embossed in gold," when in fact the announcements and invitations are prepared for the respondent by the embossing of a design from steel dies or plates, leaving a blank space in which the name of the school is process printed by the respondent without the use of dies or plates but in simulation of embossing, in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue.

Complaint No. 1335.--In the matter of Aluminum Co. of America, a corporation. Charge: Unfair methods of competition are charged in that the respondent, controlling the sources of supply of aluminum metal and, through its subsidiaries, a large manufacturer of aluminum products, discriminates in price between purchasers of virgin sheet aluminum on the basis of agreements that all aluminum scrap resulting from the operations of the purchasers shall be resold to the respondent, thereby tending to substantially lessen competition and create a monopoly, in alleged violation of section 2 of the Clayton Act; and in that the respondent fixes prices arbitrarily, makes price concessions, sells below cost, and discriminates against competitors in the quantity and quality of its deliveries to them, thereby unfairly harassing competitors and tending to suppress competition and maintain a monopoly, in alleged violation of section 5 of the Federal Trade Commission act. Status: In course of trial.

Complaint No. 1340.--In the matter of Marion Tool Works (Inc.). Charge: Unfair methods of competition are charged in that the respondent, engaged in the manufacture and sale of tools, advertises and sells certain of its products as "Crecoite steel tools," when in fact the metal parts of the respondent's said tools are not composed of steel but are composed of a metal other than steel, thereby tending to mislead and deceive the purchasing public and to injure competitors who do not practice misrepresentation, in alleged violation of section 5 of the Federal Trade Commission act. Status: Awaiting examiners report.

Complaint No. 1342.--In the matter of George M. Rubinow, trading under the name and style of Rubinow Edge Tool Works. Charge: Unfair methods of competition are charged in that respondent, engaged in the business of manufacturing tools, makes use of the term "steel," "cast steel," etc., in advertising and branding tools composed of a metal other than steel. Status: At issue.

Complaint No. 1343.--In the matter of Wholesale Grocers Association of New Orleans, its officers and members. Charge: Unfair methods of competition are charged in that the respondents have cooperated to confine the distribution of groceries and allied products in the territories served by the respondent members to so-called regular and legitimate channels of trade and to prevent irregular and illegitimate dealers from obtaining groceries directly from manufacturers and producers, carrying out said purposes by threats of boycott and other methods of intimidation and coercion against manufacturers, brokers, and agents and by espionage and other cooperative and individual efforts, thereby tending to suppress competition and obstruct

the natural flow of commerce, in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue.

Complaint No. 1345.--In the matter of Washington Cereal Association, its officers and members; Oregon Cereal & Feed Association, its officers and members; Preston- Shaffer Milling Co. Charge: Unfair methods of competition are charged in that respondents, engaged in the milling of grain and/or the wholesaling of flour, cereal products, and feed, and foodstuffs for cattle and poultry, have been and still are engaged in an unlawful combination and conspiracy affecting the distribution of said products in the States of Washington, Oregon, Idaho, and other States with the purpose of suppressing competition, and to effectuate said purpose respondents agree upon and fix uniform

prices, discounts, and terms of sale and maintain said prices by correspondence, meetings, and lists, which acts hinder and obstruct the free flow of said products in the channels of interstate trade and deny to dealers in and consumers of said products those advantages in price and otherwise which they would obtain under conditions of normal and unobstructed competition in the absence of said acts, In alleged violation of section 5 of the Federal Trade Commission act. Status: Before the commission for final determination.

Complaint No. 1346.--In the matter of Con-Ferro Paint & Varnish Co. Charge : Unfair methods of competition are charged in that the respondent, engaged in the manufacture and sale of paints, makes numerous false and mis leading statements as to the quality and value of its products, thereby tending to mislead the purchasing public and to injure competitors who do not misrepresent their products, in alleged violation of section 5 of the Federal Trade Commission act. Status : In course of trial.

Complaint No. 1350.--In the matter of B. J. Sackheim and Mary Rae Sackheim, partners, doing business under the trade name and style of Norman Roberts & Co. Charge : Unfair methods of competition are charged in that the respondents, engaged in the sale of wearing apparel direct to consumers by mail, advertise and represent certain fur scarves as consisting of Manchurian fox, lynx, or wolf, when in fact said scarves are made of other pelts inferior in quality and value, and in that the respondents offer other garments as wool serge, or wool-finished serge, or as made of silk, when in fact cotton is the principal material used, thereby tending to mislead the purchasing public and to injure competitors who do not practice misrepresentation, in alleged violation of section 5 of the Federal Trade Commission act. Status: Before the commission for final determination.

Complaint No. 1351.--In the matter of Simon B. Bluest ne and Samuel L. Bluestine, partners, doing business under the trade names and styles Nustile Hosiery Mills and Nustile Hosiery Co. Charge : Unfair methods of competition are charged in that the respondents, engaged in the sale of hosiery direct to the consuming public, represent themselves as manufacturers when in fact they neither own nor operate any factory or mill and purchase their hosiery for resale, and in that the respondents misrepresent the quality and fashioning of certain of their hosiery, thereby tending to mislead the consuming public and to injure competitors who do not practice misrepresentation, all in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue.

Complaint No. 1352.--In the matter of Leroy A. Kling, John E Weddell, William R. Durgin, Cecil Widdefield, copartners, doing business under the trade names and styles Dr. Eagan Manufactory, Dr. S. J. Eagan, Dr. Eagan Laboratory, Pharmaceutical Products (Ltd.). Kling-Gibson Co., a corporation, Charge : Unfair methods of competition are charged in that the respondents, engaged in the business of selling cosmetics, creams, lotions, and other toilet preparations, misrepresent their products and make numerous false and fraudulent statements in behalf of such preparations, the ingredients and medicinal properties thereof, and as to the results to be obtained therefrom, thereby tending to mislead the consuming public and to injure competitors who do not practice misrepresentation, in alleged violation of section 5 of the Federal Trade Commission act. Status : In course of trial.

Complaint No. 1360.--In the matter of Carlton Soap Co. (Inc.). Charge: Unfair methods of competition are charged in that the respondent, engaged in the sale of toilet and bath soaps, labels certain of its soap as "British bath" soap, when in fact the said soap is manufactured in the United States, thereby tending to mislead and deceive the purchasing public and to injure competitors who do not practice misrepresentation, in alleged violation of section 5 of the Federal Trade Commission act. Status: Before the commission for final determination.

Complaint No. 1362.--In the matter of Charles Kurlan. Charge : Unfair methods of competition are charged in that the respondent, engaged in the sale of cloth and fabrics to manufacturers of men's shirts, names and designates as "Tabsylk" a fabric composed wholly of cotton and supplies labels bearing said designation to his vendees, which labels are attached to the men's shirts manufactured by them, thereby tending to mislead and deceive the purchasing public and to injure competitors who do not practice misrepresentation, in alleged violation of section 5 of the Federal Trade Commission act. Status : Awaiting briefs.

Complaint No. 1367.--In the matter of Commonwealth Manufacturing Co. and Harry Dushoff, doing business under the trade names and styles Harry

Dushoff & Co. and Chicago Manufacturing Co. Charge : Unfair methods of competition are charged in that the respondents, engaged in the sale of binder twine, shirts, and shoes, describe themselves as "manufacturers" of the commodities dealt in, when in fact the respondents are not manufacturers but purchase said commodities for resale; and, further, in that respondents sell certain of their shoes as "Army shoes," when in fact the said shoes are not surplus property of the United States Government but were obtained by the respondents from the manufacturers thereof in the ordinary course of trade, thereby tending to mislead and deceive the purchasing public and to injure competitors who do not practice misrepresentation, in alleged violation of section 5 of the Federal Trade Commission act. Status: Before the commission for final determination.

Complaint No. 1368.--In the matter of Korean H. Basmadjian, doing business under the trade name and style H. Basmadjian & Sons. Charge: Unfair methods of competition are charged in that the respondent, engaged in the sale of pistachio nuts, makes numerous false and misleading statements and representations to the effect that H. Basmadjian & Sons are the growers of the pistachio nuts in which they deal and that their nuts are of better and higher quality than pistachio nuts bought in the open market in the ordinary course of trade, when in fact the respondent never has grown or produced pistachio nuts, thereby tending to mislead the purchasing public and to injure competitors who do not practice misrepresentation, in alleged violation of section 5 of the Federal Trade Commission act. Status : Before the commission for final determination.

Complaint No. 1369.--In the matter of W. U. Blessing, and M. S. Gohn, co-partners, doing business under the trade name and style of W. U. Blessing & Co., and A. E. Wallick. Charge : Unfair methods of competition are charged in that the respondents, engaged in the manufacture of cigars in the State of Pennsylvania and in the sale thereof, label their "Triangulares" cigars and containers with the word "Garcia" and the words "Tampa Style," thereby tending to mislead the purchasing public as to the quality of the respondents' product and the place of manufacture and to injure competitors who do not practice misrepresentation, in alleged violation of section 5 of the Federal Trade Commission act. Status : Awaiting briefs.

Complaint No. 1371.--In the matter of Perpetual Encyclopedia Corporation, North America Publishing Co. (Inc.), et al. Charge : Unfair methods of competition are charged in that the respondents republished without substantial change the "Home and School Reference Work" (originally copyrighted in 1912 or 1915) under different names and as a new and up-to-date (1924) edition, employing without right the names of attorneys, fictitious corporate organizations, and collection agencies to further the sale of said publication and to assist in coercing and blackmailing purchasers into the payment of money on orders or contracts, substituting late copyright registration dates for the actual date of such registration, falsely stating that well-known educators, scientists, and public officials are members of the editorial staff and contributors, mis representing and grossly exaggerating sales prices, obtaining signed orders by subterfuge, misrepresenting the quality of the paper and binding, offering additional books or extension service "free," when in fact the price thereof was included in the price of the book bought, and making numerous false and misleading representations, all tending to deceive the purchasing public, the said practices injuring competitors who do not practice misrepresentation, in alleged violation of section 5 of the Federal Trade Commission act. Status : At issue.

Complaint No. 1373.--In the matter of Public Service Cup Co. Charge : Unfair methods of competition are charged in that the respondent, engaged in the manufacture and sale of paper drinking cups, dishes, an like products. enforces a merchandising system adopted by it of

establishing and maintaining certain specified uniform prices for the resale of its products, refusing to supply price cutters and employing cooperative means and methods for the enforcement of said system of resale prices, in alleged violation of section 5 of the Federal Trade Commission act. Status :Before the commission for final determination.

Complaint No. 1375.--In the matter of Union Woolen Milks Co., Racine, Wis., Union Woolen Mills Co., Jackson, Mich., Max Cohen. Charge : Unfair methods of competition are charged in that the respondents by the use and display of the names of the respondent companies, incorporated by respondent Cohen for the purpose of jointly conducting with him an interstate business in the manu-

ufacture and sale at retail of men's clothing, tend to mislead and deceive the purchasing public into the belief that the respondents manufacturer the cloth used by them in the manufacture of their clothing and that persons buying from the respondents are buying directly from the manufacturers of the cloth and clothing, thereby saving the profits of middlemen, in alleged violation of section 5 of the Federal Trade Commission act. Status : Awaiting examiners report.

Complaint No. 1378.--In the matter of Ohio Leather Co. Charge : Unfair methods of competition are charged in that the respondent, engaged in the manufacture and sale of leather, advertises and labels one of its products as "Kaffor Kid," thus indicating that it is manufactured from the skins of goats, when in fact the respondent's said product is manufactured from the hides of calves, thereby tending to mislead and deceive the trade and consuming public and to injure competitors who do not practice misrepresentation, in alleged violation of section 5 of the Federal Trade Commission act. Status : In course of trials.

Complaint No. 1379.--In the matter of Great Northern Fur Dyeing & Dressing Co. Charge : Unfair methods of competition are charged in that the respondent, engaged in the business of dressing and dyeing Australian and New Zealand rabbit skins, causes one of its trade-marks--"Northern Seal" (black), "Northern Bevre" (brown), "Northern Nutrette" (plum color)--to be stamped on the back of each skin prepared by it, and furnishes to manufacturers of garments made from such skins silk labels containing the words "Genuine Northern Seal," thus placing in the hands of dealers who sell to the public garments made from such skins the means whereby such dealers can commit a fraud on the public by displaying such labels and trade-marks to support their false representations that such garments are made from genuine seal fur or the fur of animals other than rabbits; the tendency being to deceive the purchasing public and to divert trade from competitors who properly label their rabbit skins, and from dealers in the skins of seals, beavers, musk rats, etc., all in alleged violation of section 5 of the Federal Trade Commission act. Status : At issue.

Complaint No. 1380.--In the matter of Feldbaum & Spiegel (Inc.). Charge : Unfair methods of competition are charged in that the respondent, engaged in the business of manufacturing and selling to dealers garments made of dyed Australian and New Zealand rabbit skins, on the back of each of which skin is stamped the dyer's trade-mark "Northern Seal" and to which garments are attached silk labels bearing the words "Genuine Northern Seal," thus placing in the hands of dealers the means whereby a fraud on the public may be committed by displaying the labels and trade-marks to customers to support their false representations that the garments are made of genuine seal fur; the tendency being to deceive the purchasing public and to cause trade to be diverted from competitors who disclose that the garments made by them are made of rabbit fur, all in alleged violation of section 5 of the Federal Trade Commission act. Status : At issue.

Complaint No. 1381.--In the matter of Golden Fur Dyeing Co. (Inc.), and Samuel Jacobs and Isidor Sachs, partners, doing business under the trade name and style Jacobs & Sachs. Charge : Unfair methods of competition are charged in that the respondents, engaged in the business of (1) dressing and dyeing Australian and New Zealand rabbit skins for the owners, and (2) manufacturing and selling garments made therefrom, cause the trade-mark containing the words "Golden Seal" to be stamped on the back of each skin prepared by the dyer respondent, many of which skins are owned by the manufacturing respondent and made up by it into garments for sale to the trade, thus placing in the hands of the dealers who sell the garments to the public the means whereby such dealers can commit a fraud on the public by displaying such trade-mark to support their false representations that such garments and made from genuine seal fur; the tendency being to deceive the purchasing public and to divert trade from competing manufacturers of properly marked garments made of rabbit skins, or from those who manu-

facture and sell garments made of genuine seal fun, and in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue.

Complaint No. 1382.--In the matter of Cassileth, Schwartz & Cassileth (Inc.), Joseph Brickner and Julius Bernfeld, partner's, trading as Brickner & Bernfeld, Samuel Oldman and Max Oldman, partners trading as Oldman Bros. Charges: Unfair methods of competition are charged in that respondents, engaged in the business of (1) dressing and dyeing Australian and New Zealand rabbit skins

for the owners thereof, (2) dealing mm the skins so dressed and dyed, and (3) manufacturing and selling garments made from the skins so dressed and dyed and dealt in case the trademark "Iceland Seal" or "Iceland Beaver" to be stamped on the back of each skin prepared by the dyed' respondent, many of which are so prepared on contract for the dealer respondent who sells some of the same to the manufacturing respondent, thus placing in the hands of dealers who sell the garments made from the "Iceland Seal" skins to the public the means whereby a fraud on the public can be committed by permitting them to display such trade-mark to support their false representations that such garments are made from genuine seal fur; the tendency being to deceive the purchasing public and to divert trade from competing manufacturers of properly marked garments made of rabbit skins, or from those who manufacture and sell garments made of genuine seal fur, all in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue.

Complaint No. 1383.--In the matter of Adiel Vandeweghe and David Feshback. Charge: Unfair methods of competition are charged in that (1) the dyer respondent and (2) the manufacturing respondent (who purchases a substantial number of skins from the former) engaged in dressing and dyeing Australian and New Zealand rabbit skins and the manufacture and sale to the trade of garments made therefrom cause each of such skins to be marked on the back thereof the trade-mark "Superior Seal," thus placing in the hands of dealers who sell such garments to the public the means whereby such dealers can commit a fraud on the public by displaying such trade-mark to support their false representations that the garments are made from genuine seal fur; the tendency being to deceive the purchasing public and to divert trade from competing manufacturers of properly marked garments made of rabbit skins, or from those who manufacture and sell garments made of genuine seal fur, all in alleged violation of section 5 of the Federal Trade Commission act. Status : At issue.

Complaint No. 1384.--In the matter of Philip A. Singer & Bro. (Inc.), and Herman Gelberg and Benjamin Schwartz, partners, doing business under the name and style Gelberg & Schwartz. Charge : Unfair methods of competition are charged in that (1) the dyer respondent and (2) the manufacturing respondent (for whom the former dresses and dyes many skins) engaged in the dressing and dyeing of rabbit skins and the manufacture and sale to the trade of garments made therefrom cause the trade-mark "Baltic Seal" or "Baltic Beaver " to be stamped on the back of each skin prepared by the dyer respondent, thus placing in the hands of dealers who sell the garments made from such skins the means whereby such dealers can commit a fraud on the public by displaying such trade-marks to support their false representations that the garments are made from genuine seal fur or from genuine beaver fur; the tendency being to deceive the purchasing public and to divert trade from competing manufacturers or properly marked garment made from rabbit skins, or from those who manufacture and sell garments made of genuine seal or beaver fur, all in alleged violation of section 5 of the Federal Trade Commission act. Status : At issue.

Complaint No. 1385.--In the matter of A. Hollander & Son (Inc.), A. Hollander & Son-Arnold Corporation, and Harry H. Hertz Co. Charge : Unfair competition is charged in that the respondents engaged in the business of (1) dressing and dyeing muskrat skins on contract for the owners, (2) dressing and dyeing Australian and New Zealand rabbits largely imported by itself, and (3) manufacturing and selling fur garments, cause each skin prepared by the dyer respondents to be stamped on the back thereof with the trade-marks "Hollander Seal" or "Bay Seal," and as many of such skins are sold to the manufacturing respondent there is placed in the hands of dealers the means of perpetrating a fraud on the purchasing public by displaying such trade-marks to support their false representations that the garments are made from genuine seal;

the tendency being to deceive the public and to divert trade from competing manufacturers of properly marked garments made of muskrat or rabbit skins, or from those who manufacture and sell garments made of genuine seal fur, all in alleged violation of section 5 of the Federal Trade Commission act. Status : At issue.

Complaint No. 1386.--In the matter of C. A. Leitch Manufacturing Co. Charge : Unfair methods of competition are charged in that the respondent, engaged in the manufacture of roofing materials, sells its roofing paint, also called fluid cement, as and for a composition or mixture of Natural or Trinidad Lake Asphalt and Gilsonite with other substances, when in fact it contains neither

Natural or Trinidad Asphalt nor Gilsonite, thereby tending to mislead and deceive the purchasing public and to injure competitors who do not practice misrepresentation, in alleged violation of section 5 of the Federal Trade Commission act. Status : Awaiting respondent's brief.

Complaint No. 1387.--In the matter of Reading Saddle & Manufacturing Co. Charge: Unfair methods of competition are charged in that the respondent, engaged in the manufacture of tools, advertises, labels, and sells certain of its products as "steel," "converted steel," or "solid steel," when in fact the said tools are not composed of steel and are composed of a metal other than steel thereby tending to mislead and deceive the purchasing public and to injured competitors who do not practice misrepresentation in alleged violation of section 5 of the Federal Trade Commission act. Status : At Issue.

Complaint No. 1390.--In the matter of John H. Dockman & Son. Charge: Unfair methods of competition are charged in that the respondent engaged in the business of manufacturing and selling candy specialties furnishes to the retail dealer ordering a specified quantity thereof a punch-board device for use in the sale of its candy products to the purchasing public, which board contains 300 holes in each of which is secreted a ball, the balls being variously colored; the purchaser of each 1-cent piece of candy is privileged to punch one of the balls from the board, the color of the ball so produced determining the kind of option the customer may exercise in the purchase of another of several candy specialties also manufactured and sold by respondent, there being no option in the case of black balls, by which practice, it is charged, dealers are placed in possession of the means whereby they can commit a fraud on the public, and trade is diverted from competitors who market their products through retail dealers without the use of punch boards, in alleged violation of section 5 of the Federal Trade Commission act. Status : Awaiting final argument.

Complaint No. 1391.--In the matter of Bayunk Cigars (Inc.). Charge : Unfair methods of competition are charged in that the respondent engaged in the manufacture of cigars in Philadelphia, Pa., labels certain of its products as "Havana Ribbon" and "Mapacuba," thereby creating the impression that the said cigars are made of Havana or Cuban tobaccos when in fact the respondent's "Havana Ribbon" cigars contain no Havana or Cuban tobacco and the "Mapacuba" cigars are composed of a mixture containing but a small amount of Cuban tobacco, the practices charged tending to mislead the public and to injure competitors who do not practice misrepresentation, in alleged violation of section 5 of the Federal Trade Commission act. Status : Awaiting briefs.

Complaint No. 1392.--In the matter of New York Pharmaceutical Conference (Inc.). Charge: Unfair methods of competition are charged in that the respondent, composed of representatives of local associations of retail druggists of New York City, has undertaken to secure the adoption and maintenance of resale prices by manufacturers, jobbers, and wholesalers (of drugs and druggists' sundries) and the adherence to such retail prices by retail druggists, members of the local associations, and to induce the retailers not to purchase from wholesalers, etc., who fail to adopt the resale price maintenance policy--by soliciting through interviews with wholesalers, etc., by informing retailers of names of wholesalers who conform, by furnishing "courtesy cards" for use by manufacturers', etc., salesmen introducing the holder as representing a "friendly" concern, by publishing lists of those to whom "courtesy cards" have been issued, by threatening retailers with investigation by the board of pharmacy and the narcotic and prohibition authorities and with bodily harm should they not comply, and other methods to the same end--the general effect of which is the boycotting of nonconforming wholesalers, etc., and depriving them of sales to retailers (an unlawful restraint of trade), all in alleged violation of section 5 of the Federal Trade Commission act. Status : In course of trial.

Complaint No. 1394.--In the matter of Hobard Bradstreet (Inc.), Kling-Gibson Co., and William R. Durgin. Charge: Unfair methods of competition are charged in that the respondent Hobart Bradstreet (Inc.), engaged in the business of selling, marketing, and distributing courses in gymnastics and methods of gymnastic exercises or physical exercises named by it "Spine Motion" and "Somatic Motion" and advertising such courses and methods in various magazines and publications, unlawfully conspired and agreed with respondents Kling-Gibson Co. and William R. Durgin to deceive and defraud the public, whereupon respondent William R. Durgin prepared certain false and misleading advertisements, statements, literature, etc., concerning said courses and methods,

which advertisements, statements, literature, etc., were placed in various publications by respondent Kling-Gibson Co. and in the hands of the public, and were intended to and did mislead and deceive purchasers, all in alleged violation of section 5 of the Federal Trade Commission act. Status : Before the commission for final determination.

Complaint No. 1395.--In the matter of Wrightsville Hardware Co. Charge : Unfair methods of competition are charged in that the respondent, engaged in the manufacture of hardware, coffee mills, house furnishing specialties, and gray iron castings, makes and sells a nail hammer designated by it as a "cast-steel nail hammer" and stamps into the head of said hammer the words "cast steel," such statements being false and misleading, as said hammers are not made of steel but are made of malleable iron, and deceives the purchasing public in so doing, such acts tending to divert business from and otherwise injure and prejudice competitors who do not practice misrepresentation, in alleged violation of section 5 of the Federal Trade Commission act. Status : At issue.

Complaint No. 1396.--In the matter of Berkey & Gay Furniture Co. Charge: Unfair methods of competition are charged in that the respondent engaged in the manufacture and sale of furniture, principally of gum or chestnut wood or other woods of similar grades and quality, causes practically all of the pieces of furniture made by it to be veneered with a thin covering of mahogany or walnut wood of the thickness of about two twenty-eighths of an inch and describes and designates such furniture in advertisements, catalogues, invoices, etc., as "Walnut and gumwood," "Mahogany and gumwood," or by other combinations, not disclosing that the furniture is veneered, thus placing in the hands of retailers the means whereby such dealers may commit a deception or fraud on the public, such practice causing trade to be diverted to respondent from competitors who describe their veneered furniture as "veneered," giving the name of the wood composing the veneer as well as the wood from which the core of such furniture is made, or whose furniture is made entirely of mahogany or walnut, all in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue.

Complaint No. 1397.--In the matter of Stow & Davis Furniture Co. Charge: Unfair methods of competition are charged in that the respondent engaged In the manufacture and sale of furniture, principally of gum or chestnut wood or other woods of similar grades and quality, causes practically all of the pieces of furniture made by it to be veneered with a thin covering of mahogany or walnut wood of the thickness of about two twenty-eighths of an inch and describes and designates such furniture in advertisements, catalogues, invoices, etc., as "Mahogany," "Walnut," "Mahogany and gumwood," or by other combinations, not disclosing that the furniture is veneered, thus placing in the hands of retailers the means whereby such dealers may commit a deception or fraud on the public, such practice causing trade to be diverted to respondent from competitors who describe their veneered furniture as "veneered," giving the name of the wood composing the veneer as well as the name of the wood from, which the core of such furniture is made, or whose furniture is made entirely of mahogany or walnut, all in alleged violation of section 5 of the Federal Trade Commission act. Status : In course of trial.

Complaint No. 1398.--In the matter of Gunn Furniture Co. Charge : Unfair methods of competition are charged in that the respondent engaged in the manufacture and sale of furniture, principally of gum or chestnut wood or other woods of similar grades and quality, causes practically all of the pieces of furniture made by it to be veneered with a thin covering of mahogany or walnut wood of the thickness of about two twenty-eighths of an inch and describes and designates such furniture in advertisements, catalogues, invoices, etc., as "Mahogany," "Walnut," "Mahogany and gumwood," or by other combinations, not disclosing that the

furniture is veneered, thus placing in the hands of retailers the means whereby such dealers may commit a deception or fraud on the public, such practice causing trade to be diverted to respondent from competitors who describe their veneered furniture as "veneered," giving the name of the wood composing the veneer as well as the name of the wood from which the core of such furniture is made, or whose furniture is made entirely of mahogany or walnut, all in alleged violation of section 5 of the Federal Trade Commission act. Status : In course of trial.

Complaint No. 1399.--In the matter of Grand Rapids Show Case Co. Charge: Unfair methods of competition are charged in that the respondent engaged In the manufacture and sale of furniture, principally of gum or chestnut wood or other woods of similar grades and quality, causes practically all of the pieces

of furniture made it to be veneered with a thin covering of mahogany or walnut wood of the thickness of about two twenty-eighths of an inch and describes and designates such furniture in advertisements, catalogues, invoices, etc., as "Mahogany," "Walnut," or "American walnut," not disclosing that the furniture is veneered, thus placing in the hands of retailers the means whereby such dealers may commit a deception or fraud on the public, such practice causing trade to be diverted to respondent from competitors who describe their veneered furniture as "veneered," giving the name of the wood composing the veneer as well as the name of the wood from which the core of such furniture is made, or whose furniture is made entirely of mahogany or walnut, all in alleged violation of section 5 of the Federal Trade Commission act. Status: In course of trial

Complaint No. 1400.--In the matter of John Widdicomb Co. Charge : Unfair methods of competition are charged in that the respondent engaged in the manufacture and sale of furniture, principally of gum or chestnut wood or other woods of similar grades and quality, causes practically all of the pieces of furniture made by it to be veneered with a thin covering of mahogany or walnut wood of the thickness of about two twenty-eighths of an inch and describes and designates such furniture in advertisements, catalogues, invoices, etc., as "Walnut," "French walnut," "American walnut" or "Mahogany," not disclosing that the furniture is veneered, thus placing in the hands of retailers the means whereby such dealers may commit a deception or fraud on the public, such practice causing trade to be diverted to respondent from competitors who describe their veneered furniture as "veneered," giving the name of the wood composing the veneer as well as the name of the wood from which the core of such furniture is made, or whose furniture is made entirely of mahogany or walnut, all in alleged violation of section 5 of the Federal Trade Commission act. Status: In course of trial.

Complaint No. 1401.--In the matter of Luce Furniture Co., and the Furniture Shops (Inc.). Charge : Unfair methods of competition are charged in that the respondent engaged in the manufacture and sale of furniture, principally of gum or chestnut wood or other woods of similar grades and quality, causes practically all of the pieces of furniture made by it to be veneered with a thin covering of mahogany or walnut wood of the thickness of about two twenty-eighths of an inch and describes and designates such furniture in advertisements, catalogues, invoices, etc., as "Mahogany," "Walnut," or "Mahogany and gumwood," not disclosing that the furniture is veneered, thus placing in the hands of retailers the means whereby such dealers may commit a deception or fraud on the public, such practice causing trade to be diverted to respondent from competitors who describe their veneered furniture as "veneered," giving the name of the wood composing the veneer as well as the name of the wood from which the core of such furniture is made, or whose furniture is made entirely of mahogany or walnut, all in alleged violation of section 5 of the Federal Trade Commission act. Status: In course of trial.

Complaint No. 1402.--In the matter of Century Furniture Co. Charge : Unfair methods of competition are charged in that the respondent engaged in the manufacture and sale of furniture, principally of gum or chestnut wood or other woods of similar grades and quality, causes practically all of the pieces of furniture made by it to be veneered with a thin covering of mahogany wood of the thickness of about two twenty-eighths of an inch and describes and designates such furniture in advertisements, catalogues, Invoices, etc., as "Mahogany," not disclosing that the furniture is veneered, thus placing in the hands of retailers the means whereby such dealers may commit a deception or fraud on the public, such practice causing trade to be diverted to respondent from competitors who describe their veneered furniture as "veneered," giving the name of the wood composing the veneer as well as the name of the wood from which the core of such furniture is made, or whose furniture is made entirely of mahogany or walnut,

all in alleged violation of section 5 of the Federal Trade Commission act. Status : In course of trial.

Complaint No. 1403.--In the matter of David E. Uhl, trading under the name and style of Grand Rapids Fancy Furniture Co. Charge : Unfair methods of competition are charged in that the respondent engaged in the manufacture and sale of furniture, principally of gum or chestnut wood or other woods of similar grades and quality, causes practically all of the pieces of furniture made by it to be veneered with a thin covering of mahogany or walnut wood of the thickness of about two twenty-eighths of an inch and describes and designates such furniture in advertisements, catalogues, invoices, etc., as "Mahogany" or "Wal-

nut," not disclosing that the furniture is veneered, thus placing in the hands of retailers the means whereby such dealers may commit a deception or fraud on the public, such practice causing trade to be diverted to respondent from competitors who describe their veneered furniture as "veneered," giving the name of the wood composing the veneer as well as the name of the wood from which the core of such furniture is made, or whose furniture is made entirely of mahogany or walnut, all in alleged violation of section 5 of the Federal Trade Commission act. Status : In course of trial.

Complaint No. 1404.--In the matter of Valley City Desk Co. Charge : Unfair methods of competition are charged in that the respondent engaged in the manufacture and sale of furniture, principally of gum or chestnut wood or other woods of similar grades and quality causes practically all of the pieces of furniture made by it to be veneered with a thin covering of oak, mahogany or walnut wood of the thickness of about two twenty-eighths of an inch and describes and designates such furniture in advertisements, catalogues, invoices, etc., as "Oak," "Walnut" or "Mahogany," not disclosing that the furniture is veneered, thus placing in the hands of retailers the means whereby such dealers may commit a deception or fraud on the public, such practice causing trade to be diverted to respondent from competitors who describe their veneered furniture as "veneered," giving the name of the wood composing the veneer as well as the name of the wood from which the core of such furniture is made, or whose furniture is made entirely of mahogany or walnut, all in alleged violation of section 5 of the Federal Trade Commission act. Status : In course of trial.

Complaint No. 1405.--In the matter of Foote-Reynolds Co. Charge : Unfair methods of competition are charged in that the respondent engaged in the manufacture and sale of furniture, principally of gum or chestnut wood or other woods of similar grades and quality, causes practically all of the pieces of furniture made by it to be veneered with a thin covering of walnut wood of the thickness of about two twenty-eighths of an inch, and describes and designates such furniture in advertisements, catalogues, invoices, etc., as "Walnut and gumwood," or by other combinations, not disclosing that the furniture is veneered, thus placing in the hands of retailers the means whereby such dealers may commit a deception or fraud on the public, such practice causing trade to be diverted to respondent from competitors who describe their veneered furniture as "veneered," giving the name of the wood composing the veneer as well as the name of the wood from which the core of such furniture is made, or whose furniture is made entirely of mahogany or walnut, all in alleged violation of section 5 of the Federal Trade Commission act. Status : In course of trial.

Complaint No. 1406.--In the matter of Prichett-Powers Co. Charge : Unfair methods of competition are charged in that the respondent engaged in the manufacture and sale of furniture, principally of gum or chestnut wood or other woods of similar grades and quality, causes practically all of the pieces of furniture made by it to be veneered with a thin covering of walnut wood of the thickness of about two twenty-eighths of an inch, and describes and designates such furniture in advertisements, catalogues, invoices, etc., as "Walnut and gumwood," or by other combinations, not disclosing that the furniture is veneered, thus placing in the hands of retailers the means whereby such dealers may commit a deception or fraud on the public, such practice causing trade to be diverted to respondent from competitors who describe their veneered furniture as "veneered," giving the name of the wood composing the veneer as well as the name of the wood from which the core of such furniture is made, or whose furniture is made entirely of mahogany or walnut, all in alleged violation of section 5 of the Federal Trade Commission act. Status : In course of trial.

Complaint No. 1407.--In the matter of Johnson Furniture Co. and Johnson-Handley-Johanson

Co. Charge : Unfair methods of competition are charged in that the respondent engaged in the manufacture and sale of furniture, principally of gum or chestnut wood or other woods of similar grades and quality, causes practically all of the pieces of furniture made by it to be veneered with a thin covering of walnut wood of the thickness of about two twenty-eighths of an inch, and describes and designates such furniture in advertisements, catalogues, invoices, etc., as "Walnut and gumwood," or by other combinations, not disclosing that the furniture is veneered, thus placing in the hands of retailers the means whereby such dealers may commit a deception or fraud

on the public, such practice causing trade to be diverted to respondent from competitors who describe their veneered furniture as "veneered," giving the name of the wood composing the veneer as well as the name of the wood from which the core of such furniture is made, or whose furniture is made entirely of mahogany or walnut, all in alleged violation of section 5 of the Federal Trade Commission act. Status : In course of trial.

Complaint No. 1408.--In the matter of Grand Rapids Chair Co. Charge : Unfair methods of competition are charged in that the respondent engaged in the manufacture and sale of furniture, principally of gum or chestnut wood or other woods of similar grades and quality, causes practically all of the pieces of furniture made by it to be veneered with a thin covering of mahogany or walnut wood of the thickness of about two twenty-eighths of an inch, and describes and designates such furniture in advertisements, catalogues, invoices, etc., as "Walnut and gumwood," "Mahogany and gumwood," or by other combinations, not disclosing that the furniture is veneered, thus placing in the hands of retailers the means whereby such dealers may commit a deception or fraud on the public, such practice causing trade to be diverted to respondent from competitors who describe their veneered furniture as "veneered," giving the name of the wood composing the veneer as well as the name of the wood from which the core of the furniture is made, or whose furniture is made entirely of mahogany or walnut, all in alleged violation of section 5 of the Federal Trade Commission act. Status : In course of trial.

Complaint No. 1409.--In the matter of Hekman Furniture Co. Charge : Unfair methods of competition are charged in that the respondent, engaged in the manufacture and sale of furniture, principally of gum or chestnut wood or other woods of similar grades and quality, causes practically all of the pieces of furniture made by it to be veneered with a thin covering of mahogany or walnut wood of the thickness of about two twenty-eighths of an inch and describes and designates such furniture in advertisements, catalogues, invoices, etc., as "Walnut and gumwood," "Mahogany and gumwood," or by other combinations, not disclosing that the furniture is veneered, thus placing in the hands of retailers the means whereby such dealers may commit a deception or fraud on the public, such practice causing trade to be diverted to respondent from competitors who described their veneered furniture as "veneered," giving the name of the wood composing the veneer as well as the name of the wood from which the core of such furniture is made, or whose furniture is made entirely of mahogany or walnut, all in alleged violation of section 5 of the Federal Trade Commission act. Status: In course of trial.

Complaint No. 1410.--In the matter of William F. Drueke and Albert F. Dickinson, partners, trading under the name and style of William F. Drueke & Co. Charge : Unfair methods of competition are charged in that the respondent, engaged in the manufacture and sale of furniture, principally of gum or chestnut wood or other woods of similar grades and quality, causes practically all of the pieces of furniture made by it to be veneered with a thin covering of mahogany or walnut wood of the thickness of about two twenty-eighths of an inch and describes and designates such furniture in advertisements, catalogues, invoices, etc., as "Walnut and gumwood," "Mahogany and gumwood," or by other combinations, not disclosing that the furniture is veneered, thus placing in the hands of retailers the means whereby such dealers may commit a deception or fraud on the public, such practice causing trade to be diverted to respondent from competitors who describe their veneered furniture as "veneered," giving the name of the wood composing the veneer as well as the name of the wood from which the core of such furniture is made, or whose furniture is made entirely of mahogany or walnut, all in alleged violation of section 5 of the Federal Trade Commission act. Status : In course of trial.

Complaint No. 1411.--Wagemaker Co. Charge : Unfair methods of competition are charged in that the respondent, engaged in the manufacture and sale of furniture, principally of gum or

chestnut wood or other woods of similar grades and quality, causes practically all of the pieces of furniture made by It to be veneered with a thin covering of mahogany or walnut wood of the thickness of about two twenty-eighths of an inch and describes and designates such furniture In advertisements, catalogues, invoices, etc., as "Walnut and gumwood," "Mahogany and gumwood," or by other combinations, not disclosing that the furniture is veneered, thus placing in the hands of retailers the means whereby such dealers may commit a deception or fraud on the public, such practice causing trade to be diverted to respondent from competitors who describe their veneered furniture as "veneered," giving the name of the wood

composing the veneer as well as the name of the wood from which the core of such furniture is made, or whose furniture is made entirely of mahogany or walnut, all in alleged violation of section 5 of the Federal Trade Commission act. Status: In course of trial.

Complaint No. 1412.--In the matter of Robert W. Irwin Co. Charge : Unfair methods of competition are charged in that the respondent, engaged in the manufacture and sale of furniture, principally of gum or chestnut wood or other woods of similar grades and quality, causes practically all of the pieces of furniture made by it to be veneered with a thin covering of mahogany or walnut wood of the thickness of about two twenty-eighths of an inch and describes and designates such furniture in advertisements, catalogues, invoices, etc., as "Walnut and gumwood," "Mahogany and gumwood," or by other combinations, not disclosing that the furniture is veneered, thus placing in the hands of retailers the means whereby such dealers may commit a deception or fraud on the public, such practice causing trade to be diverted to respondent from competitors who describe their veneered furniture as "veneered," giving the name of the wood composing the veneer as well as the name of the wood from which the core of such furniture is made, or whose furniture is made entirely of mahogany or walnut, all in alleged violation of section 5 of the Federal Trade Commission act. Status : In course of trial.

Complaint No. 1413.--Standardized Furniture Co. Charge: Unfair methods of competition are charged in that the respondent engaged in the manufacture and sale of furniture, principally of gum or chestnut wood or other woods of similar grades and quality, causes practically all of the pieces of furniture made by it to be veneered with a thin covering of mahogany or walnut wood of the thickness of about two twenty-eighths of an Inch and describes and designates such furniture in advertisements, catalogues, invoices, etc., as "Walnut and gumwood," "Mahogany and gumwood," or by other combinations, not disclosing that the furniture is veneered, thus placing in the hands of retailers the means whereby such dealers may commit a deception or fraud on the public, such practice causing trade to be diverted to respondent from competitors who describe their veneered furniture as "veneered," giving the name of the wood composing the veneer as well as the name of the wood from which the core of such furniture is made, or whose furniture is made entirely of mahogany or walnut, all in alleged violation of section 5 of the Federal Trade Commission act. Status : In course of trial.

Complaint No. 1414.--In the matter of H. E Shaw Furniture Co. Charge: Unfair methods of competition are charged In that the respondent engaged in the manufacture and sale of furniture, principally of gum or chestnut wood or other woods of similar grades and quality, causes practically all of the pieces of furniture made by it to be veneered with a thin covering of mahogany or walnut wood of the thickness of about two twenty-eighths of an inch and describes and designates such furniture in advertisements, catalogues, invoices, etc., as "Walnut," "Walnut and gumwood," "Mahogany and gumwood," or by other combinations, not disclosing that the furniture Is veneered, thus placing in the hands of retailers the means whereby such dealers may commit a deception or fraud on the public, such practice causing trade to be diverted to respondent from competitors who describe their veneered furniture as "veneered" giving the name of the wood composing the veneer as well as the name of the wood from which the core of such furniture is made, or whose furniture is made entirely of mahogany or walnut, all in alleged violation of section 5 of the Federal Trade Commission act. Status : In course of trial.

Complaint No. 1415.--In the matter of Widdicomb Furniture Co. Charge : Unfair methods of competition are charged in that the respondent engaged in the manufacture and sale of furniture, principally of gum or chestnut wood or other woods of similar grades and quality, causes practically all of the pieces of furniture made by it to be veneered with a thin covering of mahogany or walnut wood of the thickness of about two twenty-eighths of an inch and describes

and designates such furniture in advertisements, catalogues, invoices, etc., as “Walnut and gumwood.” “Mahogany and gumwood,” or by other combinations, not disclosing that the furniture is veneered, thus placing in the hands of retailers the means whereby such dealers may commit a deception or fraud on the public, such practice causing trade to be diverted to respondent from competitors who describe their veneered furniture as “veneered,” giving the name of the wood composing the veneer as well as the name of the wood from which the core of such furniture is made, or whose furniture is made entirely of mahogany or walnut, all in alleged violation of section 5 of the Federal Trade Commission act. Status : In course of trial.

Complaint No. 1416.--In the matter of Imperial Furniture Co. Charge : Unfair methods of competition are charged in that the respondent engaged in the manufacture and sale of furniture, principally of gum or chestnut wood or other woods of similar grades and quality, causes practically all of the pieces of furniture made by it to be veneered with a thin covering of mahogany or walnut wood of the thickness of about two twenty-eighths of an inch and describes and designates such furniture in advertisements, catalogues, invoices, etc., as "Walnut and gumwood," "Mahogany and gumwood," or by other combinations, not disclosing that the furniture is veneered, thus placing in the hands of retailers the means whereby such dealers may commit a deception or fraud on the public, such practice causing trade to be diverted to respondent from competitors who describe their veneered furniture as "veneered," giving the name of the wood composing the veneer as well as the name of the wood from which the core of such furniture is made, or whose furniture is made entirely of mahogany or walnut, all in alleged violation of section 5 of the Federal Trade Commission act. Status : In course of trial.

Complaint No. 1417.--In the matter of Williams-Kimp Furniture Co. Charge: Unfair methods of competition are charged In that the respondent engaged in the manufacture and sale of furniture, principally of gum or chestnut wood or other woods of similar grades and quality causes practically all of the pieces of furniture made by it to he veneered with a thin covering of mahogany or walnut wood of the thickness of about two twenty-eighths of an inch and describes and designates such furniture in advertisements, catalogues, invoices, etc., as "Walnut," "Mahogany," "Red mahogany," "Brown mahogany," "Walnut combination," or by other combinations, not disclosing that the furniture is veneered, thus placing in the hands of retailers the means whereby such dealers may commit a deception or fraud on the public, such practice causing trade to be diverted to respondent from competitors who describe their veneered furniture as "veneered," giving the name of the wood composing the veneer as well as the name of the wood from which the core of such furniture is made, or whose furniture is made entirely of mahogany or walnut, all in alleged violation of section 5 of the Federal Trade Commission act. Status: In course of trial.

Complaint No. 1418.--In the matter of Paalman Furniture Co. Charge: Unfair methods of competition are charged in that the respondent engaged in the manufacture and sale of furniture, principally of gum or chestnut wood or other woods of similar grades and quality causes practically all of the pieces of furniture made by it to be veneered with a thin covering of oak, mahogany, or walnut wood of the thickness of about two twenty-eighths of an inch and describes and designates such furniture in advertisements, catalogues, invoices, etc., as "Mahogany," "Walnut," "Oak," "Mahogany, and gumwood," or by other combinations, not disclosing that the furniture is veneered, thus placing in the hands of retailers the means whereby such dealers may commit a deception or fraud on the public, such practice causing trade to he diverted to respondent from competitors who describe their veneered furniture as "veneered," giving the name of the wood composing the veneer as well as the name of the wood from which the core of such furniture is made, or whose furniture is made entirely of mahogany or walnut, all in alleged violation of section 5 of the Federal Trade Commission act. Status : In course of trial.

Complaint No. 1419.--In the matter of The Cabinet Shops. Charge : Unfair methods of competition are charged in that the respondent engaged in the manufacture and sale of furniture, principally of gum or chestnut wood or other woods of similar grades and quality causes practically all of the pieces of furniture made by it to be veneered with a thin covering of walnut wood of the thickness of about two twenty-eighths of an inch and describes and designates such furniture in advertisements, catalogues, invoices, etc., as "Walnut," not disclosing that the furniture is veneered, thus placing in the hands of retailers the means whereby such dealers may

commit a deception or fraud on the public, such practice causing trade to be diverted to respondent from competitors who describe their veneered furniture as "veneered," giving the name of the wood composing the veneer as well as the name of the wood from which the core of such furniture is made, or whose furniture is made entirely of mahogany or walnut, all in alleged violation of section 5 of the Federal Trade Commission act. Status : In course of trial.

Complaint No. 1420.--In the matter of Furniture Studios (Inc.). Charge: Unfair methods of competition are charged in that the respondent engaged in the manufacture and sale of furniture, principally of gum or chestnut

wood or other woods of similar grades and quality causes practically all of the pieces of furniture made by it to be veneered with a thin covering of maple or walnut wood of the thickness of about two twenty-eighths of an inch and describes and designates such furniture in advertisements, catalogues, Invoices, etc., as "Maple," "Walnut," "Walnut decorated," "Georgian Walnut decorated," not disclosing that the furniture is veneered, thus placing in the hands of retailers the means whereby such dealers may commit a deception or fraud on the public, such practice causing trade to be diverted to respondent from competitors who describe their veneered furniture as "veneered," giving the name of the wood composing the veneer as well as the name of the wood from which the core of such furniture is made, or whose furniture is made entirely of mahogany or walnut, all in alleged violation of section 5 of the Federal Trade Commission act. Status: In course of trial.

Complaint No. 1421.--In the matter of Macey Co. Charge : Unfair methods of competition are charged in that the respondent engaged in the manufacture and sale of furniture, principally of gum or chestnut wood or other woods of similar grades and quality, causes practically all of the pieces of furniture made by it to be veneered with a thin covering of mahogany or walnut wood of the thickness of about two twenty-eighths of an inch and describes and designates such furniture in advertisements, catalogues, invoices, etc., as "Mahogany," or "Genuine walnut," not disclosing that the furniture is veneered, thus placing in the hands of retailers the means whereby such dealers may commit a deception or fraud on the public, such practice causing trade to be diverted to respondent from competitors who describe their veneered furniture as "veneered," giving the name of the wood composing the veneer as well as the name of the wood from which the core of such furniture is made, or whose furniture is made entirely of mahogany or walnut, all in alleged violation of section 5 of the Federal Trade Commission act. Status : In course of trial.

Complaint No. 1422.--In the matter of Grand Rapids Furniture Co. Charge: Unfair methods of competition are charged in that the respondent engaged in the manufacture and sale of furniture, principally of gum or chestnut wood or other woods of similar grades and quality, causes practically all of the pieces of furniture made by it to be veneered with a thin covering of mahogany or walnut wood of the thickness of about two twenty-eighths of an inch and describes and designates such furniture in advertisements, catalogues, invoices, etc., as "Walnut and gumwood," "Mahogany and gumwood," or by other combinations, not disclosing that the furniture is veneered, thus placing in the hands of retailers the means whereby such dealers may commit a deception or fraud on the public, such practice causing trade to be diverted to respondent from competitors who describe their veneered furniture as "veneered," giving the name of the wood composing the veneer as well as the name of the wood from which the core of such furniture is made, or whose furniture is made entirely of mahogany or walnut, all in alleged violation of section 5 of the Federal Trade Commission act. Status : In course of trial.

Complaint No. 1423.--In the matter of Armour & Co. and Armour & Co. of Delaware. Charge : Unfair methods of competition are charged in that respondent engaged in the manufacture and sale of soap and soap products, labeled, advertised, and sold certain kinds of its soap as "Donna Castile," "Stork Castile," "Carrara Sapone Castiglia," and "Broadway Bath Olive Castile," and certain brands of soap under the designation of "Castile Styles" as "Castile" soap, representing said soaps to be genuine Castile soap containing olive oil exclusively and that they are imported from Spain, when in fact they were not imported and the fats from which they are and have been made include and have included vegetable oils other than olive oils, and animal fats such as tallow, in a substantial and varying amount, in some instances in a proportion preponderant to and in others practically excluding the use of olive oil as an ingredient in their

composition, all of which has the capacity and tendency to confuse, mislead, and deceive the trade and the public and to injure respondents' competitors who sell genuine Castile soap, all in alleged violation of section 5 of the Federal Trade Commission act. Status : On suspense calendar to await decision of court of last resort in Docket 1110, in the matter of James S. Kirk & Co.

Complaint No. 1424.--In the matter of Globe Soap Co. Charge : Unfair methods of competition are charged in that respondent engaged in the manufacture and sale of toilet soaps and soap products, labeled, advertised, and sold several brands of soap as and for "Castile Soap," including the brand called "Lion Castile," representing said soaps to be genuine Castile soap containing

olive oil exclusively, when in fact they are and have been made of fats which include and have included vegetable oils other than olive oil, and animal fats such as tallow, in a substantial and varying amount, in some instances in a proportion preponderant to and in others entirely excluding the use of olive oil as an ingredient, all of which has the capacity and tendency to confuse, mislead, deceive, and defraud the trade and public and to injure respondent's competitors who sell genuine Castile soap, all in alleged violation of section 5 of the Federal Trade Commission act. Status: On suspense calendar to await decision of court of last resort in Docket 1110, in the matter of James S. Kirk & Co.

Complaint No. 1425.--In the matter of Cincinnati Soap Co. Charge : Unfair methods of competition are charged in that respondent engaged in the manufacture and sale of toilet soaps and soap products, labeled, advertised, and sold certain kinds of its soap as "Purity Castile," "Crown Castile," "Olive Castile," and "Fontaine Castile" as "Castile" soap, representing said soaps to be genuine Castile soap containing olive oil exclusively when in fact they are and have been made of fats which include and have included vegetable oils other than olive oil, and animal fats such as tallow, in a substantial and varying amount, in some instances in a proportion preponderant to and in others entirely excluding the use of olive oil as an ingredient, all of which has the capacity and tendency to confuse, mislead, deceive, and defraud dealers in soap and the public and to injure respondent's competitors who sell genuine Castile soap, all in alleged violation of section 5 of the Federal Trade Commission act. Status : At issue.

Complaint No. 1425.--In the matter of Cincinnati Soap Co. Charge : Unfair methods of competition are charged in that respondent engaged in the manufacture and sale of toilet soaps and soap products, labeled, advertised, and sold certain kinds of its soap as "Crystal Cocoa Hardwater Castile," "Cocoa Castile," "Defender Castile," and "Rainbow Castile," as "Castile soap" representing said soaps to be genuine Castile soap containing olive oil exclusively, when in fact they are and have been made of fats which include and have included vegetable oils other than olive oil, and animal fats such as tallow, in a substantial and varying amount, in some instances in a proportion preponderant to and in others entirely, excluding the use of olive oil as an ingredient, all of which has ether capacity and tendency to confuse, mislead, deceive, and defraud the public and to injure respondent's competitors who sell genuine Castile soap, all in alleged violation of section 5 of the Federal Trade Commission act. Status : On suspense calendar to await decision of court of last resort in Docket 1110, in the matter of James S. Kirk & Co.

Complaint No. 1430.--In the matter of Southern Alberta Lumber Co. (Ltd.), also known as Southern Alberta Lumber & Supply Co. (Ltd.), and H. N. Serueth, individually and as manager of said corporation. Charge: Unfair methods of competition are charged in that respondent, engaged in the purchase, of lumber and its resale to dealers, alters the bills of lading and other like documents listing the shipments of lumber made to it, issued by the producers, which instruments are accepted by the owners and operators of seagoing vessels as truthfully setting forth the amount of lumber shipped by respondent and for which the carriers in turn issue their bills of lading, etc., covering like amounts, by reducing the listed amounts, such reduction saving respondent freight and other costs, which savings enable it to sell its lumber greatly below the prices at which its competitors can and do sell their lumber at a reasonable profit, all of which is to the prejudice of the public and respondent's competitors, in alleged violation of section 5 of the Federal Trade Commission act. Status : At issue.

Complaint No. 1431.--In the matter of N. Shure Co. Charge : Unfair methods of competition are charged in that respondent, engaged in the business of selling merchandise of sundry sorts and kinds at wholesale to retail dealers sets forth in its catalogues many false and misleading

statements and representations concerning the origin, nature, character, value, and prices of sundry of respondent's said articles of merchandise depicted and described in said catalogues and concerning the materials whereof said articles are made, which statements and representations hold out said merchandise to be of greater value and quality than the actual value and quality thereof, and stamps and imprints similar false statements on certain of its merchandise and labels certain of its merchandise with fictitious and exaggerated prices, thus placing in the hands of its vendees the means of deceiving and defrauding the public, all to the prejudice of the public and respondent's competitors, in alleged violation of section 5 of the Federal Trade Commission act. Status : At issue.

Complaint No. 1432.--In the matter of Mendoza Fur Dyeing Works (Inc.). Charge : Unfair methods are charged in that respondent engaged in the business of processing, dressing, and dyeing rabbit pelts which it imports from Australia and New Zealand, causes the fur of said pelts to resemble in appearance the fur of beaver pelts and marks and stamps said pelts "Mendoza Beaver" and supplies its vendees with labels similarly marked which are attached to garments made by the vendees who then sell said garments to retailers. which practices place in the hands of retailers the means of committing a fraud upon the public, to the prejudice of the public and respondent's competitors in alleged violation of section 5 of the Federal Trade Commission act. Status : At issue.

Complaint No. 1434.--In the matter of Gibbons Knitting Mills (Inc.). Charge : Unfair methods of competition are charged in that respondent engaged in the business of selling knitted garments at wholesale sets forth in Its advertisements its corporate name, "Gibbons Knitting Mills (Inc.);" and prominently prints and sets forth said name upon its stationery, price lists, catalogues, etc., all of which misleads and deceives retail dealers into the belief that respondent is a manufacturer and that persons buying respondent's garments eliminate the profits of middlemen when in truth and in fact respondent does not own, operate, or control any mill, and does not manufacture said garments sold by it, but buys them from other manufacturers and resells them at a profit, all of which is to the prejudice of the public and respondent's competitors, in alleged violation of section 5 of the Federal Trade Commission act. Status : Before the commission for final determination.

Complaint No. 1435.--In the matter of Independent Industries (Inc.) Charge : Unfair methods of competition are charged in that respondent engaged in the manufacture of knitted and other garments for women, advertises in monthly periodicals soliciting persons to become sales representatives for respondent, supplies said representatives with trade literature, price lists, etc., in which it designates the material of which its garments are made, and which is not silk, a product of the cocoon of the silkworm, to be "Mona-silk," and thus places in the hands of its representatives the means of committing a fraud upon the purchasing public, to the prejudice of the public and respondent's competitors, in alleged violation of section 5 of the Federal Trade Commission act. Status : At issue.

Complaint No. 1436.--In the matter of Mi W. Savage Co. Charge : Unfair methods of competition are charged in that respondent, engaged in the business of selling direct to the consumer by mail, articles of merchandise of sundry sorts, obtains orders for and makes sales of its merchandise through and by means of certain catalogues in which it causes to be set forth many false and misleading statements and representations. concerning the origin, nature, character, and value of sundry of its articles of merchandise depicted and described in said catalogues and concerning the materials whereof said articles are made, which statements and representations hold out said merchandise to be of a greater and higher value and quality than the actual value and quality thereof, said acts and practices being to the prejudice of the public and respondent's competitors, in alleged violation of section 5 of the Federal Trade Commission act. Status : Awaiting briefs.

Complaint No. 1438.--In the matter of Yokum Bros., a corporation. Charge : Unfair methods of competition are charged in that respondent engaged in the manufacture and sale of cigars in the State of Pennsylvania causes the words "Spana-Cuba" to be placed on the boxes and containers in which its cigars are sold and on the bands upon each cigar, said acts having the capacity and tendency to and do mislead and deceive the trade and consuming public into the belief that said cigars are composed of Cuban tobacco, when in truth and in fact said cigars are composed entirely of tobacco grown elsewhere than in Cuba, all of which acts are to the

prejudice or the public and respondent's competitors in alleged violation of section 5 of the Federal Trade Commission act. Status : At issue.

Complaint No. 1439.--In the matter of Samuel Dach, doing business under the trade name and style Columbia Novelty Co. Charge : Unfair methods of competition are charged in that respondent, engaged in the business of selling perfumery direct to consumers, offers in advertisements to employ the services of the reader as agent to sell respondent's perfumery in consideration of certain "premiums"; the said advertisements contain many false and misleading assertions and representations as to the nature, quality, and value of said premiums which induce and procure many agents who accept such employment acting in

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the belief that said statements are true, all of which is to the prejudice of the public and respondent's competitors in alleged violation of section 5 of the Federal Trade Commission act. Status : At issue.

Complaint No. 1440.--In the matter of David Jacoby and Morris Gottsegen, partners doing business under the trade name and styles Mills Silver Works and Mills Sales Company. Charge : Unfair methods of competition are charged in that respondents engaged in the business of selling merchandise of sundry sorts and kinds at wholesale to retail dealers displays its two trade names "Mills Silver Works" and "Mills Sale Co." conspicuously in its advertisements and stationery, said acts having the capacity and tendency to and do mislead and deceive many retail dealers into the belief that respondents are manufacturers and that persons dealing with them save the middlemen's profits, when in truth and in fact respondents are not manufacturers but buy their merchandise from others and resell same at a profit; further, respondents set forth in their advertisements many false and misleading statements concerning the origin, nature, character, and value of many articles of merchandise, which statements hold out said merchandise to be of a greater and higher value and quality than the actual value and quality thereof; all of which acts have the capacity and tendency to and do mislead retail dealers, to the prejudice of the public and respondents competitors in alleged violation of section 5 of the Federal Trade Commission act. Status : Before the commission for final determination

Complaint No. 1441.--In the matter of W. H. Snyder, R. r. Snyder, and Roger N. Snyder, partners doing business under the trade name and style W. H. Snyder & Sons. Unfair methods of competition are charged in that respondents engaged in the manufacture and sale of cigars in the State of Pennsylvania cause the words "Havana Fruit" and "Havana Velvet" to be placed on the boxes and containers in which their cigars are sold and on the bands upon each cigar, said acts having the capacity and tendency to and do mislead and deceive the trade and consuming public into the belief that said cigars are composed of Cuban tobacco, when in truth and in fact said cigars are composed entirely of tobacco grown elsewhere than in Cuba, all of which acts are to the prejudice of the public and respondents competitors in alleged violation of section 5 of the Federal Trade Commission act. Status : At issue.

Complaint No. 1442.--In the matter of T. E Brooks, doing business under the trade name and style T. E. Brooks & Co. Charge : Unfair methods of competition are charged in that respondent, engaged in the manufacture and sale of cigars In the State of New York, causes the words "Havana Sweets" to be placed on the boxes and containers in which his cigars are sold and on the bands upon each cigar, said acts having the capacity and tendency to and do mislead and deceive the trade and consuming public into the belief that said cigars are composed of Cuban tobacco, when in truth and in fact said cigars are composed entirely of tobacco grown elsewhere then in Cuba, all of which acts are to the prejudice of the public and respondent's competitors in alleged violation of section 5 of the Federal Trade Commission act. Status : At issue.

Complaint No. 1443.--In the matter of John C. Herman and Edwin S. Herman, partners, doing business under the trade name and style John C. Herman & Co. Charge: Unfair methods of competition are charged In that respondents engaged In the manufacture and sale of cigars in the State of Pennsylvania cause the words "Havana Darts" to be placed on the boxes and containers in which their cigars are sold and on the bands upon each cigar, said acts having the capacity and tendency to and do mislead and deceive the trade and consuming public Into the belief that said cigars are composed of Cuban tobacco, when in truth and in fact said cigars are composed entirely of tobacco grown elsewhere than In Cuba, all of which acts are to the prejudice of the public and respondents' competitors in alleged violation of section 5 of the

Federal Trade Commission act. Status : At issue.

Complaint No. 1444.--In the matter of Charles T. Morrissey, doing business under the trade names and styles of Charles T. Morrissey & Co., and Charles Orangeade Co. Charge : Unfair methods of competition are charged in that respondent engaged in the business of manufacturing soft drink powders, labels the containers of its product with the names and depictions of the fruit from which said powders are said to be made and supplies dealers with placards and other display matter similarly marked, to be used by said dealers in advertising the drinks made from said powders; in truth and in fact neither said powders nor the beverages made therefrom contain any of the fruit or juice so advertised and depicted, and said acts have the capacity and tendency to mislead and deceive purchasers, to the prejudice of the, public and respondent's competi-

tors in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue.

Complaint No. 1445.--In the matter of Wholesale Confectioners Club of Richmond, Va., its officers and members. Charge: Unfair methods of competition are charged In that respondent engaged in selling confectionery and allied products has with its members cooperated and confederated to prevent competing dealers from obtaining confectionery and allied products directly from the manufacturers thereof, to fix uniform prices of resale, to prevent others from selling at less prices and through the following means to suppress competition: The fixing of prices, the holding of meetings for the interchange of information, etc., the notification of and seeking to induce manufacturers to abide by and adhere to respondent's plan, boycott and threats of boycott, and other means, the effect and result of which acts and practices is to substantially lessen, hinder, and suppress competition to the prejudice of the public and respondent's competitors in alleged violation of section 5 of the Federal Trade Commission act. Status: Before the commission for final determination.

Complaint No. 1446.--In the matter of Douglass Caramel Co. Charge: Unfair methods of competition are charged in that respondent, engaged in the manufacture and sale of candies, has put into effect a scheme which is intended to induce the consuming public to participate in a lottery, its candies for sale at 1 cent each and uniform in appearance being packed in display boxes with prizes for the purchasers who choose candies which prove to have colored centers instead of the white or cream colored centers, found in most of the candies, thereby tending to induce the consuming public to purchase respondent's candies In preference to the products of its competitors who do not give prizes won by chances or otherwise, in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue.

Complaint No. 1447.--In the matter of Meteor Coal Co. Charge: Unfair methods of competition are charged in that respondent, engaged in the business of selling coal to dealers, names and designates one grade of its coal as "Pocahontas" coal, which coal is substantially lower in quality and value than a certain bituminous coal of high quality and value known throughout the trade and similarly named, said coal of high quality and value, being mined only in certain portions of Virginia and West Virginia, which act of respondent has the capacity and tendency to and does mislead and deceive the trade and consuming public to the prejudice of the public and respondent's competitors in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue.

Complaint No. 1448.--In the matter of J. W. Elwood, A. E. Parmalee, and A. B. Carpenter, partners, doing business under the trade name and style, Northwestern Fur Co. Charge: Unfair methods of competition are charged in that respondents engaged In the business of teaching the art and trade of furriery by correspondence, set forth in their advertising certain amounts which they falsely represent to be the regular and usual prices charged by them for their course of instruction together with false representations to the effect that for a limited time said price will be reduced if pupils take advantage of said offer within the time stated, which acts have the capacity and tendency to and do cause many of the public to purchase respondents' course in the belief said statements are true, when in truth and in fact said prices are the regular and usual prices charged by respondents, thus injuring competitors who do not use such method, all of which is to the prejudice of the public and respondents competitors in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue.

Complaint No. 1449.--In the matter of J. W. Elwood, A. E. Parmalee, and A. B. Carpenter, partners, doing business under the trade name and style Northwestern School of Taxidermy. Charge: Unfair methods of competition are charged in that respondents engaged in the business of teaching the art and trade of taxidermy by correspondence set forth in their advertising certain

amounts which they falsely represent to be the regular and usual prices charged by them for their course of instruction together with false representations to the effect that for a limited time said price will be reduced if pupils take advantage of said offer within the time stated, which acts have the capacity and tendency to and do cause many of the public to purchase respondents' course In the belief said statements are true when in truth and in fact said prices are the regular and usual prices charged by respondents, thus injuring competitors who do not use such method, all of which is to the prejudice of the public and respondents competitors in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue.

Complaint No. 1450.--In the matter of Showers Bros. Co. Charge: Unfair methods of competition are charged in that respondent engaged in the manufacture and sale of furniture describes in its advertisements certain articles of its furniture as composed of "Walnut," "Mahogany," "Combination walnut," "Combination mahogany," "Combination blended walnut," or "Combination blended mahogany," which statements when used by dealers in selling said furniture to customers have the capacity and tendency to mislead said customers into the belief that said furniture is composed in whole or in part of mahogany or walnut, when in truth and in fact said furniture is composed of other woods with a thin veneering of mahogany or walnut on the exposed surfaces, which acts are to the prejudice of the public and respondent's competitors who do not use such practices, in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue.

Complaint No. 1451.--In the matter of Consolidated Cigar Co. Charge: It is charged that respondent acquired the stock or share capital of the "44" Cigar Co. and the G. H. P. Cigar Co., two of its competitors engaged in the manufacture and sale of cigars, the effect of said act being to substantially lessen competition and restrain commerce between and among respondent and said competitors and to create a monopoly, in violation of section 7 of the Clayton Act. Status: At issue.

Complaint No. 1452.--In the matter of Inecto (Inc.). Charge: Unfair methods of competition are charged in that the respondent engaged in the manufacture and sale of a hair dye designated by it as "Inecto Rapid Notox," sets forth in its advertising matter and stationery many false and misleading statements concerning the nature, properties, and characteristics of said hair dye and further reproduce "unsolicited" testimonial letters, which letters are neither in fact unsolicited nor written to respondent, all of which acts have the capacity and tendency to mislead and deceive dealers and the public and respondents' competitors, in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue.

Complaint No. 1453.--In the matter of Fleck Cigar Co. Charge: Unfair methods of competition are charged in that respondent, engaged in the manufacture and sale of cigars in the State of Pennsylvania, causes the words "Rose-O-Cuba" and "Havana" to be placed on the boxes and containers in which its cigars are sold and on the brand or label upon each cigar, said acts having the capacity and tendency to mislead and deceive the trade and consuming public into the belief that said cigars are composed of Cuban tobacco, when in truth and in fact said cigars are composed of tobacco grown elsewhere than in Cuba, which acts are to the prejudice of the public and respondent's competitors, in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue.

Complaint No. 1454.--In the matter of Malden Knitting Mills. Charge: Unfair methods of competition are charged in that respondent engaged in the manufacture and sale of knitted garments, labels certain of its garments "guaranteed all wool," "all wool," "100 per cent wool" and similar phrases, when in truth and in fact said knitted garments are not composed wholly of wool but of part wool and part cotton, and by said act places in the hands of dealers the means of committing a fraud upon each other and the consuming public which acts are to the prejudice of the public and respondent's competitors who do not so represent, in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue.

Complaint No. 1454.--In the matter of James J. Bradley; doing business under the trade name and style of James J. Bradley & Co. Charge: Unfair methods of competition are charged in that respondent engaged in the business of selling toilet and bath soaps, labels and stamps one of its soaps with the words "English Tub Soap," "Hanson-Jenks, Limited--London-New York" and "James J. Bradley & Co., sole agent, U. S. and Canada" which acts have the capacity and

tendency to and do mislead and deceive retail dealers and the consuming public into the belief that said soap is manufactured in England and imported into the United States, when in truth and in fact said soap is manufactured In the United States, which acts are to the prejudice of the public and respondent's competitors, in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue.

Complaint No. 1456.--In the matter of Hanford F. Smith. Charge: Unfair methods of competition are charged in that respondent, engaged in the business of teaching sundry arts, sciences, trades, etc., by correspondence, sets forth in his advertising numerous false and misleading statements as to his courses of

study, e. g., that respondent's courses are the courses of, and offered by an educational institution designated "Princeton University" or "Princeton N. I. University"; that respondent's institution conducts sundry departments with a properly qualified faculty; that pupils taking said courses will receive appropriate degrees and diplomas and that said Institution owns and possesses buildings and grounds in which its educational activities are carried on, all of which statements have the capacity and tendency to and do cause many of the public to take and purchase respondent's courses in the belief that said statements are true, all in alleged violation of section 5 of the Federal Trade Commission act. Status: Before the commission for final determination.

Complaint No. 1457.--In the matter of Samuel Breakstone. Charge: Unfair methods of competition are charged in that respondent engaged in the business of selling automobile parts, supplies and accessories, having bought in the open market from the United States Government certain spark-plug cores manufactured by the A C Spark Plug Co., one of respondent's competitors, bearing the symbol "A C," which cores were for use in airplane motors and would not function in automobile motors, has mounted said cores in spark-plug shells not made for or by said A C Spark Plug Co., makes written and oral representations to the public and dealers that said spark plugs are "A C" spark plugs manufactured by said competitor and designed and intended for use in automobile motors, and having procured a supply of certain cartons or containers formerly owned by said A C Spark Plug Co., packed its complete spark plugs therein, so placing in the hands of dealers a means of committing a fraud upon purchasers, said acts tending to divert and diverting business from respondent's said competitor and further, because respondent's spark plugs do not function properly, when applied to automobile motors, said acts tend to and do otherwise injure and prejudice said competitor, all of which acts are to the prejudice of the public and respondent's competitors, in alleged violation of section 5 of the Federal Trade Commission act. Status: Awaiting answer.

Complaint No. 1458.--In the matter of San Martin & Leon Co. (Inc.). Charge: Unfair methods of competition are charged in that respondent engaged in the business of selling and distributing cigars names and designates certain of Its cigars "Hoyo de Cuba," "Flor de San Marba Y Leon," and "El Briche" and sets forth on the boxes in which said cigars are packed the above phrases and in addition the words "Havana," "Mild Havana," "Mild Havana Cigars," and further that respondent labels the container of one of its cigars with the words "Guaranteed genuine Havana cigars from tobacco from our own plantation in Cuba," all of which acts have the capacity and tendency to and do mislead the trade and public into the belief that said cigars are composed wholly of Cuban or Havana tobacco when in truth and in fact said cigars are composed in part of Cuban or Havana tobacco, most of which is purchased by respondent in the open market, and in part of tobacco grown elsewhere, and which acts are to the prejudice of the public and of those of respondent's competitors who sell cigars composed wholly of Cuban or "Havana" tobacco, or who sell cigars composed in part of tobacco grown elsewhere and make no representations to the contrary, in alleged violation of section 5 of the Federal Trade Commission act. Status: Awaiting answer.

Complaint No. 1459.--In the matter of John F. Reichard doing business under the trade name and style Manchester Cigar Co. Charge: Unfair methods of competition are charged in that respondent engaged in the manufacture and sale of cigars labels the boxes and containers in which its cigars are packed with the words "Havana Cadet," which act has the capacity and tendency to and does mislead the trade and public into the belief that said cigars are composed of Havana tobacco when in truth and in fact said "Havana Cadet" cigars are composed entirely of tobacco grown elsewhere than in Cuba, and which act is to the prejudice of the public and of

those of respondent's competitors who sell cigars composed either entirely of Havana tobacco or entirely of tobacco grown elsewhere but without representing otherwise, in alleged violation of section 5 of the Federal Trade Commission act. Status: Awaiting answer.

Complaint No. 1460.--In the matter of Waterbury Clock Co., Ingersoll Watch Co. (Inc.), Ingersoll Watch Co., George H. Eberhard Co. Charge: Unfair methods of competition are charged In that respondents engaged in the manufacture and sale of certain watches named and denominated "Ingersoll" watches have enforced and still enforce a system of price maintenance by which they have established uniform minimum prices at which wholesale dealers shall resell to retail dealers and uniform minimum prices at which retail dealers shall resell said watches to the public, and by giving a certain notice and warn-

ing to dealers upon invoices, etc., and by trade letters, agreements with wholesalers and retailers, visits by salesmen, intimidation, tracing systems, refusals to sell, and other methods seek to and do maintain said system of resale prices, which act suppresses competition in the distribution and sale of said "Ingersoll" watches and deprives the ultimate purchasers of those advantages in prices which they would obtain from free competition, all of which is to the prejudice of the public in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue.

Complaint No. 1461.--In the matter of Wheeling Steel Corporation, John Wood Manufacturing Co., Detroit Range Boiler & Steel Barrel Co., W. A. Case & Son Manufacturing Co., Casy-Hodges Co. (Inc.), and the Scaife Manufacturing Co. Charge: Unfair methods of competition are charged in that respondents engaged in the manufacture and sale of range boilers have established and maintained a certain sales policy with the alleged intent and purpose to destroy two local producers and competitors in the Pacific coast market. These two competitors are the National Steel Construction Co. of Seattle and the National Boiler & Manufacturing Co. of Los Angeles, both of which, from their geographical position, are unable to buy the raw materials used in the manufacture of range boilers at a price which compares favorably to the price respondents pay, as said raw materials are produced in Eastern States. As the cost and transportation of the raw materials is reflected materially in the sales price of both respondents and their competitors the sales policy of respondents works to the disadvantage of respondents' competitors. The sales policy of respondents is as follows: For one fixed and uniform lump sum each respondent sells its range boilers and pays the actual cost of transportation thereof to all markets in all parts of the United States. This allows a larger profit on sales near respondents' factories, which larger profit makes up for the loss sustained on sales to the Pacific coast market which covers the States of California, Oregon, and Washington. In this market respondents lose money on all sales because of said sales policy, and because the respondents' uniform sales prices are lower than the sales prices of the two above-mentioned competitors the sales policy has the capacity and tendency to and does create a monopoly in and of said Pacific coast market, which acts are to the prejudice of the public and respondents' competitors in alleged violation of section 5 of the Federal Trade Commission act, and because of the uniform lump-sum sales policy local competition is eliminated and constitutes an unlawful discrimination against the purchasing public in large territories of the United States by depriving such purchasers of the advantage otherwise accruing to them from their proximity to one of the respondents' factories in alleged violation of section 2 of the Federal antitrust act. Status: Awaiting answer.

Complaint No. 1462.--In the matter of Pepsodent Co., a corporation. Charge: Unfair methods of competition are charged in that respondent, engaged in the business of manufacturing dentifrices which it sells and distributes under the trade brand or label "Pepsodent," has adopted and employed and still employs a system for the maintenance of uniform resale prices by securing the cooperation of its customers, to this end using such practices as trade letters and interviews, reports by dealers of other dealers who fail to observe and maintain the resale prices, refusal to sell to dealers who fail to observe said resale prices and entering in contracts, agreements, or understandings for the observance of said resale prices as a condition of entering into or continuing business relations with dealers, which acts have the capacity and tendency to constrain dealers uniformly to sell respondent's products at the resale prices designated by respondent and so to hinder and suppress the free competition which otherwise would exist among dealers in respondent's products, all of which is to the prejudice of the public and respondent's competitors in alleged violation of section 5 of the Federal Trade Commission act. Status: At issue.

Complaint No. 1463.--In the matter of W. R. Maxwell. Charge: Unfair methods of competition are charged in that respondent engaged at Chicago, Ill., under the trade name "National Business Institute," in selling a "Business Administration Course and Service," offers said course to customers at a price stated by him to be an "introductory price" or a "special price" of \$37.50 and that the regular price is \$150, when in truth and in fact \$37.50 is the regular price and the \$150 price is fictitious, and further represents that the course is a course in accountancy, when in truth and in fact it is not an accountancy course but is a course in business administration, which false

representations have the capacity and tendency to and do cause many persons to purchase said course in the belief that said representations are true, which acts are to the prejudice of the public and respondent's competitors in alleged violation of section 5 of the Federal Trade Commission act. Status: Awaiting answer.

Complaint No. 1464.--In the matter of V. Vivaudou (Inc.). Charge: Unfair methods of competition are charged in that respondent, engaged in the business of manufacturing and selling perfumes, cosmetics, and other toilet articles, has acquired the stock of the Alfred H. Smith Co., a distributor of cosmetics and toilet articles, and further has had Parfumerie Melba (Inc.), the stock of which is owned by respondent, acquire the control of the Melba Manufacturing Co., which acts have the effect of substantially lessening competition among the three corporations named and tend to create a monopoly, in alleged violation of section 7 of the Clayton Act. Status: At issue.

Complaint No. 1465.--In the matter of Havatampa Cigar Co. Charge: Un-fair methods of competition are charged in that respondent, engaged in the manufacture and sale of cigars, names and designates one of its cigars "Hoyo de Cuba," and sets forth on the boxes in which said cigars are packed the above phrase and in addition the words "Havana," "Havana," "Mild Havana," "Mild Havana," and "Mild Havana Cigar," and further makes similar representations in its various advertisements, which acts have capacity and tendency to and do mislead the trade and consuming public into the belief that said cigars are composed wholly of tobacco grown on the island of Cuba, when in truth and in fact they are composed in whole or in part of tobacco grown elsewhere, all of which is to the prejudice of the public and respondent's competitors who do not misrepresent their cigars, in alleged violation of section 5 of the Federal Trade Commission act. Status: Awaiting answer.

Complaint No 1466.--In the matter of Morris Steinberg, trading as Marvel Dress Co. Charge: Unfair methods of competition are charged in that respondent, engaged in conducting the sale of women's dress through mail orders, advertises said dresses as being made or decorated with "silk," "silk lustre pongee," "wool finish," etc., when in truth and in fact said dresses are made of cotton and contain no silk or wool whatsoever, in alleged violation of section 5 of the Federal Trade Commission act. Status: Awaiting answer.

Complaint No. 1467.--In the matter of Herbert L. Smith. Charge: Unfair methods of competition are charged in that respondent, engaged in the manufacture and sale of cigars, sets forth in advertising matter on containers and on bands used in connection therewith the words "Havana" and "Havana Brown," which representations have the capacity and tendency to and do mislead the trade and the consuming public into the belief that said cigars are composed wholly of tobacco grown on the island of Cuba, when in truth and in fact they are composed either in whole or in a substantial part of tobacco grown elsewhere than on the island of Cuba. Status: At issue.

EXHIBIT 8

STIPULATIONS PUBLISHED AFTER DELETING NAME OF RESPONDENTS

[The purpose of the following releases is to inform the public of those unfair methods and practices condemned by the commission and to establish Precedents that will serve to eliminate unfair business methods of interest to the public and injury to competitors. Stipulations Nos. 1 to 30, inclusive, were accepted by the commission during the fiscal year ended June 30, 1926, and appear in its annual report of that date.]

STIPULATION OF THE FACTS AND AGREEMENTS TO CEASE AND DESIST

STIPULATION No. 31

False and misleading advertising--Misbranding--Watches.--Respondent, a corporation, engaged in the sale and distribution of watches in interstate commerce, and in competition with individuals, firms, partnerships, and corporations similarly engaged, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition used by it in the sale of its products.

Respondent, in the sale and distribution of its watches as aforesaid, caused the same to be represented and described in advertising matter as being provided with cases made of "White Platinum Finish stamped 'Warranted 25 years,'" and with brands or labels containing the words and figures "Warranted 25 years" affixed to said watches, sold and distributed the same in commerce between and among various States of the United States; when in truth and in fact the said products were not manufactured from platinum, either in whole or in part, and were not such as would justify the use of the aforesaid customary mark of warranty or guaranty recognized by the purchasing public to designate jewelry products.

Respondent agreed to cease and desist forever from the use of the word "platinum", and/or the words and figures "Warranted 25 years," independently or in connection or conjunction each with the other or with any other word or words, or in any other way, to advertise or describe its products which may have the capacity or tendency to confuse, mislead, or deceive the public into the belief that the said products are manufactured of platinum, in whole or in part, and are such as justify the use of the customary mark of warranty or guaranty "Warranted 25 years" recognized by the purchasing public to designate jewelry products. Respondent further agreed that if it should ever resume or indulge in any of the practices mentioned herein, or shall in any manner violate the terms of this stipulation, the facts herein stated shall be deemed to have been proven and their truth admitted by the introduction of this stipulation in evidence against it.

STIPULATION No.32

False and misleading trade name--Misrepresentation--Hosiery.--Respondents, partners, engaged in the sale and distribution of hosiery in interstate commerce and in competition with individuals, firms, partnerships, and corporations likewise engaged, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition used by them in the sale of their products.

In the course and conduct of their business respondents adopted the word "mills" as a part of

their partnership or trade name, which said partnership or trade name containing the word "mills" they used on their letterheads, circulars, pamphlets, and other advertising matter circulated in interstate commerce in soliciting the sale of and selling their products, and they further advertised and represented their said products as sold direct from mill to consumer; when in truth and in fact the said respondents did not own, control, or

operate a mill or factory manufacturing the products sold by them Respondents also advertised for sale and sold, in interstate commerce, as silk stockings, hosiery which was not manufactured wholly of silk, but was made in part of a material other than silk.

Respondents agreed to cease and desist forever from the use of the word "mills" as a part of or in connection with their partnership or trade name in the sale of their products in interstate commerce, and also agreed to cease and desist from representing that their products were sold direct from mill to consumer. Respondents also agreed to cease and desist from the use of the word "silk" in advertising or describing hosiery not made wholly of silk, the product of the cocoon of the silkworm. Respondents also agreed that if they should ever resume or indulge in any of the practices mentioned herein, or should in any manner violate the terms of this stipulation, the facts herein stated shall be deemed to have been proven and their truth admitted by the introduction of this stipulation in evidence against them.

STIPULATION No.33

False and misleading brands and labels--Paints.--Respondent, a corporation, engaged in the sale of paint and paint products in interstate commerce, and in competition with individuals, firms, partnerships, and corporations like wise engaged, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition used by it in the sale of its products.

Respondent, engaged In the sale and distribution of certain of its aforesaid products in interstate commerce, caused the same to be sold in cans bearing labels describing the products as "French White Zinc," followed in smaller type by the word "compound," and a pictorial representation of a seal bearing the words "Republique Francaise," in connection with the words "Paris" and "Seal"; when in truth and in fact the said products so labeled and described were not produced by a French process, but were produced in the United States by an American process.

Respondent agreed to cease and desist forever from the use of the word "French" and the words "Republique Francaise" to describe its aforesaid products or any other word or words or insignia, which may have the capacity and tendency to confuse the public into the belief that the said products contained zinc oxide manufactured under the French process ; and the respondent further agreed to cease and desist forever from the use of the words "white zinc" to describe its said products, unless the said words "white zinc" are accompanied by the word "compound" in equally conspicuous type or unless said products are composed exclusively of zinc oxide. It is also agreed that if the aforesaid respondent should ever resume or indulge in the practices mentioned herein or shall in any manner violate the terms of this stipulation, the same may be used against it in a proceeding by the commission.

STIPULATION No.34

False and misleading advertising-Misbranding-Pearl necklaces.--Respondent, an individual, engaged in the sale and distribution in interstate commerce of imitation pearl necklaces and other articles of merchandise made of imitation pearls and in competition with other individuals, firms, partner-ships, and corporations likewise engaged, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition used by him in the sale of his products.

In the course and conduct of his business respondent caused his said products to be advertised in publications having circulation between and among various States of the United States and

in catalogues, circulars, and other printed matter distributed in interstate commerce; the said respondent also described and represented the clasps used on his said product as “Sterling Silver Clasps Platinum Finish” or “White Gold Clasp Platinum Finish,” and with labels including the words “Platinum Finish” affixed thereto, respondent sold his said products in commerce between and among various States of the United States ; when in truth and In fact the said clasps so advertised and sold were not manufactured from platinum, either in whole or in part, but were manufactured from a metal or metals other than platinum.

Respondent agreed to cease and desist from the use of the word "Platinum", either independently or in connection or conjunction with any other word or Words or in any other way to advertise or describe his products which may have the capacity and tendency to confuse, mislead, and deceive the purchasing public into the belief that the clasps of said products are manufactured from platinum, or until such time as the said respondent does actually sell and distribute in interstate commerce a product with platinum clasp as represented and described in the aforesaid advertisements and labels. Respondent also agreed that if he should ever resume or indulge in any of the practices mentioned herein, or should otherwise violate the terms of this stipulation, this said stipulation of facts may be used in evidence against him in the trial, of a complaint which the commission may issue.

STIPULATION No.35

False and misleading advertising--Fictitious price marking--Pearl necklaces.-- Respondent, an individual, engaged in the sale and distribution in interstate commerce of imitation pearl necklaces and other articles of merchandise made of imitation pearls, and in competition with other individuals, firms, partnership, and corporations likewise engaged, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition used by him in the sale of his, products.

In the course and conduct of his business, respondent caused his aforesaid products to be advertised in publications having circulation between and among various States of the United States, and also in catalogues, circulars, and other printed matter distributed in interstate commerce, the said advertising matter being in the form of a pictorial representation of the boxes or containers in which his said products were sold. Such advertisement included a pictorial representation of his brand or label, followed by the words and figures "Price \$15.00" or "Retail value \$15.00" ; and the said respondent also caused the boxes or containers in which said products were sold in interstate commerce, to be conspicuously marked or labeled with the aforesaid words and figures; when in truth and in fact the aforesaid words and figures used in said advertising matter and on said labels represented fictitious prices much in excess of the prices at which the said respondent sells his aforesaid products or contemplates the same to be sold by his vendees, and much in excess of the actual value and the prices at which the said products sell in the usual course of wholesale and/or retail trade.

Respondent agreed to cease and desist forever from the use of the words and figures "Price \$15.00" and "Retail value \$15.00" either independently or in connection or conjunction with any other word, words, or figures In his aforesaid advertisements, or on his brands or labels affixed to said products that directly assert or clearly import or imply that the aforesaid products are sold or intended to be sold at the aforesaid fictitious prices as advertised, and from the use of any other word, words, or figures in his advertisements, brands, or labels that may have the capacity and tendency to confuse, mislead, and deceive the purchasing public into the belief that the products are intended to be, or are sold at the fictitious prices as advertised and labeled. Respondent also agreed that if he should ever resume or indulge in any of the practices in question, the foregoing statement of facts may be used in evidence against him in the trial of the complaint which the commission may issue.

STIPULATION No.36

False and misleading representation--Disparagement of competitor's business--

Automobile accessories.--Respondent, a corporation, engaged in the sale and distribution in interstate and foreign commerce of automobile accessories and supplies and in competition with individuals, firms, partnerships; and corporations likewise engaged, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition used by it in the sale of its products.

In the course and conduct of its business respondent caused letters and other printed matter to be distributed among the trade and purchasing public in interstate and foreign commerce, wherein it represented that certain makes of motor cars were "assembled" cars--that is to say, that the said cars were not manufactured by the company whose name they bore, but were composed

of "parts and accessories" manufactured by other corporations, individuals, firms, and partnerships, and assembled by the company whose name the finished product bore ; when, in truth and In fact, the said motor cars were manufactured by the company whose name they bore and where not such as to come within that class of motor vehicles known to the trade and purchasing public as "assembled."

Respondent agreed to cease and desist forever from the use of declarations or statements in letters and other printed matter distributed in interstate and/or foreign commerce which import or imply that the aforesaid motor cars ere "assembled" cars, or which may have the capacity and tendency to confuse or mislead the trade and purchasing public Into the belief that the aforesaid motor cars are composed of "parts and accessories" manufactured by other corporations, individuals, firms, or partnerships, and assembled by the said company whose name the finished product bears. Respondent further agreed that if it should ever resume or indulge in any of the practices herein mentioned or shall in any manner violate the terms of the stipulation, the same may be used against it in a proceeding by the commission.

STIPULATION No.37

False and misleading advertising-Brands and labels--Mattresses.--Respondents, copartners, engaged in the sale and distribution of mattresses and similar products in Interstate commerce, and in competition with other partnerships, individuals, firms, and corporations likewise engaged, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition used in the sale of their products in commerce between and among various States of the United States.

In the course and conduct of their business, respondents caused certain of the mattresses sold by them in Interstate commerce to be designated, represented, and referred to as "Felt," the said product so sold having affixed thereto brands or labels bearings works "Reliable Felt" ; and the said respondents also caused the said products to be described in their advertisements, circulars, and other printed matter circulated and/or distributed in commerce between and among various States of the United States as "Reliable Felt" ; when in truth and in fact, the said products so advertised, branded, or labeled aud sold, were not manufactured wholly of material built up in compact layers and known to the trade and purchasing public as "felt" and were not manufactured from materials run through a "felting" or "garnetting" machine recognized by the trade and purchasing public as the process used in the manufacture of mattresses know as "Felt."

The said respondents also caused certain of the mattresses sold by them in interstate commerce to be described in their advertising matter and on the brands or labels affixed to said products as "Blended Mattresses Colored Cotton Filling"; when in truth and in fact the said products were not manufactured wholly from cotton filling, but were composed in varying quantities of fabrics or materials other than cotton.

Respondents agreed to cease and desist forever from the use of the words "Felt" or "Felting" in their advertising matter, or in their brands or labels, and from any other word or words which import or imply that the products sold by respondent are manufactured or fabricated from felted material, or which may have the capacity and tendency to mislead or deceive he purchasing public into the belief that the products sold by the said respondent in commerce between and among various States of the United States are manufactured or fabricated from material built up In compact layers, generally the result of having been run through a felting or garnetting machine, and known to the trade and purchasing public as "Felt."

Respondents also agreed to cease and desist forever from the use of the word "Cotton," either

independently or in connection or conjunction with any other word or words, In their advertising matter or as a brand or label for their products, which import or imply that the products are manufactured wholly from cotton ; and from the use of any other word or words which may have the capacity and tendency to mislead and deceive the purchasing public into the belief that the said products are manufactured of cotton.

Respondents also agreed that if they should ever resume or indulge in any of the practices in question, this said stipulation of facts may be used in evidence against them in the trial of the complaint which the commission may issue.

STIPULATION No.38

False and misleading advertising--Misrepresentation--Misbranding--Hosiery, etc.--

Respondents, copartners, engaged in the sale and distribution in interstate commerce of hosiery, silk underwear, men's shirts, and similar products, and in competition with other partnerships, individuals, firms, and corporations likewise engaged, entered into the following stipulations and agreements to cease and desist forever from the alleged unfair methods of competition used by them in the sale of their products in interstate commerce.

In the sale and distribution of their products in interstate commerce, respondents adopted as part of their trade name the word "Mills," which said trade name containing the word "Mills" they used in their advertisements, order blanks, letterheads, catalogues, and other printed matter, in soliciting the sale of and selling their products in interstate commerce, while on their letterheads and other printed matter they also used the statement or slogan "From Mill to Customer"; and the aforesaid respondents also caused the words "Composition Silk Hose" to be used in representing, designating, referring to, and describing certain of their hosiery products; when in truth and in fact said respondents did not sell hosiery manufactured entirely of silk, the product of the cocoon of the silkworm, nor did they own, control, or operate a mill or factory for the manufacture of the product sold by them.

In the course and conduct of their business the aforesaid respondents also caused certain hosiery sold by them in interstate commerce to be represented, designated, and described as "Semi-Fashioned"; when, in truth and in fact, the said hosiery so represented, designated, and described was not what is known to the trade and purchasing public as "fashioned" hosiery, but was hosiery known to the trade and purchasing public as "seamless" hosiery, being that type of hosiery knit flat over a cylinder and made to conform to the shape of the leg by means other than the process used in the manufacture of "fashioned" hosiery.

Respondents agreed to cease and desist forever from the use of the word "Mills" as part of, or in connection or conjunction with, their trade name in advertisements and other matters circulated in interstate commerce in soliciting the sale of and selling their products, and the use of the word "Mills," either independently or in connection or conjunction with any other word or words, in their advertising matter circulated in interstate commerce which may import or imply that said respondents own, control, or operate a mill or factory manufacturing the products sold by them; and the said respondents also agreed to cease and desist forever from the use of the word "Silk" to designate or describe hosiery sold by them in interstate commerce, which hosiery is not manufactured or fabricated wholly of silk the product of the cocoon of the silkworm; and the said respondents further agreed to cease and desist forever from the use of the word "Fashioned," either independently or in connection or conjunction with any other word or words in their advertising matter circulated in interstate commerce, except in designating or describing that class of hosiery manufactured by that process used in the manufacture of "fashioned" hosiery, such hosiery being made to conform to the shape of the leg, said shaping being accomplished by the dropping of stitches where the contour of the leg begins to narrow, thereby forming true gussets or "fashion marks" parallel to the leg seam, which said process of dropping stitches is carried out at the bottom of the heel, at the instep, the toe, and sometimes just below the garter welt at the back of the knee, giving in all cases permanent shape, effected by knitting.

Respondents also agreed that if they should ever resume or indulge in any of the practices in question, the foregoing statement of facts may be used as evidence against them.

STIPULATION No.39

False and misleading advertising--Misrepresentation--Misbranding--Hosiery.--
Respondent, an individual, engaged in the sale and distribution in interstate commerce of hosiery, in competition with other individuals, firms, partnerships, and corporations likewise engaged, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair method of competition used by him in the sale of his products in interstate commerce.

In the sale and distribution of his products in interstate commerce respondent used as a part of his trade name the word "Mills" and/or the word "Knit ting," which said trade names containing the word "Mills" and/or "Knitting" he used on his order blanks, letterheads, and other printed matter circulated and/or distributed In commerce between and among various States of the United States, while on his letterheads and other printed matter he also used the statement or representation, "Manufacturers and Exporters of High Grade Knit Goods"; and the aforesaid respondent also used in his circulars and other advertising matter distributed In interstate commerce such statements or representations as "Buy Direct and Save" and "Years of Experience in Making Hosiery"; when in truth and in fact respondent did not own, control, or operate a mill or factory for the manufacture of the product sold and distributed by him under his trade names, but filled all orders from products manufactured by a mill or factory which he neither owned, controlled, nor operated.

Respondent agreed to cease and desist forever from the use of the word "Mills" and/or "Knitting" as part of or in connection or conjunction with his trade names and with his advertisements and other printed matter circulated in interstate commerce, in soliciting the sale of and selling his products, and also from the use on his letterheads and other printed matter of the statement or representation, "Manufacturers and Exporters of High Grade Knit Goods," and from the use in his circulars and other printed matter of statements such as "Buy Direct and ave" and "Years of Experience in Making Hosiery" and the use of the word "Mills" or "Knitting," either independently or in connection or conjunction with each other, or hi any other way that may import or imply that the said respondent either owns, controls, or operates a mill or factory manufacturing the product which he sells and distributes in interstate commerce, and from the use of any other word or words in his trade names and the use of any other word or words, statements, or representations in his advertising or printed matter circulated in interstate commerce which may have the capacity and tendency to mislead or deceive the purchasing public into the belief that the respondent manufactures the products sold by him in commerce between and among the various States of the United States, or until such time as the said respondent does actually own, control, or operate a mill or factory for the manufacture of the product which he sells and distributes In interstate commerce. Respondent also agrees that if he should ever resume or indulge in any of the practices in question the foregoing statement of facts may be used as evidence against him.

STIPULATION No.40

False and misleading advertising--Misrepresentation--Misbranding--Printed stationery.-
-Respondent, a corporation, engaged In the sale and distribution in interstate commerce of printed stationery for social and business purposes, and in competition with other corporations, firms, partnerships, and individuals likewise engaged, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition used by it in the sale of its products in interstate commerce:

In the sale and distribution of its printed products in interstate commerce respondent used, as part of its corporate or trade name, the word "Engraving," which said corporate or trade name containing the word "Engraving" it used on its letterheads, order blanks, and other printed matter and also in advertisements inserted in publications having circulation between and among various States of the United States; and respondent, in soliciting the sale of and selling its printed products in interstate commerce, caused them to be designated, represented, and described in its advertisements, circulars, and other printed matter as "Engraved Stationery" and

“New Process Engraved Stationery,” when in truth and in fact respondent did not own, control, or operate a plant for the manufacture of engraved stationery products, and the method which it did employ consisted of the use of a chemical in powdered form applied to type printing while the ink is still wet, and which said method is not the process used in engraving and in no way included the process of producing an impression on stationery from inked engraved plates known to the trade and purchasing public as the engraving process.

Respondent agreed to cease and desist forever from the use of the word “Engraving” as part of, or in connection or conjunction with, its corporate

or trade name in the sale and distribution in interstate commerce of its printed products, and the use of its corporate or trade name containing the word "Engraving" in its advertisements and on its letterheads and other printed matter circulated or distributed in interstate commerce, and the use of the word "Engraving" either independently or in connection or conjunction with any other word or words, or in any other way, to define and describe its printed products, which import or imply that the products printed and sold by respondent are the result of impressions made from inked engraved plates, commonly known to the trade and purchasing public as "Engraving," or the use of any other word or words which may have the capacity and tendency to mislead and deceive the purchasing public into the belief that the products printed and sold by respondent are engraved. Respondent also agreed that if it should ever resume or indulge in any of the practices in question, the foregoing statement of facts may be used in evidence against it.

STIPULATION No. 41

False and misleading advertisements, brands, and labels--Cigars.--Respondents, copartners engaged in the manufacture of cigars and in the sale and distribution of same in interstate commerce, and in competition with individuals, firms, partnerships, and corporations likewise engaged, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition used by them in the sale of their product:

In the course and conduct of their business respondents manufactured cigars which they represented, described, and sold in interstate commerce under trade names, brands or labels containing the word "Havana," and also caused to be affixed thereto a label which included the word "Havana," and with the said labels affixed thereto said product in interstate commerce, when in truth and in fact the said product so represented, described, branded or labeled, and sold was not manufactured from Havana tobacco.

Respondents agreed to cease and desist forever from the use of the word "Havana" as descriptive of their product in soliciting the sale of and selling the same in interstate commerce, and also the use of the word "Havana," either independently or in connection or conjunction with any other word or words as a brand or label for their product sold in interstate commerce unless and until the said respondents do actually sell and distribute in interstate commerce cigars manufactured from tobacco grown on the island of Cuba. Respondents also agreed that if they should ever resume or indulge in any of the practices in question, the above evidence shall be deemed to be proved and its truth admitted by the introduction of this stipulation in evidence.

STIPULATION No. 42

False and misleading advertising--Misrepresentation--Misbranding--Mislabeling--Candy.--Respondents, copartners, engaged in the sale and distribution of candy in interstate commerce and in competition with individuals, firms, partnerships, and corporations likewise engaged entered into a stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition used by them in the sale of their products.

In the course and conduct of their business respondents used their trade name containing the word "Makers" in connection with the sale and distribution of their products in interstate commerce, and also used their trade name containing the word "Makers" on their letterheads, catalogues, and other printed matter circulated in interstate commerce, while in certain of their advertising matter respondents also used a pictorial representation of a plant or factory in

connection with their trade name containing the word "Makers," when in truth and in fact the respondents did not own, control, or operate a plant or factory for the manufacture of the candy which they sold in Interstate commerce, but filled all orders for such product from stock purchased by them and which was manufactured in a plant or factory which respondents neither owned, controlled, nor operated.

Respondents also circulated in interstate commerce advertising matter in which certain articles of merchandise were represented and described as "French Ivory," when In truth and in fact the said products were not made from tusks of mammals known to the trade and purchasing public as "Ivory," but were manufactured of a product other than ivory.

Respondents agreed to cease and desist forever from the use of the word "Makers" as a part of or in connection with their trade name, and also agreed to cease and desist from using in advertising matter the pictorial representation of a plant or factory either independently or in connection or conjunction with their trade name containing the word "Makers," or the use of any other word, words, or pictorial representation which may have the capacity and tendency to mislead and deceive the purchasing public into the belief that the respondents either own, control, or operate a mill or factory for the manufacture of the products which they sell.

Respondents agreed to cease and desist from the use of the word "Ivory" in advertising or describing products which are not manufactured from dentine obtained from the tusks of mammals, known to the trade and purchasing public as "Ivory."

Respondents further agreed that if they should ever resume or indulge in any of the practices in question, the facts herein stated shall be deemed to have been proved and their truth admitted by their introduction in evidence.

STIPULATION No. 43

False and misleading advertising--Misrepresentation--Paints, etc.--Respondent, an individual, engaged in the sale and distribution of paints, varnishes, and kindred products in interstate commerce, and in competition with other individuals, firms, partnerships, and corporations likewise engaged, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair method of competition used by him in the sale of his products.

In the course and conduct of his business respondent used letterheads, price lists, and other advertising and printed matter on which appeared the statement or representations "Manufacturers" and "Direct from Factory to You" and which he caused to be distributed in interstate commerce, and the respondent also caused advertisements to be inserted in newspapers having circulation between and among various States of the United States in which said advertisements he represented, described, and referred to his products as being sold "Direct from Factory to User," when in truth and in fact respondent did not own, control, nor operate a mill or factory for the manufacture of his products, but filled all orders for such products from stock manufactured by a mill or factory which he neither owned, controlled, nor operated.

Respondent agreed to cease and desist forever from the use on his letterheads, price lists, advertising, and printed matter, and in advertisements inserted in periodicals having circulation between and among various States of the United States, of the statements and representations "Manufacturers" and/or "Direct from Factory to You" and from the use of the aforesaid statements and representations either independently or in conjunction with any other word or words on his letterheads or in his advertisements or other printed matter circulated in interstate commerce in soliciting the sale of and selling his products, which import or imply that respondent is the manufacturer of the aforesaid products and from the use of any other word or words in his advertisements or other printed matter circulated in interstate commerce which may have the capacity and tendency to mislead and deceive the purchasing public into the erroneous belief that respondent manufactures the products which he sells and distributes in interstate commerce.

Respondent also agreed that if he should ever resume or indulge in any of the practices in question, the facts set forth in the stipulation should be deemed to have been proved and their truth admitted by their introduction in evidence.

STIPULATION No. 44

False and misleading advertising--Misbranding--Shawls.--Respondent, a corporation, engaged in the manufacture of shawls and robes and in the sale and distribution thereof in interstate commerce in competition with other corporations, firms, partnerships, and individuals likewise engaged, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition used by it in the sale of its products.

In the course and conduct of its business respondent manufactured robes and shawls which it branded and labeled as "wool robes" and as "wool shawls,"

and with such brands and labels containing the word "wool" affixed thereto caused said robes and shawls to be distributed in interstate commerce to its various customers located throughout the United States, who in turn sold said robes and shawls so branded and labeled to the consuming public, when in truth and in fact the products so branded and labeled were not composed wholly of wool, but were composed in part of a material or materials other than wool.

Respondent, in soliciting the sale of and selling its products in interstate commerce, agreed to cease and desist forever from the use of the word "wool" as descriptive of its products, and also from the use of the word "wool" either independently or in connection or conjunction with any other word or words on its brands or labels which import or imply that the said products are composed of wool.

Respondent also agreed that if it should ever resume or indulge in any of the practices in question, the above statement of facts shall be deemed to have been proven and their truth admitted by the introduction of this stipulation in evidence.

STIPULATION No. 45

False and misleading advertising--Misbranding--Umbrella.--Respondent, a corporation, engaged in the manufacture of umbrellas and umbrella parts and in the sale and distribution thereof in interstate commerce in competition with other corporations, firms, partnerships, and individuals likewise engaged, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition used by it in the sale of its products.

In the course and conduct of its business respondent advertised and described certain umbrella parts manufactured by it as being composed of "bakelite," causing such products so advertised and described to be sold and distributed to customers located in various States of the United States, when in truth and in fact the said products were not composed of bakelite, but were made in whole or in part of a material or materials other than bakelite.

Respondent agreed to cease and desist forever from the use of the word "bakelite" in its price lists, circulars, and other advertising matter circulated or distributed in interstate commerce and from the use of the word "Bakelite" in any other manner whatsoever to describe its umbrella parts which contain no bakelite, and from making any representations whatsoever which may have the capacity and tendency to mislead and deceive the purchasing public into the belief that the said products are composed in whole or in part of bakelite.

Respondent also agreed that if it should ever resume or indulge in any of the practices in question the above statement of facts may be used in evidence against it in the trial of the complaint which the commission may issue.

STIPULATION No. 46

False and misleading advertising--Umbrellas.--Respondent, an individual engaged in the manufacture of umbrellas and the sale and distribution of the same in interstate commerce, and in competition with other individuals, firms, and partnerships and corporations likewise engaged, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition used by him in the sale of his products in interstate commerce:

In soliciting the sale of and selling his umbrellas in interstate commerce aforesaid respondent represented and described the handles of the same in his circulars, price lists, and other

advertising matter as being made from a substance or compound known as “bakelite,” when in truth and in fact the handles of said products were not made of bakelite but from a substance or compound other than bakelite.

Respondent agreed to cease and desist forever from using the word “bakelite” in his price lists, circulars, and other advertising matter, or in any other manner whatsoever in connection with his umbrellas or parts thereof that would import or imply that the handles of said umbrellas were made either In whole or in part of a substance or compound known to the trade and purchasing public as “bakelite.”

Respondent further agreed that if he should ever resume or indulge in any of the practices above mentioned, this stipulation may be used in evidence against him in the trial of a complaint which the commission may issue.

STIPULATION No. 47

False and misleading brands or labels--Mattresses.--Respondent, a corporation, engaged in the manufacture of mattresses and the sale of the same in interstate commerce and in competition with other corporations, individuals, firms, and partnerships also engaged in the sale of similar products, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition used in the sale of its products.

Respondent caused certain mattresses manufactured by it and sold in interstate commerce to be represented and described as "Manufactured of new material," and also represented certain of the aforesaid mattresses as manufactured of "cotton fiber," and the said respondent also caused to be affixed to the aforesaid mattresses the following brand or label, "Manufactured of new material" and/or "Material used in filling, cotton fiber," and with the aforesaid brands and labels mixed thereto sold said products in commerce between and among various States of the United States, when in truth and in fact the said products so represented, designated, labeled, and sold in interstate commerce were not manufactured of new material and/or were not manufactured wholly from cotton and/or cotton fiber, but were manufactured in varying quantities of old or secondhand fabrics or materials, many of which said constituent fabrics or materials are not composed of cotton in whole or in part.

Respondent agreed to cease and desist forever from the use of statements or representations or labels purporting the material of which its aforesaid mattresses are manufactured to be new, and also agreed to cease and desist from the use of the word "cotton," either independently or in connection or conjunction with any other word or words in advertisements, circulars, and other printed matter in soliciting the sale of and selling said products; and the use of the word "cotton" either independently or in connection or conjunction with any other word or words as a brand or label for said products that would import or imply that the aforesaid products were and are manufactured from cotton and the use of any other word or words that may have the capacity and tendency to mislead and deceive the purchasing public into the erroneous belief that the products manufactured and sold by said respondent are in truth and a fact manufactured from new material, and are in truth and in fact manufactured from cotton and/or cotton fiber, or until such time as said respondent does actually manufacture, sell, and distribute in interstate commerce mattresses manufactured in accordance with the representations and labels affixed to said products.

It is further agreed that if respondent should ever resume or indulge in any of the practices as stated above, this stipulation may be used in evidence against said respondent.

STIPULATION No. 48

False and misleading advertising--Umbrella.--Respondents, copartners, engaged in the manufacture of umbrellas and the sale and distribution of the same in interstate commerce, and in competition with other individuals, firms, and corporations likewise engaged, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition used by them in the sale of their products in interstate commerce.

In soliciting the sale of and selling their umbrellas in interstate commerce aforesaid

copartnership represented and described the handles of the same in their circulars, price lists, and other advertising matter as being made from substance or compound known as "bakelite," when in truth and in fact the handles of said products were not made of bakelite, but from a substance or compound other than bakelite.

Respondents agreed to cease and desist forever from using the word "bakelite" in their price lists, circulars, and other advertising matter, or in any other manner whatsoever in connection with their umbrellas or parts thereof that would import or imply that the handles of said umbrellas were made in whole or in part of a substance or compound known to the trade and purchasing public as "bakelite."

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Respondents further agreed that if they should ever resume or indulge in any of the practices above mentioned, this stipulation may be used in evidence against them in the trial of a complaint which the commission may issue.

STIPULATION No. 49

Retail price maintenance--Fountain pens, etc.--Respondent, a corporation engaged in the manufacture of fountain pens, metallic pencils, and similar products and in the sale and distribution of the same in interstate commerce, and in competition with other corporations, individuals, firms, and partner-ships, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition used in the sale of its products.

Respondent, for more than one year prior to June 1, 1924, adopted and carried out and used in interstate commerce a policy or plan by which it sought to secure the maintenance by retail dealers of certain resale prices suggested by it on certain of its products. During the period heretofore mentioned said corporation repeatedly announced its resale prices to the trade and made it known generally that no cutting of these prices by retail dealers would be permitted, and that it would refuse to sell dealers failing to maintain such prices. In pursuance of such policy and in order to prevent price-cutting dealers from securing its goods, said respondent sought and secured the cooperation of its customers in procuring information of price cutting on the part of dealers handling its products, and used such information to prevent such price-cutting dealers from continuing to handle such respondent's products. Said corporation also used the services of its salesmen in investigating instances of price cutting and in inducing such price-cutting dealers to maintain its prices in the future. In certain cases of price cutting said respondent requested assurances, promises, or informal agreements for the maintenance of its resale prices in the future, and in case such was refused the necessary steps were taken by respondent to cut off such dealers and to refuse thereafter to ship further goods to them, and such dealers' accounts on the company's ledgers or other records were marked "Do not ship," and no goods were thereafter permitted to go forward to such dealers until and unless the respondent received from them such assurances, promises, or informal agreements as satisfied the corporation that such dealers would in the future observe and maintain said resale prices.

Respondent agreed to cease and desist forever from enforcing the maintenance of its said resale prices, (1) by securing by means of requests or invitations, either expressed or implied from the said respondent, to its customers for cooperation in procuring for its information instances of price cutting on the part of other dealers, or by seeking to secure the cooperation of its customers in procuring for it information as to instances of price cutting on the part of other dealers and by using the information obtained through such cooperative methods to prevent such dealers from handling said respondent's products; (2) by using the services of its salesmen or other representatives in investigating instances of suspected price cutting and in inducing price-cutting dealers, when detected, to give assurances, promises, or informal agreement to restore and maintain said corporation's suggested resale prices; (3) by securing or accepting from price cutting dealers, either directly or through its salesmen or other representatives, assurances, promises, or informal agreements as to the future maintenance by such dealers of said corporation's resale prices; (4) by marking the accounts of price-cutting dealers on said corporation's ledgers or otherwise with the words "Do not ship" or other similar expressions, and withholding further shipments from such price-cutting dealers until satisfactory assurances, promises, or in formal agreements have been given by them as to the future

maintenance of said resale prices; (5) in general, by carrying out any policy of resale price maintenance by limiting or restricting retail dealers in their freedom of fixing their own resale prices by means of any of the cooperative methods set forth above.

Respondent also agreed that if it ever resumed any of the said means and methods for the purpose, or with the effect, of enforcing maintenance of resale prices upon its products, or should, in any manner, violate the terms of this stipulation, then in' any proceeding before the commission based thereon the facts herein stated shall be deemed to have been proved and their truth admitted by said corporation and this stipulation shall be admissible in evidence to establish the said facts.

STIPULATION No. 50

Misbranding--Misrepresentation-Cotton fabric.--Respondent, a corporation, engaged as a converter and wholesale distributor of cotton fabric in inter-state commerce, and in competition with other corporations, firms, partnerships, and individuals, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition used by it in the sale of its product.

Respondent sold and distributed a fabric manufactured of cotton and finished with a highly mercerized surface resembling satin in appearance, causing said product to be advertised in various trade papers having circulation in interstate commerce, under the trade name "Satinmaid"; the aforesaid product was wrapped or wound on cards or boards upon the end of which appeared in conspicuous lettering the said name, "Satinmaid," when in truth and in fact the said product was not composed of silk or satin, either in whole or in part.

Respondent agreed to cease and desist forever from the use of the word "Satinmaid" in its advertisements, or as a brand or label for an all-cotton fabric without the use of suitable words in immediate conjunction with the said word, "Satinmaid," clearly showing that this is a cotton fabric, or the truth as to its silk content Respondent further agreed that should it in any manner violate the provisions of this stipulation in any proceedings before the commission based thereon the facts herein stated, or any of them, shall be deemed to have been proved and their truth admitted by the Introduction of this stipulation in evidence.

STIPULATION No. 51

False and misleading advertising--Misbranding--Books.--Respondent, a corporation, engaged in the manufacture of small pocket-sized edition of books and in the sale and distribution of the same in interstate commerce, and in competition with other corporations, individuals, firms, and partnerships similarly engaged, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition used in the sale of its product.

Respondent, prior to the year 1918, manufactured and sold In interstate commerce books of the pocket-size edition, which said books were bound in leather and were advertised and sold in interstate commerce by respondent featuring the word "Leather" as part of its trade name or designation, and said books became known to the public as leather-bound books. Subsequent to the year 1918 the aforesaid respondent caused the aforesaid books to be bound In a product other than leather but still continued to feature the word "Leather" as part of its trade name or designation in its advertisements and printed matter circulated in Interstate commerce, and also caused the word "Leather" to be included in its trade name or designation and stamped on the binding of the aforesaid books; when in truth and in fact the binding of said books was not composed of leather either In whole or in part, but was composed of a product other than leather.

Respondent agreed to cease and desist forever from the use of the word "Leather" in its trade name or designation stamped on the bindings of its said books and in advertising Its aforesaid product, and also from the use of the word "Leather" in any other way so as to import or imply that the said bindings were made of leather, and respondent further agreed before soliciting the sale of and selling the books now on hand that it would clearly and definitely advise the purchaser of such sets that the said books were not bound in leather.

Respondent further agreed that should it ever resume or indulge in any of the practices therein set forth, or in any manner shall violate the terms of this stipulation, then in any proceeding before the commission based thereon, said facts, or any of then, shall be deemed to have been

proved and their truth admitted by the introduction of this stipulation in evidence.

STIPULATION No. 52

False and misleading brand and labels--False advertising--Ken's shirts.--Respondent, a copartnership, engaged in the manufacture of men's shirts and in the sale of said products to retail dealers in interstate commerce, and in competition with other copartnership, individuals, firms, and corporations

likewise engaged, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition used in the sale of their product in interstate commerce.

Respondents, in the course and conduct of their business, manufactured and sold in interstate commerce shirts manufactured from a cotton fabric having a lustrous sheen resembling silk in appearance, which shirts they labeled "Subsilk," which said shirts, with the aforesaid labels affixed thereto, were sold by respondents to various customers located throughout the United States. Respondents agreed to cease and desist forever from the use of the word "Subsilk" in advertising matter and on labels used in describing or indicating shirts manufactured from a cotton fabric.

Respondents further agreed that if they should in any manner violate the terms of this stipulation, the facts herein stated, or any of them, shall be deemed to have been proved and their truth admitted by the introduction of this stipulation in evidence.

STIPULATION No. 53

Misrepresentation--Misbranding--etc.--Respondent, a corporation engaged in the manufacture, among other things, of bedding, including mattresses, pads, puffs, comforters, and similar products, and in the sale and distribution of the same in wholesale and/or retail quantities in interstate commerce, and in competition with other corporations, individuals, firms, and partnerships likewise engaged, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition used by it in the sale of its products:

Respondent, in the course and conduct of its business, caused certain mattresses, couch pads, and similar products sold by it in interstate commerce to be designated, represented, and referred to as "Colored cotton" and has represented the same in its advertisements, catalogues, price lists, and other printed matter as "Colored cotton mattress," "Colored cotton slab," "Colored cotton puff," "Alamo colored' cotton," "Banner colored cotton," "Dream colored cotton," "Colored cotton couch pad," "Colored cotton duofold puff," and "Colored cotton duofold pad," and the aforesaid respondent also affixed the aforesaid descriptive phrases to its said mattresses, couch pads, and similar products as brand or labels and with the aforesaid brands or labels affixed thereto sold said products in commerce between and among various States of the United States, when in truth and in fact the said products so designated, represented, described, labeled, and sold in interstate commerce were not manufactured wholly from cotton filling, but were composed in varying quantities of fabrics or materials not composed of cotton in whole or in part.

Respondent agreed to cease and desist forever from the use of the word "Cotton" either independently or in connection or conjunction with any other word or words in its advertisements, catalogues, price lists, circulars, and other printed matter in soliciting the sale of and selling its aforesaid products, and from the use of the word "Cotton" either independently or in connection or conjunction with any other word or words as a brand or label for its aforesaid products, and the use of the word "Cotton" either independently or in connection or in conjunction with any other word or words, or in any other way to describe its said products that directly assert or clearly import or imply that the said products sold by respondent were and are manufactured from cotton, and the use of any other word or words that may have the capacity and tendency to mislead and deceive the purchasing public into the belief that said products are manufactured from cotton.

Respondent further agreed that if it should resume or indulge in any of the practices as set

forth herein, this said stipulation of the facts may be used in evidence against it in the trial of a complaint which the commission may issue.

STIPULATION No. 54

Misrepresentation--Roofing cements, etc.--Respondent, a corporation, engaged in the sale of roofing cements, paints, enamels, varnishes, specialties, and other products in wholesale and/or retail quantities in interstate commerce, and in competition with other corporations, individuals, firms, and partnerships likewise engaged, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition used by it in the sale of its products.

In the course and conduct of its business respondent, in soliciting the sale of and selling its products, caused letterheads to be printed and circulated in interstate commerce on which said letterheads the said respondent made use of the following statement or representation: "Manufacturers of roofing cements, paints, enamels, varnishes, and specialties," when in truth and in fact the said corporation does not own, control, or operate, and has not owned, controlled, or operated a mill or factory for the manufacture of the aforesaid products sold and distributed by it in interstate commerce, but the said respondent has filled and now fills its said orders for the aforesaid products from stock which is manufactured by a mill or factory which It neither owns, operates, or controls.

Respondent agreed to cease and desist forever from the use on its letterheads of the statement or representation, "Manufacturers of roofing cements, paints, enamels, varnishes, and specialties," and the use of the word "Manufacturers" either independently or in connection or conjunction with any other word or words in its advertising and other printed matter circulated In interstate commerce that directly assert or clearly Import or imply that said respondent is the manufacturer of the products sold by it in interstate commerce; and respondent further agreed to cease and desist from the use of any other word or words in its advertising and other printed matter which may have the capacity and tendency to mislead the purchasing public Into the belief that the aforesaid products sold and distributed In interstate commerce by respondent are manufactured by it.

Respondent further agreed. that should it ever resume or Indulge in any of the practices herein set forth this stipulation may be used in evidence against it in the trial of a complaint which the commission may issue.

STIPULATION No.55

False ad misleading advertising--Misrepresentation--Hammers, etc.--Respondent, an individual, engaged in the manufacture, among other things, of a number of small tools, particularly hammers, and in the sale and distribution of the same in Interstate commerce, and in competition with other individuals, firms, partnerships, and corporations likewise engaged in the sale and distribution of small tools, particularly with manufacturers manufacturing said tools from steel, entered into the following stipulation of facts aud agreement to cease and desist from the alleged unfair methods of competition used by him in the sale of his products.

In the course and conduct of his business respondent caused catalogues, circulars, and other advertising matter to be circulated in interstate commerce in soliciting the sale of and selling his products in which advertising matter respondent caused certain hammers and similar products to be represented, described, and referred to as "High grade special steel," "Better quality of steel," "Made from dropped forged steel fully hardened and tempered," "Made of high grade Special Cast Steel hardened and tempered" and many other similar statements in said advertisements wherein the said products are referred to as "steel"; when in truth and in fact the said products are not steel and lack those constituent elements in order to properly classify the same as "steel," or to use the word "steel" in defining or describing said products.

Respondent agreed to cease and desist forever from the use of the word "steel" in the sale and distribution of his products in interstate commerce, and the use of the word "steel" in his catalogues, circulars, and other advertising matter used in soliciting the sale of and selling said product, and also the use of the word "steel" either independently or In connection or conjunction with any other word or words, or in any other way to define or describe his products that directly assert or clearly import or imply that the said products are steel.

Respondent further agreed that if be should ever resume or indulge in any of the practices in

question, this said stipulation of facts may be used in evidence against him In the trial of the complaint which the commission may issue.

STIPULATION No. 56

False and misleading advertising--Misbranding--Hammers, etc--Respondent, an individual, engaged in the manufacture of certain tools, Including hammers, hatchets, axes, wrenches, punches, and chisels, and in the sale of the

same in interstate commerce, and in competition with other individuals, firms, partnerships, and corporations also engaged in the sale and distribution of similar merchandise in interstate commerce, entered into the following stipulation of facts and agreement to cease and desist from the alleged unfair methods of competition used by him in the sale of his products:

Respondent, in the course and conduct of his business, has from time to time advertised and/or labeled said tools sold by him in interstate commerce as "Cast Steel," "Calumet Cast Steel," "Belmont Steel," "New Process converted steel," and "Semi-steel" and other designations indicating that said tools were made in whole or in part of steel, when in truth and in fact said tools contained no steel but were manufactured of malleable and/or cast iron.

Respondent agreed to cease and desist forever from advertising and/or labeling tools as "Cast Steel," "Belmont Steel," "Calumet Steel," and "New Process converted steel" or any other term indicating that the same are made of steel unless such tools so designated shall in fact be made of steel, and will cease and desist from designating any of said tools as "Semi-steel" unless said tools are in fact composed of a material meeting the technical requirements of said term "Semi-steel."

Respondent further agreed that if he should in any manner violate the provisions of this stipulation, then, in any proceedings before the commission based thereon, the facts herein stated, or any of them, shall be deemed to have been proved and their truth admitted by the introduction of this stipulation in evidence.

STIPULATION No. 57

Price maintenance--Fountain pens, etc.--Respondent, a corporation, engaged in the manufacture of fountain pens, mechanical pencils, and other allied products, and in the sale and distribution of the same in interstate commerce, and in competition with other corporations, individuals, firms, and partnerships likewise engaged, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition used by it in the sale of its products.

Respondent, in the course and conduct of its business, adopted a policy or plan by which it sought to secure the maintenance, by wholesale and retail dealers, of certain resale prices suggested by it to be charged by said wholesale and retail dealers respectively, for the various products manufactured and sold by respondent. Respondent repeatedly announced said resale prices to the trade and made it known generally that it would refuse to sell to any wholesale or retail dealers failing to maintain such prices, or selling to others who had failed to maintain the same. Pursuant to said policy and in order to prevent price-cutting dealers from securing its products, respondent secured the cooperation of its Jobber customers and others in procuring for it information as to instances of price cutting on the part of retail dealers' handling said products and used such information to prevent such price-cutting dealers from continuing to handle said products. Respondent exacted assurances, promises, or informal agreement from offending dealers for the future maintenance of such prices, and when such assurances were not] given respondent refused thereafter to ship its goods to them. Respondent instructed its salesmen to report instances of price cutting and the source of supply of such price-cutting dealers, and said respondent also required its jobber customers to sign so-called wholesale contracts whereby said jobbers have recognized their obligation to resell said product to the retail trade at discounts not to exceed the schedule regularly maintained by said corporation. Respondent adopted and put into use a system of code letters which were placed on the boxes containing its fountain pens sold to jobbers for the purpose of enabling said respondent to trace

the source of supply of price-cutting retailers ; and said respondent also' made notations In its records to the effect that its goods should not be shipped to dealers who failed to maintain said resale prices with the result that no goods were sold to such dealers unless and until said respondent received from them such assurances, promises, or informal agreements as satisfied said respondent that said dealers would in the future observe and maintain said prices.

Respondent agreed to cease and desist forever from enforcing the maintenance of its said resale prices (1) by seeking to secure the cooperation of Its customers, wholesale or retail, in procuring for it information as to instances of price cutting on the part of other distributors of its said products ; (2) by

securing or accepting from price-cutting dealers, either directly or through the representatives, assurances, promises, or informal agreements as to future maintenance of said corporation's resale prices as a condition of the shipment of further goods ; (3) by utilizing any system of code letters or other symbols for the purpose of tracing the source of supply of price-cutting dealers ; (4) by keeping records of the names of the price-cutting dealers and entering herein "Do not ship" or other similar notices as a means of preventing such dealers from securing said corporation's product until satisfactory assurances, promises, and/or informal agreements shall have been given by them as to the future maintenance of such resale prices ; (5) by requiring its jobber customers to sign any form of contract or agreement by which they recognize their obligation to maintain said corporation's resale prices ; (6) and in general by carrying out any policy of resale price maintenance whereby the freedom of wholesale or retail dealers in fixing their own resale prices is limited or restricted by means of any of the cooperative methods set forth herein or any similar cooperative methods.

Respondent further agreed that should it ever resume or indulge in any of the practices in question, or in any manner violate the terms of this stipulation, the facts herein set forth shall be deemed to have been proved and their truth admitted by said respondent and this stipulation shall be admissible in evidence to establish such facts.

STIPULATION No. 58

False and misleading trade name--Misrepresentation--Knitted products.--Respondents, a copartnership, engaged in the sale and distribution of knitted products in wholesale and/or retail quantities in Interstate commerce, and in competition with other copartnership, individuals, firms, and corporations, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition used by them in the sale of their products.

In the course and conduct of their business respondents adopted as part of their trade name the words "Knitting" and "Mills," which trade name containing aforesaid words they used on order blanks, invoices, shipping labels, letterheads, business cards, and other printed matter in soliciting the sale of and selling their products in interstate commerce. Said respondents also caused the statement "Manufacturers of knitted goods" to be used on their letterheads and other printed matter in soliciting the sale of and selling their products in interstate commerce, when in truth and in fact said copartnership neither owned, operated, or committed a mill or factory for the manufacture of the knitted products sold and distributed by it, and the orders received by said copartnership were filled by respondents from products purchased from a mill or factory which they neither owned, operated, or controlled.

Respondents agreed to cease and desist forever from the use of the words "Knitting" and/or "Mills" as part of, or in connection or junction with, their trade name and/or the statement "Manufacturers of knitted, goods," or any other word or words that would import or imply that the aforesaid respondents either owned, operated, or controlled a mill or factory manufacturing the products sold by them in interstate commerce. Respondents further agreed that should they ever indulge in any of the practices in this stipulation of facts, the same may be used in evidence against them in the trial of the complaint which the commission may issue.

STIPULATION No. 59

False and misleading advertising--Misbranding--Jewelry etc.--Respondent, a corporation,

engaged in the sale and distribution of jewelry and jewelry products, silverware, and similar merchandise in wholesale and/or retail quantities in interstate commerce, and in competition with other corporations, individuals, firms and partnerships, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition as set forth therein.

Respondent, in the course and conduct of its business, represented, described, and referred to certain watchcases sold by it in interstate commerce as "gold-filled" and also caused catalogues, circulars, and other printed matter to be circulated in interstate commerce in which said advertising matter the afore-

said respondent represented said watchcases as "gold-filled," when in truth and in fact the said watchcases represented, described, and referred to in its aforesaid advertising matter as "gold-filled" were not manufactured so as to contain not less than three one-thousandths of an inch in thickness of gold on the outside of said watchcases, and not less than one one-thousandths of an inch in thickness of gold on the inside of said watchcases, which said proportions are recognized by the trade as the specified standard of thickness for the manufacture of watchcases sold to the trade and purchasing public as "gold-filled."

Respondent agreed to cease and desist forever from the use of statements or representations in its catalogues, circulars, and other printed matter circulated in interstate commerce in soliciting the sale of and selling its products wherein it has represented that the aforesaid watchcases are "gold-filled" and the use of any other representation, declaration, or statement in its aforesaid catalogues and other printed matter that directly asserts or clearly imports or implies that the aforesaid watchcases were and are gold-filled and/or manufactured in the specified standard of not less than three one-thousandths of an inch in thickness of gold on the outside of said watchcases and not less than one one-thousandth of an inch in thickness of gold on the inside of said watchcases and otherwise conforms to that standard of manufacture known to the trade and/or purchasing public as gold-filled, and the use of any other word or words in its aforesaid advertising matter that may have the capacity and tendency to mislead and deceive the purchasing public into the erroneous belief that the said watchcases are manufactured of gold of the required thickness so as to be properly and accurately designated "gold-filled."

Respondent also agreed that if it should ever resume or indulge in any of the practices in question, this said stipulation of facts may be used in evidence against it in the trial of the complaint which the commission may issue.

STIPULATION No. 60

False and misleading advertising--Misrepresentation--Woman's wear.--Respondents, a partnership, engaged in the manufacture of vests, stepins, bloomers, dresses, princess slips, nightgowns, pajamas, negligees, and similar woman's wear, and in the sale of the same in interstate commerce and in competition with other partnerships, individuals, firms, and corporations likewise engaged, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition, as set forth therein.

Respondents, in soliciting the sale of and selling certain of their products in interstate commerce, have represented, described, and referred to the same on their letterheads as "Beaux Arts Silk Underwear," and also caused advertisements to be published in newspapers having general circulation between and among various States of the United States, in which said advertisements respondents have represented and described their products as "silk lingerie," when in truth and in fact the products represented and described on their letterheads and referred to in their advertisements as "Silk" are not manufactured from silk, the product of the cocoon of the silk worm, either in whole or in part, but are manufactured from a fabric or material other than silk.

Respondents agreed to cease and desist forever from the use of the word "Silk," other independently or in connection or conjunction with any other word or words, on their letterheads or other printed matter circulated in interstate commerce that directly assert or clearly import or imply that the products referred to are manufactured from silk, the product of the cocoon of the silk worm, or the use of the word "Silk" in any other way that may have the capacity and tendency to mislead and deceive the purchasing public.

Respondents also agreed that should they ever resume or indulge in any of the practices in

question, this said stipulation of facts may be used in evidence against them in the trial of the complaint which the commission may issue.

STIPULATION No. 61

False and misleading advertising--Misrepresentation--Men's wear.--Respondents, a copartnership, engaged In the manufacture of men's wear, including union suits, pajamas, and similar products, and women's underwear and outerwear, consisting of and including bloomers, stepins, dresses, sport suits, and similar products, and in the sale of the same in interstate com-

merce and in competition with other copartnership, individuals, firms, and corporations likewise engaged, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition as set forth therein.

Respondent, in soliciting the sale of and selling certain of their products in interstate commerce, represented and referred to the same in their circulars and other printed matter as being composed of or manufactured from "Art silk," when in truth and in fact the products so represented and described in the aforesaid advertising matter were not manufactured from silk, the product of the cocoon of the silk worm, either in whole or in part, but were manufactured from a fabric or material other than silk.

Respondents agreed to cease and desist forever from the use of the word "Silk," either independently or in connection or conjunction with any other word or words in their circulars or other printed matter circulated in interstate commerce in soliciting the sale of and selling said products, or the use of the word "Silk," either independently or in conjunction with any other word or words that directly assert or clearly import or imply that the products sold by respondents are manufactured either in whole or in part from silk, and the use of the word "Silk" in any other descriptive of the aforesaid products that may have the capacity and tendency to mislead and deceive the purchasing public into the erroneous belief that the products are manufactured from silk.

Respondents further agreed that should they ever indulge in any of the practices in question, this said stipulation of facts may be used in evidence against them in the trial of the complaint which the commission may issue.

STIPULATION No. 62

Misleading brands and labels--Cigars--Respondent, a corporation, engaged in the manufacture of cigars and in the sale and distribution of the same in interstate commerce, and in competition in other corporations, individuals, firms, and partnerships likewise engaged, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition as set forth therein.

Respondent, in the course and conduct of its business, manufactured certain cigars from tobacco grown in whole and in part elsewhere than on the island of Cuba, which said product respondent affixed to or caused a brand to be affixed thereto containing the label "Cuban Crop," and on the boxes or containers used in the marketing of said product there was stamped the following brands or legends: "Havana Blend" and "Cuban Crop," which said product, with the aforesaid label affixed thereto and with the aforesaid brands, labels, or legends stamped on the boxes or containers used in the marketing of the same, was sold and transported in commerce between and among various States of the United States, when in truth and in fact the said product so represented, described, labeled, and sold in interstate commerce was not manufactured wholly from tobacco grown on the island of Cuba, but was composed in whole or in part of tobacco grown elsewhere than on the island of Cuba.

Respondent agreed to cease and desist forever from the use of the words "Cuban Crop" and "Havana Blend" as a brand or label for said product, and the use of the aforesaid brand or label either independently or in connection or conjunction each with the other, or with any other word or words, or in any other way that may have the capacity and tendency to mislead and deceive the purchasing public into the erroneous belief that the product manufactured by respondent and sold in interstate commerce is manufactured wholly from tobacco grown on the island of Cuba and/or blended with tobacco grown elsewhere than on the Island of Cuba, or until such time as

said respondent actually sells in interstate commerce cigars manufactured wholly from Cuban tobacco on which it uses the brand or label "Cuban Crop" and/or until such time as the aforesaid respondent actually sells cigars manufactured of Havana or Cuban tobacco blended with tobacco grown elsewhere than on the island of Cuba on which it uses the brand or label "Havana Blend."

Respondent also agreed that if it should ever resume or indulge in any of the practices in question, this said stipulation of facts may be used in evidence against it in the trial of the complaint which the commission may issue.

STIPULATION No.63

Restriction of competition--Groceries, etc.--Respondent association is a corporation the officers and stockholders of which consist of corporations and copartnership, also respondents, and designated legitimate wholesale grocers or Jobbers, all of which said stockholding corporations and copartnership are engaged in the purchase in interstate commerce of groceries and allied products, such as soap, tobacco, canned goods, and salt from the manufacturers and producers thereof, and in the sale of the same in interstate commerce to retail dealers located in various States of the United States. The said corporations and copartnership constituting the stockholders in the aforesaid corporation, in the course and conduct of their businesses, are in competition with other wholesale grocers, and particularly with concerns known in the trade as cash-and-carry Jobbers and with so-called chain-store organizations which compete in the purchase of goods from manufacturers and producers located in various States of the United States. Prior to the organization of the said incorporated association it was the custom of manufacturers and producers of groceries and allied products, through brokers or factory representatives, to solicit the business of said cash-and-carry jobbers and chain-store organizations as well as the said stockholders and to make delivery of individual orders of less than carload lots in what is known or termed in the trade as "pool cars," whereby the orders of the purchasers were delivered in the same car and each purchaser would be given the benefit of carload freight rates.

One of the principal purposes for which the said stockholders organized the said incorporated association was for the obstruction and hindrance of, and interference with, the sources of supply of said cash-and-carry jobbers and chain stores, and in carrying out this and purpose said stockholders, cooperating with each other and with and through the said Incorporated association, have performed the following acts:

1. Said stockholders have agreed, among themselves and with the said incorporated association, to confine their purposes of groceries and allied products as far as possible to those products handled by the incorporated association.
2. Said stockholders have refused to handle and/or threatened to refuse to handle the products of manufacturers or producers who sell direct, or through brokers to so-called cash-and-carry jobbers and chain stores.
3. Said stockholders have caused the said incorporated association to solicit the accounts of manufacturers and producers who were selling to said cash-and-carry jobbers and chain stores, either direct or through factory representatives or brokers, and in such solicitation have caused said incorporated association to represent to said manufacturers and producers that the said stockholders were the principal wholesale grocers in a certain territory; that they were dissatisfied with the brokerage arrangements of said manufacturers and producers for the reason that said manufacturers and producers sold to the cash-and-carry jobbers and chain stores either directly or through factory representatives or brokers, and that said stockholders would not in the future handle the products of manufacturers or producers that sold to said cash-and-carry jobbers and chain stores, but, on the other hand, would endeavor to place all possible business through the said incorporated association; that said stockholders were dissatisfied with the custom of said manufacturers and producers of allowing their brokers to take orders from so-called cash-and-carry jobbers and chain stores and make deliveries in "pool cars" containing also the orders of goods sold to said stockholders; and that said stockholders opposed and would oppose the manufacturer who sold to cash-and-carry jobbers or chain stores and the pooling of shipments of merchandise sold to cash-and-carry jobbers and chain stores with purchasers of merchandise of said stockholders.

Respondents agreed to cease and desist forever the practices outlined above, and particularly

performing the following acts, to wit:

1. From agreeing among themselves to confine their purchases as far as possible to products manufactured or produced by those manufacturers or producers who do not permit their broker representatives to sell to cash-and-carry jobbers and chain stores, but who sell through the said respondents.
2. From either directly or indirectly refusing to handle or threatening to refuse to handle the products of manufacturers or producers who sell to cash-and-carry jobbers and chain stores, either directly or through brokers other than the said respondents.
3. From refusing to solicit the business of said cash-and-carry jobbers and chain stores.

4. From soliciting accounts of manufacturers and producers who have formerly been selling to said cash-and-carry jobbers and chain stores, either directly through brokers, and representing to said manufacturers and producers that the said stockholders were dissatisfied with the brokerage arrangement of said manufacturers or producers for the reason that the brokers representing said manufacturers and producers sold cash-and-carry jobbers and chain stores and "pooled" the shipments which they sold to cash-and-carry jobbers and chain stores with shipments of products sold to said stockholders, and representing to said manufacturers and producers that the said stockholders were opposed to the sales by manufacturers and producers to said cash-and-carry jobbers and chain stores, and the "pooling" of purchases made by them with purchases made by the said stockholders, and that in the future said stockholders would discontinue handling products which are thus sold and distributed to said cash-and-carry jobbers and chain stores.

5. Any and all other acts or practices similar to those outlined herein intended of designed to carry out the purpose of said stockholders of obstructing, hindering and/or interfering with the sources of supply of said cash-and-carry jobbers and chain stores.

Respondents also agreed that if they should ever resume or indulge In any of the practices in question, the above acts and practices may be used in evidence against them in the trial of a complaint which the commission may issue.

STIPULATION No. 64

False and misleading advertising and misrepresentation--Seed.--Respondents, a copartnership, engaged in the business of purchasing seed from producers thereof and In the sale of the same in interstate commerce and in com petition with other partnerships, individuals, firms, and corporations likewise engaged, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition, as set forth therein.

In the course and conduct of their business the aforesaid copartnership purchased its seeds of vegetables, fruits, and flowers from the producers thereof located in a State or States other than the State in which said respondents' business is located. In soliciting the sale of and selling their products said respondents caused catalogues to be circulated, in which said catalogues they represented themselves to be "exclusive producers" of said seeds, and also conveyed to the purchasers of the same that the seed was grown by them in their own nursery located in the State in which their said business was conducted, and in addition thereto respondents represented the section or county in which their alleged nursery was located as being of "black soil and unusual fertility" and other words and representations to the effect that said county was the "gardens spot of America" and that the "seeds raised in said county actually absorb from the soil that sturdiness, that fertility, that sure desire to grow which is part of everything cultivated in this garden spot of America"; when in truth and in fact the aforesaid respondents are not exclusive producers, and in fact are not producers or growers of the seed sold by them in interstate commerce, and the aforesaid seed was not and is not grown in the county or State in which said respondents' business is located.

Respondents agreed to cease and desist forever from the use of all words and representations that would import or imply that they owned, operated, or controlled nurseries In which were grown the seeds sold by them, and representations to the effect that the said seeds were grown in the county or State in which said respondents conducted their business.

Respondents further agreed that they would cease and desist from the use on their letterheads or other advertising matter of the representation to the effect that they were "exclusive producers" of the said seeds sold by them in interstate commerce.

Respondents agreed that if they should jointly or severally renew or indulge in any of the practices in question. this said stipulation of facts may be used In evidence against them in the trial of the complaint which the commission may issue.

STIPULATION No. 65

Misbranding--Misrepresentation--Knitted garments.--Respondent, a corporation, engaged in the sale and distribution of knitted garments in interstate commerce, and in competition with other corporations, individuals, firms, and

partnerships likewise engaged, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition as set forth therein.

Respondent in the course and conduct of its business caused a brand or label containing the words "All Wool" to be affixed to certain sweater coats, and with the aforesaid brand or label affixed thereto sold said sweater coats in commerce between and among various States of the United States, when in truth and in fact the said product so represented, described, labeled, and sold in interstate commerce was not manufactured wholly from wool but was composed in varying quantities of material or materials other than wool.

Respondent agreed to cease and desist forever from the use of statements or representations purporting the material of which the aforesaid sweater coats were manufactured to be "All Wool," and also agreed to cease and desist forever from the use of the word "Wool" either Independently or in connection or conjunction with any other word or words in advertisements, catalogues, circulars, and other printed matter in soliciting the sale of and selling said product that directly assert or clearly import or imply that the aforesaid product was manufactured from wool.

Respondent also agreed that if it should ever resume or indulge In any of the practices in question this said true stipulation of facts may be used in evidence against it in the trial of the complaint which the commission may issue.

STIPULATION No. 66

False and misleading advertising--Men's wear.--Respondent, an individual, engaged in the sale in interstate commerce of hose, garters, neckties, belts, suspenders, and similar products, and in competition with other individuals, firms, partnerships; and corporations likewise engaged, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition, as set forth therein.

In the course and conduct of his business in soliciting the sale of and selling said products, respondent caused catalogues, circulars, and other printed matter to be circulated In commerce between and among various States of the United States, in which said catalogues, circulars, and other printed matter said respondent represented, described, and referred to certain hose, garters, neckties, belts, suspenders, and similar products as "Rayon Silk," "Japanese Silk," or "Novelty Silk"; when in truth and in fact the aforesaid products so represented and described were not manufactured from silk, the product of the cocoon of the silkworm, either in whole or in part, but were manufactured from a product or products other than silk.

Respondent agreed to cease and desist forever from the use of the words "Rayon Silk," "Japanese Silk," or "Novelty Silk" in his catalogues, circulars, and other printed matter used In soliciting the sale of and selling said products in interstate commerce, and the use of the word "Silk" either Independently or in connection, or conjunction with any other word or words that directly assert or clearly import or imply that the products so represented are manufactured red from silk ; or the use of the word "Silk" in any other way descriptive of the aforesaid products that may have the capacity and tendency to mislead and deceive the purchasing public into the erroneous belief that the said products are manufactured from silk.

Respondent also agreed that if he should ever resume or indulge in any of the practices in question, this said true stipulation of facts may be used in evidence against him in the trial of the complaint which the commission may issue.

STIPULATION No. 67

False and misleading advertising--Misbranding--Shirts.--Respondent, a corporation,

engaged in the manufacture of shirts and in the sale and distribution of the same in interstate and foreign commerce and in competition with other corporations, individuals, firms, and partnerships likewise engaged, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition as set forth therein.

Respondent, in the course and conduct of its business, secured the services of agents and house-to-house canvassers in different States of the United States through the insertion of advertisements in newspapers, magazines, and other

publications, and through the medium of said agents sold in commerce shirts finished to simulate, in whole or in part, silk in appearance and texture and which said shirts were labeled and branded either as "Novelty White Fibre Silk" or as "Broadway Silk Striped Woven Madras," or as "Holyoke Lustrous Pongee," or as "Silkified Poplin"; when in truth and in fact the said shirts so labeled and sold in interstate commerce were not manufactured in whole or in part from silk, the product of the cocoon of the silkworm, but were manufactured from a fabric which did not contain silk either in whole or in part.

Respondent agreed to cease and desist forever from the use of the brands or labels "Novelty White Fibre Silk," "Broadway Silk Striped Woven Madras," "Holyoke Lustrous Pongee," or "Silkified Poplin," or any of them, in the advertisement, sale, and/or distribution of said shirts in commerce between and among various States of the United States and in foreign countries, or the use of the aforesaid words in any other way that may have the capacity and tendency to mislead and deceive the purchasing public into the erroneous belief that the shirts so advertised, or to which the said brands or labels, or any of them, are affixed, are composed wholly or in part of silk, the product of the cocoon of the silkworm.

Respondent further agreed that if it should ever resume or indulge in any of the practices in question, this said stipulation of facts may be used in evidence against it in the trial of the complaint which the commission may issue.

STIPULATION No. 68

False and misleading trade name--Misleading brands and labels--Varnishes, etc.-- Respondent, an individual, engaged in the manufacture of stains, varnishes, and similar products and in the sale and distribution of the same in interstate commerce, and in competition with other individuals, firms, partnerships, and corporations likewise engaged, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition as set forth therein.

Respondent adopted as part of his trade name the words "Standard Shellac" which said trade name containing the words "Standard Shellac" he used in the sale of a product in interstate commerce which he designated, represented, and labeled "Comp Pure Orange Shellac" or "Pure White Shellac," and with the aforesaid labels affixed thereto sold said product in commerce to purchasers thereof located in various States of the United States; when in truth and in fact the said product sold under his aforesaid trade name and so represented, designated, and referred to on the labels affixed thereto as "Shellac" was not compounded or manufactured wholly from genuine shellac gum dissolved in alcohol as recognized and understood by the trade and purchasing public to be the constituent elements or formula of which shellac is composed, but the same was compounded or manufactured in accordance with a formula containing constituent elements, ingredients, or substitutes other than contained in the product known to the trade and purchasing public as "Shellac."

Respondent agreed to cease and desist forever from the use of the words "Standard Shellac" as part of, or in connection with his trade name in the sale of his aforesaid product in interstate commerce, and also from the use of the word "Shellac" either independently or in connection or conjunction with any other word or words as a brand or label for said product, or in any other way that may impart or imply that the product to which the same is affixed is composed of pure shellac gum dissolved in alcohol, commercially known to the trade and purchasing public as "Shellac."

Respondent further agreed that if he should ever resume or indulge in any of the practices in question, this said true stipulation of facts may be used in evidence against him in the trial of the complaint which the commission may issue.

STIPULATION No. 69

Misbranding--False and misleading advertising--Mattresses.--Respondent, an individual engaged in the manufacture of mattresses and in the sale and distribution of the same in interstate commerce and in competition with other individuals, firms, partnerships, and corporations likewise engaged, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition as set forth therein.

Respondent, in the course and conduct of his business, caused certain mattresses manufactured by him and sold in interstate commerce to be represented as "Manufactured of all new material," and further represented certain of the aforesaid mattresses as being manufactured of "cotton fibre," and the said respondent also caused to be affixed to certain of the aforesaid mattresses the following brands and labels: "Manufactured of all new material," "This mattress is guaranteed to be strictly all new material," and "Filling cotton fibre," and with the aforesaid brands or labels affixed thereto sold said product in commerce between and among various States of the United States, when in truth and in fact the said product so designated, represented, described, labeled, and sold in interstate commerce was not manufactured of new material and was not manufactured wholly of cotton fiber, but composed in varying quantities of old or secondhand fibers or materials, many of which said constituent fabrics or materials were not composed of cotton in whole or in part.

Respondent agreed to cease and desist forever from the use, in interstate commerce, of representations or labels purporting the material of which his aforesaid mattresses are manufactured to be new, and also agreed to cease and desist forever from the use of the word "cotton," either independently or in connection or conjunction with any other word or words in advertisements, catalogues, circulars, and other printed matter in soliciting the sale of and selling said product ; and the use of the word "cotton," either independently or in connection or conjunction with any other word or words as a brand or label for his aforesaid product so as to import or imply that the same was and is manufactured from cotton ; and the use of any other word or words that may have the capacity and tendency to mislead and deceive the purchasing public into the erroneous belief that the product manufactured and sold by respondent is in truth and in fact manufactured from new material, cotton and/or cotton fiber.

Respondent further agreed that if he should ever resume or indulge in any of the practices in question, this said true stipulation of facts may be used in evidence against him in the trial of the complaint which the commission may issue.

STIPULATION No. 70

False and misleading advertising--Misrepresentation--Jewelry.-- Respondents, a copartnership, engaged in the sale and distribution in interstate commerce of jewelry, and in competition with other partnerships, individuals, firms, and corporations likewise engaged, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition as set forth therein.

Respondents, doing business under a trade name containing the word "Manufacturing," caused advertisements to be inserted in publications having circulation between and among various States of the United States, and in other advertising matter sent to customers and prospective customers located in various States of the United States, representing that the said respondents were manufacturers and importers of diamonds, watches, and jewelry ; that in the purchases of said products three profits were saved the customer ; that the respondents were rated as manufacturers by a certain board of trade and other representations to the effect that said respondents were manufacturers and importers of jewelry, the pictorial representation of a building purporting to be the home and factory of the said respondents being displayed in their advertising matter ; when in truth and in fact respondents were not manufacturers of jewelry and had no factory; Further, in their aforesaid advertising matter respondents advertised various articles of Jewelry as follows: Earrings described as "Platinum Finish with two French Pearls" and "Platinum Finish with Green Jade' hoop top"; toilet sets described as "Genuine French Ivory"; pearls described as " Supreme Pearls"; when in truth and in fact the said earrings described as platinum finish were not manufactured from platinum and contained no platinum

whatsoever, the said pearls were and are imitation, and the green jade hoop and top of the earrings was merely green In color and contained no genuine jade, and the so-called “French Ivory” was imitation ivory and was not obtained from the tusks of mammals, so as to be properly represented, described, and referred to as “Ivory.”

Respondents agreed to cease and desist from the use of the word “ Manufacturing” in their trade name, either independently or in connection or con-junction with any other word or words that directly assert or clearly import or imply that the said respondents manufactured the products sold by them

in interstate commerce and from the use of any other representations in their advertising matter, circulated in interstate commerce, which may have the capacity and tendency to mislead and deceive the purchasing public into the belief that the respondents are engaged in the manufacture of the jewelry sold by them in interstate commerce. Respondents also agreed to cease and desist (1) from the use of the word "Platinum" to describe articles not manufactured from platinum metal, (2) from the use of the words "Green Jade" to describe articles not composed of green jade, (3) from the use of the word "Pearls" to describe imitation pearls, (4) from the use of the word "Ivory" to describe Imitation ivory, and from the use of any of the aforesaid words other independently or In connection or conjunction with any other word or words that may have the capacity and tendency to mislead and deceive the purchasing public into the belief that the products to which they refer are in truth and in fact genuine.

Respondents further agreed that if they should in any manner violate the terms of this stipulation, the facts herein stated, or any of them, shall be deemed to have been proved and their truth admitted by the introduction of his stipulation in evidence.

STIPULATION No.71

False and misleading advertising--Misbranding--Necklaces etc.--Respondent, a corporation, engaged in the sale and distribution in interstate commerce of necklaces and bracelet snaps or clasps, and in competition with individuals, firms, partnerships, and corporations similarly engaged, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition used by it in the sale of its products.

Respondent, in the course and conduct of its business as aforesaid, caused its products, hereinbefore referred to and which were manufactured to resemble silver in color and appearance, to be stamped, marked, or inscribed with the word "Sterline" so as to resemble or simulate the word "Sterling," the usual and customary mark, inscription, or stamp used in the jewelry trade to denote or designate shiver, the alloy of which being in the proportion of nine hundred and twenty-five one-thousandth parts pure silver to seventy-five one-thousandth parts copper or other metal, legally fixed as the standard of fineness or "Sterling" or "Sterling shiver," and generally so recognized by the trade and purchasing public; when in truth and in fact the said products so stamped, marked, or inscribed and sold in interstate commerce are not manufactured from silver in whole or in part and are not that product known to the purchasing public as "Sterling" or "Sterling Silver."

Respondent agreed to cease and desist forever from the use of the word "Sterline" either independently or in combination with any other word or words, or in any other way as a brand or label for the aforesaid products sold by it in interstate commerce, which may have the capacity and tendency to mislead and deceive the purchasing public into the belief that the aforesaid products so designated and sold in interstate commerce are manufactured from silver either in whole or in part, and the use of any word or words as a brand or label for its aforesaid products that directly assert or clearly import or imply that the said products sold by the said respondent in interstate commerce are manufactured from silver in whole or In part or from that product known to the trade and purchasing public as "Sterling" or "Sterling Silver." Respondent further agreed that if it should In any manner violate the terms if this stipulation, the facts herein stated, or any of them, shall be deemed to have been proved and their truth admitted by the introduction of this stipulation in evidence.

STIPULATION No.72

False and misleading advertising--Misbranding--Jewelry.--Respondent, an individual, engaged in the sale and distribution in interstate commerce of jewelry, particularly snaps or clasps for necklaces, bracelets, and similar products and in competition with individuals, firms, partnerships and corporations similarly engaged, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition used by him in the sale of his products.

Respondent, in the course and conduct of his business as aforesaid, caused us products hereinbefore referred to and which were manufactured to resemble silver in color and appearance, to be stamped, marked, or inscribed

with the word "Starlite" so as to resemble or simulate the word "Sterling," the usual and customary mark, inscription, or stamp used in the jewelry trade to denote or designate silver, the alloy of which being in the proportion of nine hundred and twenty-five one-thousandth parts pure silver to seventy-five one-thousandth parts copper or other metal, legally fixed as the standard of fineness 3 "Sterling" or "Sterling Silver," and generally so recognized by the trade and purchasing public; when in truth and in fact the said products so stamped, marked, or inscribed and sold in interstate commerce were not manufactured from silver in whole or in part and were not that product known to the purchasing public as "Sterling" or "Sterling Silver."

Respondent agreed to cease and desist forever from the use of the word "Starlite," either independently or in connection or conjunction with any other word or words, or in any other way, as a brand or label for the aforesaid products, which may have the capacity and tendency to confuse, mislead, and deceive the purchasing public into the belief that the aforesaid products so designated and sold in interstate commerce are manufactured from silver either in whole or in part, and the use of any other word or words as a brand or label for its aforesaid products that directly assert or clearly import or imply that the said products sold by the said respondent in interstate commerce are manufactured from silver in whole or in part or from that product known to the trade and purchasing public as "Sterling or Sterling Silver."

Respondent further agreed that if he should in any manner violate the terms of this stipulation, the facts herein stated, or any of them, shall be deemed to have been proved and their truth admitted by the introduction of this stipulation in evidence.

STIPULATION No. 73

False and misleading advertising--Misrepresentation--Misbranding--Wearing apparel.--

Respondent, a corporation, engaged in a general mail-order business dealing principally in men's, women's, and children's wearing apparel and in the sale and distribution thereof in interstate commerce in competition with other corporations, individuals, firms, and partnerships similarly engaged, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition used by it in the sale of its products.

Respondent, in the course and conduct of its business as aforesaid, advertised for sale and sold in commerce products, as follows: Women's dresses described as "Wool Velour and French Coney Fur Trimmed * * * Tailored from Finely Woven Long-wearing Serge," when in fact such garments were manufactured from cotton serge trimmed with wool velour and coney fur; dresses described as "Silk Canton Crepe," when in fact such dresses were manufactured from a fabric containing a substantial proportion of fiber and imitation silk; dresses described as "Tussah Dress," when in fact it contained no genuine Tussah silk whatever, but was composed entirely of a cotton fabric; scarfs described as "Imported Manchurian Fox," when in fact such scarfs were manufactured from Chinese dogskins; dresses described as being manufactured from rayon silk and Spanish lace, when as a matter of fact such dresses were composed of imitation silk and lace of a domestic manufacture patterned after genuine Spanish lace; hose described as "Silk," "Rayon Silk," "Art Silk," and "Fiber Silk," when in fact such hose were composed entirely of artificial silk; men's shirts described as "Nu Silk," when in fact such products were not manufactured from silk; cotton sweaters described as "Wool Finished Sweaters," there being no wool in the garments; and ladies' hose described as "Full fashioned," when in fact said hose were not full fashioned as it is generally understood in the trade and by the public.

Respondent agreed to cease and desist forever from the use of any of the words (1) "Wool," (2) "Silk," (3) "Manchurian Fox," (4) "Spanish Lace," (5) "Full fashioned," (6) "Pongee" or "Tussah," either independently or in connection or conjunction with any other word or words

or in any other way in its advertising matter, to describe, respectively, (1) products not composed of wool, or products not wholly composed of wool unless accompanied by word or words clearly indicating that such products are not made wholly of wool; (2) products not wholly composed of silk, the product of the cocoon of the silk worm, unless accompanied by word or words clearly indicating that such products are not made wholly of silk, the product of the cocoon of the silk worm; (3) products manufactured of Chinese dogskin or any other substitute for Manchurian fox; (4) products manufactured in the United States; (5) hosiery products not full fashioned as that term is understood in the trade and by the public, meaning

a hose knit fiat and sewed together to form the shape of the ankle; (6) products not composed of silk, the product of the cocoon of the silk worm, unless accompanied by word or words clearly indicating that such products are made in part of cotton or of material other than silk.

Respondent further agreed that if it should in any manner violate the terms of this stipulation, the facts herein stated, or any of them, shall be deemed to have been proved and their truth admitted by the introduction of his stipulation in evidence.

STIPULATION No. 74

False and misleading advertising--Course of instruction.--Respondent, an individual, engaged in the sale in interstate commerce of a course of instruction by correspondence to applicants for examinations held by the Civil Service Commission and in competition with other individuals, firms, partnerships, and corporations likewise engaged, entered into the following stipulation of facts and agreement to cease and desist forever from the use of the alleged unfair methods of competition as set forth therein:

Respondent in the course and conduct of his business adopted a trade name, which said trade name contained the words "Civil Service," he used in soliciting the sale of and selling in interstate commerce his course of instruction. as contained in pamphlets of instruction, interrogatories, examination blanks, and/or textbooks, and other printed matter, and caused the said trade name to be used in advertisements inserted in publications having a general circulation between and among various States of the United States, and caused the said trade name containing the words "Civil Service" to be used on his letterheads, enrollment blanks, catalogues, circulars, and other printed matter which he circulated or caused to be circulated in interstate commerce in soliciting the sale of and selling the aforesaid correspondence course of instruction, and in addition to the use of the words "Civil Service" as part of his trade name respondent also used in connection with the sale of said course of instruction certain representations to the effect that "vacancies in the Railway Mail Service throughout the United States at the entrance salary of \$1,600 per year will be filled from this examination," also "we send a series of examinations on this subject just like the ones given by the commission and which the student is expected to work out and return to the school for criticism and correction," when in truth and in fact the aforesaid course of instruction is in no way connected with the Government of the United States, and the said course of instruction is not indorsed, recommended, or otherwise approved by the Civil Service Commission, and vacancies in the Railway Mail Service are not, and have not been, filled from examinations compiled and conducted by the said respondent, and examinations compiled and conducted by the respondent are not the same as examinations compiled and used by the Civil Service Commission.

Respondent agreed to cease and desist forever from the use of the words "Civil Service" as a part of his trade name in soliciting the sale of and selling his course of instruction in interstate commerce, or the use by him of the words "Civil Service" on his letterheads, interrogatories, examination blanks, pamphlets, books, or other printed matter sold and/or distributed by him in interstate commerce, and the use by him in catalogues or other printed matter of representations that directly assert or clearly import or imply that vacancies in the Railway Mail Service are filled from examinations compiled and conducted by him, and/or that the examinations as conducted by him in his course of instruction are just like, or otherwise similar, to those compiled and conducted by the Civil Service Commission, or the use by said respondent of any word, words, or representations in any way that may have the capacity or tendency to mislead or deceive the purchasing public into the erroneous belief that the aforesaid course of instruction conducted by said respondent was and is connected with the Government of the United States, and the use of any other word, words, or representations that may have the

capacity or tendency to mislead or deceive the purchasing public into the belief that the aforesaid course of instruction is indorsed, recommended, or otherwise approved by the Civil Service Commission or in any way is under the control or supervision of the United States Government.

Respondent also agreed that if he should ever resume or indulge in any of the practices in question this said stipulation of facts may be used in evidence against him in the trial of the complaint which the commission may issue

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STIPULATION No. 75

False and misleading advertising--Misbranding--Cotton fabric.--Respondent, a corporation, engaged as a converter, wholesale and retail distributor of cotton fabric in interstate commerce and in competition with other corporations, partnerships, firms, and individuals likewise engaged, entered into the following stipulation of facts and agreement to cease and desist from the alleged unfair methods of competition used by it in the sale of its product as set forth therein:

Respondent converted and sold a fabric manufactured of cotton and finished so as to resemble or simulate silk in appearance and finish, causing said product to be advertised in various trade papers having circulation in interstate commerce under the trade name "Satinspun," and the aforesaid product was wrapped or wound on cards or boards upon the ends of which appeared in conspicuous letters the said name "Satinspun," when in truth and in fact the said product was not manufactured from silk, the product of the cocoon of the silk worm, either in whole or in part, but was manufactured from a product or products other than silk.

Respondent agreed to cease and desist forever from the use of the word "Satinspun" in its advertising, or as a brand or label for its product sold by it in interstate commerce, and the use of the word "Satinspun" in its circulars, folders, or other printed matter circulated in commerce between and among various States of the United States in soliciting the sale of and selling its product, and the use of any other word or letters, or combination of words or letters, in which is included the word "satin," used either independently or in connection or in conjunction with any other word or words, letter or letters, to define or describe its product that directly assert or clearly import or imply that the product sold by said respondent in interstate commerce was and is manufactured of silk, the product of the cocoon of the silkworm, or the use of any other word or words that may have the capacity and tendency to mislead the purchasing public into the belief that the product converted or finished by said respondent and sold by it in commerce is that product known to the trade and purchasing public as "Silk" or "Satin."

Respondent also agreed that if it ever resumed or indulged in any of the practices in question, this said true stipulation of facts may be used in evidence against it in the trial of the complaint which the commission may issue.

STIPULATION No. 76

False and misleading advertising--Misrepresentation--Rugs.--Respondent, a corporation, engaged in the sale and distribution in interstate commerce of rugs and in competition with other corporations, individuals, firms, and partnerships likewise engaged, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition used by it in the sale of its products.

Respondent, in the course and conduct of its business, caused to be circulated in interstate commerce catalogues and other advertising matter, in which appeared statements or representations such as "Direct From Our Looms To Your Rooms at 40% Saving," "Order Your Rugs From * * * Mills, the Largest and Oldest Rug Manufacturers in the World Dealing Direct With the Home," and "You Are Dealing Direct with the * * * Mills," when in truth and in fact the said respondent did not make or manufacture all of the rugs which it sold in interstate commerce, but customarily filled orders for such products from stock manufactured by a mill or factory which it neither owned, operated, or controlled. In its circulars and other printed matter distributed in interstate commerce respondent represented that the rugs manufactured by it from old rugs and carpets furnished by its customers were actually manufactured from the identical material thus furnished by each of its customers, when as a matter of fact the

respondent customarily mixed together all of the old materials furnished by its various customers, so that the rugs manufactured therefrom were not manufactured from the identical material furnished by any individual customer.

Respondent agreed to cease and desist forever from using In its catalogues, circular's, and other advertising matter circulated in interstate commerce statements or representations such as "Direct From Our Looms to Your Rooms," "You Are Dealing Direct with the * * * Mills," either independently or in

connection or conjunction with any other word or words in its advertising matter circulated in interstate commerce in soliciting the sale of and selling its products, which would import or imply that respondent is the manufacturer of the said products unless and until said respondent actually manufactures all of such products advertised and sold by it as aforesaid, and from the use of any statements, representations, or words in its advertising matter circulated in interstate commerce which may have the capacity and tendency to mislead and deceive the purchasing public into the belief that the respondent manufactures all of the products which it sells and distributes in interstate commerce; and the said respondent also agreed to cease and desist from representing to its customers and prospective customers that it manufactures or would manufacture rugs from the identical material furnished by said customers and prospective customers unless and until said respondent does so manufacture said rugs.

Respondent further agreed that if it should in any manner violate the terms of this stipulation, the facts herein stated, or any of them, shall be deemed to have been proved and their truth admitted by the introduction of this stipulation in evidence.

STIPULATION No. 77

False and misleading advertising--Misrepresentation--Clothing--Respondent, a corporation, engaged in the sale and distribution of clothing in interstate commerce and in competition with other corporations, partnerships, firms, and individuals likewise engaged, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition as set forth therein.

Respondent, in the course and conduct of its business, caused its corporate or trade name containing the word "Mills" to be used in advertisements inserted in newspapers having a general circulation between and among various States of the United States, and also caused its said corporate or trade name containing the word "Mills" to be placed on its order blanks, letterheads, and other printed matter which it circulated in interstate commerce in soliciting the sale of and selling its product, when in truth and in fact said respondent did not own, operate, or control, at any time since its incorporation, a mill or factory for the manufacture or fabrication of the cloth from which the product sold by it is made, and said respondent filled its order for clothing from cloth fabricated by mills or factories that it neither owned, operated, nor controlled.

Respondent agreed to cease and desist forever from the use of the word "Mills" as a part of or in connection or conjunction with its corporate or trade name, in the sale and distribution of its product in interstate commerce, and the use of its said corporate or trade name containing the word "Mills" in its advertisements inserted in newspapers having a general circulation between and among various States of the United States, and on its order blanks, letterheads, and other printed matter circulated in interstate commerce in soliciting the sale of and selling its product, or the use of the word "Mills" in any other way that may have the capacity and tendency to mislead and deceive the purchasing public into the belief that said respondent either owns, operates, or controls a mill or factory for the manufacture of the cloth from which its product is made, or until such time as the said respondent does actually own, operate, or control a plant or factory for the manufacture of the cloth from which is made the product which it sells and distributes in interstate commerce.

Respondent also agreed that if it ever resumed or indulged in any of the practices in question, this true stipulation of facts may be used in evidence against it in the trial of the complaint which the commission may issue.

STIPULATION No. 78

Use of lottery scheme--Candy.--Respondent, an individual, engaged In the manufacture and sale in interstate commerce of a certain candy product in competition with other individuals, firms, partnerships, and corporations similarly engaged, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition as set forth therein:

Respondent, in the course and conduct of his business in interstate commerce. sold products consisting of pieces of chocolate-covered candy on the ends of

sticks, the candy being placed in a small paper bag, wherein was also placed a slip of paper on which was printed one of the letters comprising the name under which the candy was sold, together with pictures and descriptions of various premiums. One of these premiums, according to selection, was given to the purchaser of the candy products who secured all the letters making up the words in the name under which the candy products were sold, as above explained.

Respondent agreed to cease and desist forever from the use in interstate commerce of any scheme, plan, or method of selling or promoting the sale of his products which involves or includes the use of any gift enterprise, lottery, or any scheme of chance whereby any article is given as a prize or premium for and in consideration of any other article, and the respondent also agreed to cease and desist from carrying or causing to be carried from one State of the United States to another State of the United States candy placed in boxes, cartons, or other containers having therein any paper, certificate, or instrument purporting to be, or representing a chance, share or interest in, or dependent on the event of a lottery, so-called gift concern, or any other similar enterprise offering prizes dependent on lot or chance.

Respondent further agreed that if he should in any manner violate the terms of this stipulation, the facts herein stated, or any of them, shall be deemed to have been proved and their truth admitted by the introduction of this stipulation in evidence.

STIPULATION No. 79

False and misleading advertising--Hosiery.--Respondent, a corporation, engaged in the sale and distribution of hosiery in interstate commerce and in competition with other corporations, firms, partnerships, and individuals likewise engaged, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition as set forth therein:

Respondent, in the course and conduct of his business, manufactured, sold, and distributed in interstate commerce, hosiery fabricated of an animal or vegetable fiber resembling silk, the product of the cocoon of the silkworm. This hosiery was shipped in packages, the labels on which contained the word "Silk," and to each piece of said hosiery was affixed a label bearing the word. "Silk." These packages containing the hosiery aforesaid were sold by said respondent to wholesale dealers located in various States of the United States, and, labeled or branded as aforesaid, were sold by the said wholesale dealers to retail dealers, who in turn offered for sale and sold the said hosiery so branded or labeled to the purchasing public. For the purpose of promoting the sale of said hosiery, respondent advertised in magazines circulated in interstate commerce, in which advertisements respondent represented and described the hosiery sold by it as silk; when in truth and in fact, the hosiery so represented and described was not manufactured of silk, either in whole or in part, but was manufactured of a product or products other than silk.

Respondent agreed to cease and desist forever in soliciting the sale of and selling its product in interstate commerce, from directly or indirectly using as a brand or label on hosiery sold by it, or on the containers thereof, or in advertisements thereof, the word "Silk," or any modification thereof, unless the hosiery designated as "Silk" is made entirely of silk, the product of the cocoon of the silkworm; or the use by it of the word "Silk" in any other way that may have the capacity and tendency to mislead and deceive the purchasing public into the belief that the product sold by it is made of silk.

Respondent also agreed that if it should ever resume or indulge in any of the practices in question, this true stipulation of facts may be used against it in the trial of the complaint which the commission may issue.

STIPULATION No. 80

False and misleading advertising--Misrepresentation--Men's clothing.--Respondent, a corporation, engaged in the manufacture and sale of men's clothing in interstate commerce, and in competition with other corporations, firms, partnerships and individuals likewise engaged, entered into the following stipulation. of facts and agreement to cease and desist forever from the alleged unfair methods of competition as set forth therein.

Respondent, in the course and conduct of its business, manufactured and sold men's clothing, through its agents or representatives located in various States of the United States, who solicited orders for said clothing, measured the cus-

tomers, and forwarded the order to respondent at its place of business located in a State other than the State in which said order was taken. Respondent filled said orders by manufacturing the clothing according to the measurements so taken and shipping the same in interstate commerce to the purchaser by parcel post or by some common carrier. For more than 15 years last past respondent caused its corporate or trade name containing the word "Mills" to be used in its business and displayed prominently on its stationery and other printed matter, and caused said stationery, consisting of order blanks, letterheads and other printed matter to be circulated in interstate commerce in promoting the sale of and selling its product; when in truth and in fact, respondent did not own, operate or control, and had not owned, operated or controlled, at any time, a mill or factory for the manufacture or fabrication of the cloth from which said clothing sold by it was made, and respondent filled its orders from cloth fabricated by mills or factories that it neither owned, operated, nor controlled.

Respondent agreed to cease and desist forever from the use of the word "Mills" as part of or in connection or conjunction with its corporate or trade name in the sale and distribution of its product in interstate commerce, and the use of its said corporate or trade name containing the word "Mills" on its order blanks, letterheads or other printed matter circulated or distributed in interstate commerce in soliciting the sale of and selling its product, or the use of the word "Mills" in any other way that may have the capacity and tendency to mislead and deceive the purchasing public into the erroneous belief that said respondent either owns, operates, or controls a mill for the manufacture of the cloth from which is made the clothing it sells in interstate commerce.

Respondent also agreed that if it should ever resume or indulge in any of the practices in question, this said true stipulation of facts may be used in evidence against it in the trial of the complaint which the commission may issue.

STIPULATION No. 81

Misbranding--Misrepresentation--Shoes.--Respondent, a corporation, engaged in the manufacture of shoes and in the sale of the same in interstate commerce, and in competition with other corporations, firms, partnerships, and individuals likewise engaged, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition as set forth therein.

Respondent, in the course and conduct of its business, in soliciting the sale of and selling shoes in interstate commerce, caused its said products to be marked, stamped, branded, or labeled so as to simulate the brands or labels used by manufacturers of shoes made in accordance with Army specifications under Government contract. Said respondent caused the name of an inspector to be stamped thereon, as is usually done by Army or Government officials when inspecting shoes for the United States Army, and said respondent marked, stamped, branded, or labeled its said products on the soles thereof, "Munson Last, Army Shoe," with the name of the inspector stamped on said soles; when in truth and in fact, the said products so marked, stamped, branded or labeled, and sold in interstate commerce, were not manufactured by said respondent for the United States Army in accordance with Army specifications or Government requirements, and had not been subject to inspection by any United States or Government official.

Respondent agreed to cease and desist forever from the use in the sale and/or distribution of its products in interstate commerce of the word "Army," either independently or in connection or conjunction with the name of an inspector, or in connection or conjunction with any other

word, words, figures, numerals, or insignia, that may import or imply that the products so marked, stamped, branded, or labeled were made in accordance with United States Army specifications or Government requirements, and had been passed upon or approved by Army or Government inspectors, or that may have the capacity and tendency to mislead and deceive the purchasing public into the belief that the said products so marked, stamped, labeled, or branded are manufactured for the United States Army in accordance with Army specifications or Government requirements, or the said products have been declared and sold as surplus stock by the United States Army or Government, unless and until such time as the products of its manufacture, so marked, stamped, branded, or labeled are made under contract for the United States Army and in accordance with United States Army specifications or Government requirements, or until such time as

said products have been declared and sold as surplus stock by the United States Army or Government.

Respondent also agreed that if it should ever resume or indulge in any of the practices in question, this true stipulation of facts may be used in evidence against it in the trial of the complaint which the commission may issue.

STIPULATION No. 82

Use of lottery scheme--Candy.--Respondent, a corporation, engaged in the manufacture of candy and in the sale and distribution of the same in interstate commerce, and in competition with other corporations, firms, partnerships, and individuals likewise engaged, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition as set forth therein.

Respondent, in the course and conduct of its business, put up a certain carton or assortment of candies containing chocolate, which said carton it sold in interstate commerce to its vendees. Said carton contained 108 bars of candy together with a 1-pound box of chocolate candy. Said 108 bars were all of uniform size and shape and were covered with chocolate, each bar being inclosed in a wrapper identical in all respects and the interiors or centers of said bars were completely concealed from the view of the purchaser thereof. Eight of said bars had pink centers and the other 100 bars had white centers. The purchaser from the retail vendor who picked, selected or drew a bar with a pink center received free an additional bar of candy as a gift or prize, and the purchaser of the last bar of candy in the carton received as a gift or prize the 1-pound box of chocolates. The additional bar of candy was obtained by the purchaser wholly by means of lottery or chance. The said respondent caused to be carried from the State in which its principal place of business is located into other States of the United States, the cartons above described containing the instrument purporting to be, or representing a ticket of chance, share or interest in a gift concern or enterprise offering prizes dependent upon lot or chance.

Respondent agreed to cease and desist forever from the use in interstate commerce of any scheme, plan or method of selling or promoting the sale of its product, which involves or includes the use of any lottery or any scheme of chance whereby any article is given, awarded, or allotted by chance, as a prize or premium for and in consideration of the purchase of any other article; and in particular agreed to cease and desist from carrying or causing to be carried from one State of the United States to another State of the United States in cartons, boxes or packages candy which contains any paper, certificate or instrument purporting to be or representing a chance, share or interest in or dependent upon the event of a lottery, so-called gift concern or any other similar enterprise offering prizes dependent upon lottery or chance.

Respondent also agreed that if it should ever resume or indulge in any of the practices in question, this said stipulation of facts may be used in evidence against it in the trial of the complaint which the commission may issue.

STIPULATION No. 83

False and misleading brands or labels--Cloth.--Respondent, a corporation, engaged in the sale and distribution in interstate commerce of cloth, and in competition with other corporations, firms, partnerships, and individuals likewise engaged, entered into the following stipulation of facts and agreement to cease and desist forever from the use of the alleged unfair methods of

competition as set forth therein.

Respondent, in the course and conduct of its business, sold and shipped in Interstate commerce cloth made entirely of mercerized cotton, which it labeled or branded "Britesylk." The dealers purchasing this cloth from said respondent or from its customers, labeled or branded as aforesaid, offered for sale and sold to the general public the cloth so branded or labeled; when in truth and fact, the aforesaid product was not manufactured from silk, the product of the cocoon of the silk worm, either in whole or in part, but was manufactured from a product or products other than silk.

Respondent agreed to cease and desist forever from the use of the brand or label "Britesylk" in the sale or distribution of said cloth in interstate commerce, and from the use of the said brand or label "Britesylk" in soliciting the sale of said product in commerce between and among various States of the

United States, or the use of said brand or label in any other way that may have the capacity and tendency to mislead and deceive the purchasing public into the belief that the cloth to which the brand or label is affixed is composed wholly of silk

Respondent also agreed that if it should ever resume or indulge in any of the practices in question, this said stipulation of facts may be used in evidence against it in the trial of the complaint which the commission may issue.

STIPULATION No. 84

False and misleading advertising--Misbranding--Leather.--Respondent, a corporation, engaged in the tanning of hides and the manufacture of leather, and in the sale and distribution of said product in interstate commerce, and in competition with other corporations, firms, partnerships, and individuals likewise engaged, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition as set forth therein.

Respondent, in the course and conduct of its business, tanned and manufactured from the hides of calves certain leather finished so as to resemble or simulate leather tanned or manufactured from the skins of goats, commonly known to the trade and purchasing public as "kid," which said respondent, in soliciting the sale of and selling in interstate commerce, represented, described, and referred to as "kid"; and respondent also caused advertisements or write-ups to be inserted in publications having a general circulation between and among various States of the United States, in which said advertisements or writeups respondent represented, described, and referred to its said product as "kid"; and the said respondent also caused circulars and folders, the latter of which had samples of its product affixed thereto, to be circulated in interstate commerce, in which said circulars and folders respondent resented and described its. product as "kid"; respondent also represented; described, billed, and sold its product in interstate commerce as "kid" when in truth and in fact the said product so advertised, represented, described, billed, and referred to and sold in interstate commerce by said respondent was not that product manufactured from the skin of the goat known to the trade and purchasing public as "kid," but was the product manufactured from the skin of the calf and known to the trade and purchasing public as "calfskin."

Respondent agreed to cease and desist forever from the use of the word "kid" in advertisements or write-ups inserted in publications having general circulation in interstate commerce In soliciting the sale of and selling its product manufactured from the skin of the calf, and the use of the word "kid" in its folders and other printed matter circulated in interstate commerce soliciting the sale of and selling the said product, and the use of the word "kid" either Independently or in connection or conjunction with any word or words to describe or define its product that directly assert or clearly import or imply that the aforesaid product sold by it is manufactured from the skin of the goat known to the trade an purchasing public as "kid," or the use of any word or words that may have the capacity and tendency to mislead and deceive the trade and purchasing public into the belief that the product tanned or manufactured by said respondent and sold by it in interstate commerce is manufactured from the skin of the goat.

Respondent also agreed that if it should ever resume or indulge in any of the practices in question, this said stipulation of facts may he used in evidence against it in the trial of the complaint which the commission may issue.

STIPULATION No. 85

False and misleading advertising--Misbranding--Hardware.--Respondent, a corporation, engaged in the purchase, sale, and distribution of hardware and tools in interstate commerce, and in competition with other corporations, firms, partnerships, and individuals likewise engaged, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition as set forth therein.

Respondent, in the course and conduct of its business, purchased in wholesale quantities and sold to wholesalers and retailers located in various States of the United States certain axes hammers, and other tools branded, labeled, and/or described as "cast steel"; said respondent also caused to be affixed to said

axes, hammers, hatchets, and other tools sold by it in Interstate commerce labels containing the word "steel" either independently or in connection or conjunction with another word or words; when in truth and in fact said axes, hammers, hatchets, and other tools were not tools made of steel, but were made of a material which lacked the constituent elements necessary in order to properly be designated and described as steel.

Respondent agreed to cease and desist forever from the use of the word steel," or any modification thereof; on the axes, hammers, hatchets, or other tools or products manufactured and/or sold by it in interstate commerce, or in its catalogues, circulars, or other advertising matter circulated in commerce in soliciting the sale of and selling its products between and among various States of the United States, unless and until the metal used in said axes, hammers hatchets, or other tools or products is steel.

Respondent also agreed that if it should ever resume or indulge in any of the practices in question, this said stipulation of facts may be used in evidence against it in the trial of the complaint which the commission may issue.

STIPULATION No. 86

Misbranding--Automotive products.--Respondent, an individual, engaged in the manufacture, sale, and distribution in interstate commerce, of automotive products, and in competition with other individuals, firms, partnerships, and corporations likewise engaged, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition as set forth therein.

Respondent, in the course and conduct of his business, compounded or manufactured a chemical product used particularly in the automotive industry for cementing engine gaskets, which product said respondent, in certain of his advertising matter circulated in interstate commerce in soliciting time said of and selling said product, described, defined, and designated as "shellac," either independently or in connection or conjunction with another word or words; when in truth and in fact, the said product so designated, defined, and described was not compounded or manufactured solely of genuine gum cut in alcohol, but was compounded or manufactured in accordance with a formula which contained elements, ingredients, and material including gum other than shellac.

Respondent agreed to cease and desist forever from the use of the word "shellac" on his labels, and/or in advertisements or advertising matter used in soliciting the sale of and selling his product in interstate commerce, unless the said product is 100 per cent shellac gum cut hi alcohol; and if said product contains less than 100 per cent shellac gum cut in alcohol, then the same shall be labeled, designated, or described as "shellac compound," and the word "compound" to be in type as large and as conspicuous as the word "shellac"; and if there be no shellac gum in said product, then the product shall bear, or be designated or described by, some name, word or words not incorporating or including the word "Shellac."

Respondent also agreed that if it should ever resume or indulge in any of the practices in question, this said stipulation of facts may be used in evidence against it in the trial of the complaint which the commission may issue.

STIPULATION No. 87

False and misleading. advertising--Compounds.--Respondent, an individual, engaged in the sale and distribution in interstate commerce of certain compounds for the reduction of

obesity, and in competition with other individuals, firms, partnerships, and corporations likewise engaged, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition as set forth therein.

Respondent, in the course and conduct of his business, adopted as a part of his trade name the word "Laboratories" in connection or conjunction with other words, which said trade name he used extensively in the advertising, promotion, and sale of his products in interstate commerce; when in truth and in fact, said respondent did not own, operate, or control a laboratory or laboratories for the manufacture of the products so advertised, sold, and distributed in commerce between and among various States of the United States. Respondent, trading as aforesaid, in advertisements inserted in news-

papers having general circulation between and among various States of the United States, and in pamphlets which he caused to be circulated in interstate commerce, advertised certain tablets, to be used internally for the reduction of obesity, and certain bath salts and a soap, to be used externally for the reduction of obesity, describing the said products in such a manner as to induce the purchasers thereof to believe that the said products, by reason of careful analysis and the supervision over the manufacture of the same by respondent, and the superior quality and excellence of the product that the same would reduce obesity; when in truth and in fact, said respondent did not manufacture, supervise the manufacture of, analyze or test the said products or any of them, or make any attempt to ascertain the proportions of various chemicals or substances entering into the composition of the products sold and distributed by him in interstate commerce, and the said tablets, bath salts, or soap, when used, were not remedies for the reduction of obesity.

Respondent agreed to cease and desist forever from the use in soliciting the sale of and selling his products in interstate commerce of the word "Laboratories" either independently or in connection or conjunction with any other word or words in his trade name, on his stationery, advertisements, pamphlets, or other printed matter circulated in commerce between and among various States of the United States, so as to import or imply that the said respondent owned, operated, or controlled a laboratory, wherein the products sold by him are manufactured or compounded. Respondent also agreed to cease and desist forever from circulating or distributing in interstate commerce advertisements or advertising matter wherein the said soap, tablets, or bath salt are described as, or asserted to be, remedies for the reduction of obesity, or any other statement concerning said product not founded in truth and in fact.

Respondent also agreed that if he should ever resume or indulge in any of the practices in question, this true stipulation of facts may be used in evidence against him in the trial of the complaint which the commission may issue.

STIPULATION No. 88

Misbranding--Automobile accessories, etc.--Respondent, a corporation, engaged in the manufacture of automobile, motor-cycle and bicycle accessories and supplies and in the sale and distribution of the same in interstate commerce, and in competition with other corporations, firms, partnerships, and individuals likewise engaged, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition as set forth therein.

Respondent, in the course and conduct of its business, compounded or manufactured a chemical product used particularly in the automotive industry for cementing engine gaskets, which product said respondent, in certain of its advertisements and advertising matter circulated in interstate commerce, in soliciting the sale of and selling its product, designated, defined, described, and referred to as "shellac," either independently or in connection or conjunction with another word or words; and in its descriptions of said product used the following phrases: "It is a heavy shellac," and "There is no better shellac to be had at any price"; when in truth and in fact the said product so designated, defined, described, and referred to was not compounded or manufactured solely of genuine shellac gum cut in alcohol, but was compounded or manufactured in accordance with a formula which contained elements, ingredients, and materials including gum other than shellac.

Respondent agreed to cease and desist forever from the use of the word "shellac" on its labels or in its advertisements or advertising matter used in soliciting the sale of or selling its product

In interstate commerce, unless said product is 100 per cent shellac gum cut in alcohol; and if the product contains less than 100 per cent shellac gum cut in alcohol, then the same shall be labeled, described, or designated as "shellac compound," and the word "compound" to be in type as large and as conspicuous as the word "shellac"; and if there be no shellac gum in the product, then the product shall bear or be designated or described by some name, word, or words, not incorporating or including the word "shellac."

Respondent also agreed that if it should ever resume or indulge in any of the practices in question, this said stipulation of facts may be used in evidence against it in the trial of the complaint which the commission may issue.

STIPULATION No. 89

False advertising and misrepresentation--Automotive products.--Respondent, a corporation, engaged in the manufacture of automotive products, and the sale and distribution of the same in interstate commerce, and in competition with other corporations, firms, partnerships, and individuals likewise engaged, entered into the following stipulation of facts and agreement to cease and desist forever from the alleged unfair methods of competition as set forth therein.

Respondent, in the course and conduct of its business, manufactured a chemical product used in the automotive industry for cementing engine gaskets, which it sold and distributed in interstate commerce, which said product respondent in certain of its advertising matter, circulated in interstate commerce in soliciting the sale of and selling its product, designated, defined, described, and referred to as "shellac," either independently or in connection or conjunction with another word or words; when in truth and in fact the said product so advertised, designated, described, or referred to was not compounded or manufactured solely of genuine shellac gum cut in alcohol, but was compounded or manufactured in accordance with a formula which contained elements, ingredients, and materials including gum other than shellac.

Respondent agreed to cease and desist forever from the use of the word "shellac" on its labels, in advertisements or advertising matter used in selling or soliciting the sale of its product in interstate commerce, unless the said product is 100 per cent shellac gum cut in alcohol; and if the product contains less than 100 per cent shellac gum cut in alcohol, then the same shall be labeled, designated, or described as "shellac compound," the word "compound" to be in type as large and as conspicuous as the word "shellac," and if there be 110 shellac gum in the product, then the product shall bear or be designated or described by some name, word, or words not incorporating or including the word "shellac."

Respondent also agreed that if it should ever resume or indulge in any of the practices in question, this said stipulation of facts may be used in evidence against it in the trial of the complaint which the commission may issue.

EXHIBIT 9

STATEMENTS OF TRADE PRACTICE CONFERENCES

Following are statements to the public released after July 1, 1926:

GOLD-FILLED WATCHCASE INDUSTRY

WASHINGTON, D. C., *October 12,*

1926.

The Federal Trade Commission to-day released the following statement respecting a trade practice conference held for the watchcase industry OB May 11, 1926, at the branch office of the Federal Trade Commission, New York City. Commissioner William E. Humphrey presided.

Approximately 100 per cent of the manufacturers of men's size watchcase find about 80 per cent of the manufacturers of ladies' size watchcases were directly or indirectly represented.

At a conference previously held this industry on January 18, 1923, agreed to and did abandon the practice, among others, of stamping the words "gold filled" on watchcases which contain thicknesses of gold less than three one-thousandths of an inch on the outer surface and less than one one-thousandth of an inch on the inner surface thereof. Certain firms sought to avoid this agreement by bringing into use terms which theretofore had not been applied to watchcases, viz, "rolled gold" and "rolled gold plate." On these they stamped a carat mark indicating fineness of gold, although such cases contained less gold than the standard agreed upon. As a consequence watchcases containing approximately 3 cents' worth of gold are being stamped "14 karat gold rolled" and so advertised and sold to the public. This comparatively insignificant amount of gold adds little or nothing to the utility of a watchcase; it merely furnishes the semblance of an excuse for using the word gold" and for using a mark indicating carat fineness. The effect is to give the ultimate purchaser an impression of quality and value far greater than exists in such watchcases.

These facts having been clearly established by discussion and the purpose of the trade practice conference having been previously explained, members of the industry organized by electing a chairman and secretary. In the absence of the commission's representatives the conference after further discussion adopted resolutions condemning the use of the word "gold" and condemning the use of marks indicating carat fineness of gold in marking any watchcases not measuring up to the standard previously agreed on. The resolutions adopted re as follows:

"Whereas on January 18, 1923, certain resolutions, among others one establishing and describing minimum standard for gold-filled watchcases, were unanimously approved by manufacturers of watchcases representing approximately 5 per cent of the industry; and

"Whereas on June 30, 1923, these said resolutions were officially approved by the Federal Trade Commission, so that it was declared that the marking and/or calling of watchcases for distribution and sale in interstate commerce, as gold called leads to deception of the purchasing public, in the absence of certain statements as a minimum therein clearly and definitely described; and

Whereas immediately upon the approval of the said minimum standards or gold-filled watchcases there were marketed in interstate commerce in all aspects the same kind, quality, and grade of watchcases stamped and called '--K rolled gold plate'; and

“Whereas the mark ‘--K rolled gold plate’ on information and belief had ever before been used as a stamp in a watchcases until after the said action by the commission; and

“Whereas as more fully set forth in a brief with accompanying exhibits and affidavits filed with the commission under date of November 28, 1924, the term ‘--K rolled gold plate’ is equally deceiving to the public as was formerly the term ‘gold filled’; and

“Whereas the two elements of the newly adopted marking ‘--K rolled gold plate’ which imparted to the said mark that impression of high Quality which led to its ready acceptance and consequent deception of the public was the use of the word ‘gold’ accompanied by a carat; and

“Whereas these two elements might be used with any number of descriptive words or combination of words always with like effect of creating false impressions of actual value and leading to the deception of the public: Now, therefore, be it

“*Resolved*, That we regard the use of the stamp ‘--K rolled gold plate’ within a watchcase or the use of the expression as applied to a watchcases, as a subterfuge to avoid, negative, and defeat the purposes of the resolutions as approved by the commission June, 1923; and be it further

“*Resolved*, That we regard the use of the word ‘gold’ and/or mark or marking indicating carat fineness as being the elements which render otherwise meaningless marks deceptive to the general buying public; and be it further

“*Resolved*, That we request the Federal Trade Commission to approve a proposal submitted by the watchcases manufactories to eliminate from any watchcases not measuring up in fact to the standard for gold-filled watchcases as minutely set forth in the trade practice submittal dated June 20, 1923, the word ‘gold ‘ and/or any mark or marking indicating carat fineness.”

The foregoing resolution of the industry was accepted and approved by the commission.

INSECTICIDE AND DISINFECTANT INDUSTRY

WASHINGTON, D. C., *January 5,*

1927.

The Federal Trade Commission to-day released the following statement respecting a trade practice conference held for the Insecticide and disinfectant Industry on November 10, 1926, in Indianapolis, Ind. Commissioner William E. Humphrey presided, assisted by M. Markham Flannery, director of trade practice conferences.

Twenty-five firms, handling approximately 70 per cent of the volume of house hold disinfectants, were represented.

The purpose of the conference was to permit the industry to formulate for itself rules of business conduct which would result in defining and prohibiting methods or practices recognized as unfair, wrongful, or detrimental to the public and to the industry. This to the end that the prosecution of individual proceedings may be avoided, that all concerns in the Industry may be placed on an entirely fair competitive basis, and that the public interest may be efficiently and quickly served by eliminating, at one and the same time, the practice condemned.

Previous investigation revealed the practice of giving premiums or gratuities, which in any form, under any circumstances, can not be defended as a good business practice or as benefiting the public. With reference to some concerns In this industry, particularly in the Southern and Central States, this practice has been extended and abused until in many instances it reached the proportions of commercial bribery. A surprisingly large number of persons intrusted with the duty of purchasing supplies for public and semipublic institutions had been Induced by the offer of gratuities to make purchases of disinfectants in quantities so large as to be out of proportion to the needs of the respective institutions whose interests such persons were employed to protect. Such gratuities were usually of a nature suitable to and appropriated for personal use. Thus it was related that one concern succeeded in securing \$1,000 above its usual charge for disinfectants by giving as a prize In one instance a piano which cost only \$330.

The premium evil having been generally discussed, and the purpose of the trade practice conference having been previously explained, members of the industry organized by electing a chairman and secretary. In the absence of the commission’s representatives, who retired

subject to call, the conference, after further discussion, unanimously adopted the following resolution:

“Be it resolved, That we, the representatives of the disinfectant and insecticide industry, in conference assembled, at Indianapolis, Ind., on November 10, 1926, do hereby condemn the practice of giving money, premiums, or any other forms of gratuity to persons placing orders for the purchase of any products of our industries in all cases where such persons are not the actual purchasers¹

¹ “Actual purchaser as used in the foregoing resolution is intended to mean the real principle upon the purchase, whether such purchaser be an individual, institution, association, county, or the like.

and the acceptance of the money, premiums, or other forms of gratuity is surreptitious and for the personal benefit of the person placing such order.

“And we hereby further register our opposition to the practice of giving of so-called advertising specialties bearing the donor’s name or imprint costing more than \$2 each.

“ We hereby subscribe to the foregoing and agree to its enforcement.”

The commission considered and on December 6, 1926, approved the resolution. adopted by the industry, with the reservation that the commission does not favor the giving of premiums or gratuities under any circumstances.

After approval by the commission the announcement in the form set out was submitted to the industry generally, including those who were and those who were not present at the conference.

BUTTER, EGG, CHEESE, AND POULTRY INDUSTRIES (PACIFIC COAST)

WASHINGTON, *July 7, 1927.*

The Federal Trade Commission to-day released the following statement respecting a trade practice conference held at San Francisco, Calif., August 2, 3, and 4, 1926, for the butter, egg, cheese, and poultry industries west of the Rocky Mountains. Two hundred and twenty-two firms, handling between 80 and 90 per cent of the volume of these products, voted on the resolutions.

At the request of the industries the conference was called to permit the industries represented to formulate for themselves rules of business conduct which would result in defining and prohibiting practices recognized as unfair both to the public and to the industries.

The advantages resulting from members of an industry abandoning unfair practices voluntarily and simultaneously on a given day have commended the trade practice conference procedure both to industry and to the public. This is evidenced further by recent legislation which Incorporates into the statute law of California any Federal Trade Commission conference rules which may be made with respect to produce exchanges. Thus section 16 1/2, “General dairy law of California,” approved June 5, 1923, as amended April 26, 1927, provides first that every dairy produce exchange shall be licensed and the director of agriculture of the State of California is given the power to revoke such licenses whenever the holder thereof is guilty of “ * * * violation of any * * * rules of the Federal Trade Commission governing unfair trade practices In the handling of butter, cheese, and/or eggs.”

The rules as here announced have been rearranged into two groups. In the first group are rules which, in the opinion of the commission, are unfair methods of competition. These include practices such as inducing breach of contract for the purpose of acquiring values created by and belonging to a competitor; false testing of butterfat bought from farmers; unauthorized use of competitor’s equipment; making false or defamatory statements concerning business policies or methods of a competitor; securing employees of common carriers to divert shipments (probably violations of the Elkins Act); obtaining information from competitors by false impersonations of names or authorities, by espionage, etc., paying a less price after shipment has been received than was named in the advertisement or other offer which induced the shipment; price discriminations and the giving of gratuities when such gratuities amount to price discriminations, and selling products short of weight or measure.

In the second group are placed practices of a kind which at this time are regarded as advisory to the commission. In other words, practices which perhaps are not, in and of themselves, unfair methods of competition, or which are doubtful, but such as the industries may voluntarily discontinue if they so desire. These relate to such practices as failure to deduct transportation costs from prices charged for commodities shipped to creameries; buying and selling dairy and

poultry products according to grade, and rules relating to exchanges.

The commission approved and accepted, on June 7, 1927, the resolutions in Group I, which now become the rules of business conduct for the industry on the subject covered. Group II is accepted as advisory to the commission.

The commission has reason to believe, from the facts thus far submitted to it by the representatives of the industry, subject to final consideration of this

matter, and to further inquiry as provided in section 5 of the Federal Trade Commission act, that the following acts and practices are unfair methods of competition:

GROUP I

RULE 1. The willful interference by any person, association, or corporation, by any means or device whatsoever, with any existing contract between an employer and employee or agent of such employer, in or about the production, manufacture, transportation, purchase, or sale of any dairy or poultry product, or the performance of any contractual duty or service connected therewith, such interference being for the purpose or with the effect of dissipating, destroying, or appropriating, in whole or in part, the patronage, property, or business of another engaged in such industry, is hereby declared unfair.

RULE 2. The intentional over testing, under testing, incorrect grading, or in any manner making or declaring a false return or report on the test of the quantity or grade of any dairy or poultry product, or any constituent thereof, purchased or sold, is hereby declared unfair.

RULE 3 (originally 5). The making, causing, or permitting to be made or published, any false or deceptive statements of or concerning the business. policies or methods of a competitor, is hereby declared unfair.

RULE 4 (formerly 6). The paying or rendering, directly or indirectly, to any employee or agent of a common carrier, any consideration or reward, for the purpose or with the effect of influencing such agent or employee to solicit patronage for any creamery or poultry concern, or to divert any shipment of dairy or poultry products from the originally intended consignee, or to render any discriminatory or unequal service between creamery concerns or poultry concerns, or both or either of them, is hereby declared unfair.

RULE 5 (formerly 7). Obtaining any information from a competitor by making any false or misleading statements or misrepresentations, or by false impersonation of anyone in authority, or by any method of espionage, is hereby declared unfair.

RULE 6 (formerly 8). Failure to pay or render in accordance with an offer, verbal or otherwise, or an advertisement, the full price for dairy or poultry products purchased, or failure to deduct full transportation cost when such produce is purchased on delivered basis, is hereby declared unfair.

RULE 7 (formerly 9). It shall be deemed unfair, either directly or indirectly, to discriminate in the price paid to different producers of dairy or poultry products, where the effect of such discrimination may be to substantially lessen. competition or tend to create a monopoly: Provided, That nothing herein contained shall prevent discrimination in the price paid to different producers of such commodities on account of differences in the grade, quality, or quantity of the commodity purchased, or that makes only due allowance for difference in the cost of purchasing or transportation, or discrimination in price in the same or different communities made in good faith to meet competition.

RULE 8 (formerly 10). The giving of premiums or other valuable things to purchasers in a manner amounting to price discrimination to shippers or sellers of dairy and poultry products as an additional award or compensation is unfair.

RULE 9 (formerly 11). The giving of premiums, money, or other valuable things to retailers or consumers for the purpose of destroying any existing agreement or contract between buyer and seller of any dairy or poultry product is an unfair practice.

RULE 10 (formerly 14). The sale of any dairy or poultry product short In weight or measure, or misrepresented as to grade or quality, is taking unlawful advantage of honest competitors and is hereby declared unfair.

RULE 11 (formerly 3). The use, without the consent of the owner, of any can, cream-station equipment, case, coop, box, or other property used or employed in the shipment, purchase, or sale of any dairy or poultry product, with the intent of appropriating the patronage, property, or

business of another, is hereby declared unfair

GROUP II

RULE 12 (formerly 4). The furnishing or lending to any producer, dealer, or shipper of dairy or poultry products, any can, cream-station equipment, case, box, or other property, for the purpose or with the effect of influencing shipments of such product to the furnisher or lender of such article or property, is hereby declared unfair: Unless such lending or furnishing is the general and recognized practice within the trade territory affected.

RULE 13 (formerly 12). The cost of transportation by railroad or by truck, or in any other form, shall be deducted in the settlement with the producer for any dairy or poultry products purchased or handled, and the practice of ignoring the cost of transportation is declared unfair.

RULE 14 (formerly 13). In any market or section where butter and egg exchanges are operated, or where official quotations are issued by the United States Department of Agriculture, the average resale price of butter, eggs, cheese, and poultry to retail stores, hotels, and restaurants, shall be at least enough above the official quotation on such commodities to represent the actual cost of reconditioning, cutting, wrapping, cartonning, packing, and handling, and the actual cost of distribution, including the proper items of overhead expense, and any practice of ignoring the cost of reconditioning, making ready for sale, distribution, and overhead expense, is declared unfair and tending to create monopoly.

RULE 15. It shall be considered good business practice to buy and sell dairy and poultry products by grade and to observe price differentials according to such grades, and it shall be deemed unfair practice to pay the same price for all grades regardless of quality or weight, or to buy on any other or different basis having the effect of defeating or destroying the general practice of buying and/or selling by grade.

RULE 16. In any butter and/or egg exchanges where trading in poultry or dairy products has an influence or bearing on the official market quotations, it shall be considered unfair to restrict bidding, offering or sales, or to restrict membership, it being for the best interests of producers and consumers that buyers be accorded the same privileges of bidding as sellers have of offering.

RULE 17. Nothing in the foregoing rules shall be construed as limiting the right of any exchange to classify its membership, or to deny membership to any person, firm or corporation whose business methods are dishonorable, or to make any other fair and equitable rules which are applicable equally to all members. It is recognized that the proper function of an exchange is to provide a place and designate a time when the members of the trade may assemble for the purpose of trading in their various commodities and to determine the apparent condition of supply and demand, and to ascertain a price which fairly represents the balance between supply and demand, and any practice which limits the right to offer poultry and dairy products for sale tends to conceal the actual supplies available, and any restriction of free bidding for supplies likewise tends to conceal the actual demand existing, and any such restriction upon trading is hereby declared to be against the public interest, and is unfair.

RULE 18. When butter and egg exchanges issue quotations, whether based on the last sale, bid, or offer, or upon the weighted average of all sales, bids, or offers, or upon any fair methods, such quotations shall be the actual trading price, and it is declared unfair practice, liable to deceive the producers and consumers, if such quotations are subject to any discount or additional charges.

Commissioner Nugent dissented on the ground that rules 13, 15, 16, 17, and 18, placed in Group II, should be added to and incorporated in Group I and that the practices therein set out be considered by the commission as unfair methods of competition as declared to be by the action of the industry.

The above resolutions were adopted practically unanimously by representatives of the industry present.

CORRESPONDENCE SCHOOLS

WASHINGTON, D.C., July 21,

1927.

A trade practice conference for those engaged in teaching various subjects by correspondence was held at Pittsburgh, Pa., April 30, 1927, at which Hon. J. F. Nugent, commissioner, Federal Trade Commission, presided, assisted by M Markham Flannery, director, trade practice conferences.

The conference was attended by representatives of institutions which conduct about 80 per cent of the volume of business in this field. There was also represented the United States Bureau of Efficiency and the United States Civil Service Commission.

After the conference convened Hon. J. F. Nugent outlined the purpose and policy of the Federal Trade Commission with reference to trade practice conferences. The director of trade practice conferences then acquainted those assembled with the various alleged unfair methods of competition described in complaints filed with the commission from various sections of the country.

The presiding commissioner then called upon the conference to organize by electing from the membership present its own chairman and secretary, and stated that the representatives of the commission would withdraw, in order that the freest range might be given to discussion with reference to any method or practice which those present considered unfair. The conference, however, urgently requested Commissioner Nugent to continue to preside, and he finally complied with its wish.

A secretary was chosen by the members from among those present, and, at the request of the chairman, the director of trade practice conferences read, section by section, rules which had been adopted by members of the industry at an unofficial conference, as well as a memorandum of practices not covered by such rules which had come to the attention of the commission. There was then read by a representative of the United States Civil Service Commission certain objections which said commission had made with reference to the activities of certain correspondence schools.

A committee of seven was appointed to draft rules in conformity with the spirit of the resolutions adopted. Upon presentation of the report of this committee each rule or resolution was separately discussed and separately voted on.

The methods condemned by the conference covered a broad field, involving misrepresentation as to standing, responsibility, or character of a correspondence school, either by falling to tell the whole truth or by deliberate misrepresentation. Common forms of this appear at times: In the name under which the institution operates; by representations with reference to buildings alleged to be occupied; pictures or symbols used in advertisements or on letterheads, etc.; classified newspaper advertisements under column headings which represent the institution's position as an employer in need of service instead of an institution rendering service; representing the institution as a collection agency to intimidate debtor students; by conveying the impression that the institution is run for the benefit of students without profit to itself; by representing that prominent persons are faculty members, when they are not; and by giving inadequate or false address.

Misrepresentations respecting the securing of positions or increases in earnings for prospective pupils. These take the form of inducements coupled with latent conditions or exaggerations incapable of fulfillment, such as the guaranty of a job or raise in pay; overstating the demand for services of a specified character; misrepresenting the character or condition of the service and the probable earnings therefrom.

Misrepresentation as to the service alleged to be rendered by some institutions consist in conferring degrees and issuing diplomas under conditions with reference to which adequate teaching facilities, quality and thoroughness of instruction, and content of courses are lacking; in misapplying professional and vocational terms to instruction and in unwarranted claims as to the giving of "personal instruction."

Prospective students are misled as to prices through limited, special, and free offers, which are not intended to be and are not either limited, special, or free offers; reductions offered from fictitious prices made sufficiently high to net the regular prices of the courses after granting such deductions. "Moneyback" guarantees, agreements, and contracts; offers of scholarships or partial scholarships, which are mere selling devices.

Disparagement of competitors or of their courses or service. The enrollment of students not qualified for the courses applied for and the use of superlatives in advertisements and other descriptions were condemned.

After due consideration, the commission approved the resolution adopted by the industry, to become effective January 1, 1928, as follows:

“The following resolutions were adopted by the representatives of the various correspondence institutions of instruction assembled at the Federal Building at Pittsburgh, Pa., on Saturday, April 30, 1927, such meeting being held pursuant to the call of the Federal Trade Commission:

“1. *Be it resolved*, That overstatements or misrepresentations relating to actual or probable earnings are unfair practices. (Adopted unanimously.)

“*Note.*--Inspirational copy can be written which will prod the ambitious to better their incomes through additional training without holding forth salaries that only the very exceptional can win.

“*Illustrations.*--Statistics can be gathered to show the average earnings in any industry. If competent and experienced draftsmen command an average of \$100 a week, schools should not advertise ‘Earn \$250 a week as a draftsman.’ (There is no objection to copy featuring the success of a particular

student, provided the name and address is given and no statement made to convey the impression he is an average student.)

2. *Be it resolved*, That overstatements which set forth the demands and opportunities in any vocation or field of activity constitute unfair practice. (Adopted unanimously.)

*Note--Base demands for trained on existing conditions.--*The job that additional training may command is worth pounding home to the prospect. The employment market, however, sets limitations which should be recognized. Rare opportunities open only to the exceptional should not be represented as usual.

*Illustration.--*It is a known fact that the motion-picture Industry does not generally consider the scenarios of unknown and inexperienced writers. A school, therefore, should not advertise that there is a big demand for new scenario writers.

“3. *Be it resolved*, That to represent employment service in a misleading manner constitutes unfair practice. (Adopted unanimously.)

*Note--Describe employment features as and for what they are.--*To promise the prospect help in securing a job or in bettering his position, and to follow such promises with performance, is sound merchandising and is to the advantage of the student. But care must be taken to set forth clearly and unmistakably all conditions upon which such service depends. To fail to do so is to invite misunderstandings.

“4. *Be it resolved*, That to promise or guarantee a job or a raise in pay constitutes unfair practice. (Adopted--38 for; 5 against.)

*Note.--*To lead a prospect to believe that a certain wage or type of position is guaranteed upon the completion of a certain course of training without the student being aware of the difficulty within the course and the very small percentage who are able to complete the same, is basing enrollment upon the ignorance of the enrolled and, therefore, unsound merchandising.

“5. *Be it resolved*, That the making of an offer, limited as to time or otherwise, when in fact such offer is not so limited, constitutes unfair practice. (Adopted unanimously.)

*Note--*Honor the conditions of time offers.--Time limit offers that never actually expire are promotion methods long looked upon with disfavor with the public.

*Illustration.--*A 10-day offer is one that expires at the end of the tenth day. Any offer that is open at all times to anyone is not a time offer and should not be so expressed.

“6. *Be it resolved*, That the representation of an offer as ‘special’ when in fact it is ‘regular’ constitutes unfair practice. (Adopted unanimously.)

*Note--State special offers accurately.--*Regular offers exploited as ‘special’ pave the way for unbelief in bona fide propositions.

*Illustration.--*Special offers are legitimate. They are not ‘special’ unless they fulfill the accepted meaning of the word, namely, ‘out of the ordinary practice.’

“7. *Be it resolved*, That the use of the marked up or fictitious price is misleading and constitutes unfair practice (Adopted unanimously.)

*Note.--*Advising the prospect that the regular price of the course or service is a certain amount when, as a matter of fact, the regular price is the one being quoted.

Illustration.--‘The regular price of our course is \$40, but for the next 15 days we are offering it for one-half price, \$20,’ is a misleading and confidence-destroying statement when \$20 is the regular price.

“8. *Be it resolved*, That the offering of a series of reductions in the price of a course or service to prospects resulting in the concurrent quoting of different prices for the same course or service constitutes unfair practice. (Adopted unanimously.)

*Note.--*While recognizing that each school has a right to sell its course or service at any price

that it may choose, yet to offer the same course or service to the same individual at different times at various reduced prices while concurrently offering the same course or service to another at the original price destroys confidence in the integrity in the home-study field. This shall, however in no way conflict with bona fide special offers or reductions made concurrently to all prospects alike.

“9. *Be it resolved*, That to resort to a subterfuge of offering a scholarship or a partial scholarship that is merely used as a selling device constitutes unfair practice. (Adopted unanimously.)

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Note.--A scholarship or partial scholarship offered to a prospect because of a bona fide demonstration of his ability or aptness in the course to be pursued or because of having previously completed in a satisfactory manner a certain portion of the field covered by the course, thus reducing the instructional cost of same is legitimate.

"10. *Be it resolved*, That the offering of any commodity or service as 'free' when in fact such commodity or service is regularly included as part of the course or service constitutes unfair practice. (Adopted unanimously.)

Note--Free offers.--Supplemental offers are considered legitimate inducements but should not be made to appear as gratuities not included in the tuition unless in fact so.

Illustration.--A concern teaching the elements of drafting and offering a drawing board, pens, ink, paper, etc., should state that this equipment is included with the course.

"11. *Be it resolved*, That disparaging reference to a competitor or to a competitor's course or service constitutes unfair practice. (Adopted unanimously.)

Note--State advantages constructively.--reference to competitors or competitive courses stirs up resentment and invites publication of counter claims. It creates suspicion rather than confidence.

Illustration.--The merits of a course are its selling points. They can be exploited without trying to tear down the good will of others. Constructive advertising aims to sell a product and not to unsell others.

"12. *Be it resolved*, That the use of any name which indicates or implies that the institution is a plant, factory, shop, association, other than an institution of learning, unless the name of such institution is always used in connection with explanatory words or phrases which clearly indicate its nature as an educational institution, constitutes unfair practice. (Adopted unanimously.)

Note.--Offer instruction under an accurate firm name. A correspondence school is not a plant, factory, association, laboratory, or a shop within the public understanding of the term and should never be so represented. It shall therefore, be required that schools having such corporate names shall either change the same or always add explanatory words or phrases thereafter which clearly indicate the nature of the institution.

"13. *Be it resolved*, That to confer degrees or to issue diplomas except when earned under conditions which offer adequate teaching facilities and under auspices that conform to recognized standards as to quality and thoroughness of instruction and content of courses constitutes unfair practice. (Adopted unanimously.)

Note.--Usual degrees may be conferred only upon the completion of courses similar in quality and quantity and only after a bona fide thorough examination covering the entire field of instruction which approximates in thoroughness the standards maintained by recognized residence institutions of higher learning.

"14. *Be it resolved*, That to misrepresent the character and scope of any course of instruction or service offered constitutes unfair practice. (Adopted unanimously.)

Note--Describe accurately the character of instruction or training furnished.--The misleading application of professional and vocational terms to instruction, and the loose use of synonyms invites organized opposition to the entire commercial school industry.

Illustration.--Professional qualifications are specific. For a C. P. A. must meet preliminary qualifications as to education and experience and must successfully pass a State examination. Therefore a school teaching only the elements of accountancy does not qualify C. P. A.'s and is unjustified in advertising, 'We make you a C. P. A.' or 'R. 141.'

"15. *Be it resolved*, That to inaccurately list or state the relationship of members of faculty,

advisory boards, instructors, writers, or others, constitutes unfair practice. (Adopted unanimously.)

*Note--Differentiate between active and advisory faculty members.--*Readers have the right to assume that those listed as faculty members are in fact active instructors. If educators are affiliated only in a nominal or advisory capacity, distinguish them from the active staff.

*Illustration.--*A practicing attorney who is retained for the sole purpose of giving occasional advice to the staff, or the students, serves in an advisory capacity. The author of a lecture or a series of lectures, who has sold his text outright, and who is not personally engaged in its administration, should not be listed as a member of the faculty.

16. Be it resolved, That to claim students are given personal instruction by the head of the institution or department, when such is not the fact, constitutes unfair practice. (Adopted unanimously.)

Note--Stick to the facts regarding person instruction.--Unwarranted claims as to 'Personal instruction' are misleading. The term implies services given direct, personally, and not through agents.

Illustration.--You receive my personal instruction and attention' is inaccurate unless the instructor handles the routine service work of the students to whom his advertising is addressed.

17. Be it resolved, That the use of 'Help wanted' columns in newspapers or other publications for the purpose of getting in touch with prospective students constitutes unfair practice. (Adopted--in favor, 31; opposed, 6.)

Note--Classified advertisements.--Publish classified insertions under appropriate heading. 'Help wanted' columns of newspapers serve as a medium to bring together employers and employees. It is not a fair classification for an offer to sell instruction.

Illustration.--Classified advertisements of schools should be inserted under 'Educational,' 'Vocational training,' 'Trade schools,' 'Instruction, or 'Business opportunities.'

18. *Be it resolved,* That the use of 'blind' advertisements to attract prospective students when the copy does not clearly set forth that instructions are offered constitutes unfair practice. (Adopted unanimously.)

Note.--'Blind' advertisements are misleading and prejudicial to confidence in the advertiser unless their purpose is clearly stated. Good will and sales are promoted by straightforward approach.

Illustration.--Training offered by educational institutions should not be veiled as an economic opportunity coming from a 'Mr. ----- at the ----- Hotel,' or in other language which withholds the essential purport and origin of the copy.

19. *Be it resolved,* That the use of superlatives in advertisements or selling, except when justified by facts, constitutes unfair practice. (Adopted unanimously.)

Note--Qualify superlatives as opinions.--Every school can not be the 'best,' the 'greatest,' the 'largest,' or the 'oldest.' Those believing est advertising productive should make it clear that such statements are opinions.

Illustration.--A school is not the 'oldest' unless it can produce records to establish the claim. Some superlatives, such as 'greatest,' are not susceptible of proof and should not, therefore, be advanced as established facts.

20. *Be it resolved,* That the enrollment or retention of students in any course or service for which they are absolutely unfitted by reason of education or economic disqualifications constitutes unfair practice. (Adopted unanimously.)

Note.--Exercise reasonable care in the acceptance and retention of students. Prospects who are obviously unfitted for a course by reason of physical, educational, or economic disqualifications should not be enrolled. Women are not eligible for railway mail clerk jobs. They should not be lead to believe that they can qualify for such positions. Caution should be exercised in enrolling students who are automatically disqualified in other respects such as age requirements, health, etc., which they can not meet. Most courses of value presuppose some unfitted for satisfactory study. The student who reveals gross illiteracy or lack of understanding can not be expected to master advance subjects, such as public accountancy, law, business administration, courses involving high mathematics, etc., and his enrollment should be canceled as soon as it has been demonstrated that he can not profitably pursue same.

21. *Be it resolved,* That the use of the word 'guarantee' in the description of 'Money-back'

agreements between the institution and its students constitutes unfair practice. (Adopted unanimously.)

Note.--'Money-back' offers, contracts, and agreements should be as and for what they are.

Illustration.--'Money-back' guarantee is inaccurate unless a tuition refund is actually guaranteed by a third party.

22. Be it resolved, That 'Money-back' agreements and contracts not actually stating the conditions upon which the money will be refunded or requiring other than the return of textbooks furnished, and the request of the student within a minimum period of 30 days constitute unfair practice. (Adopted unanimously.)

Note.--'Money-back' agreements should be unconditional except as to completion of course and payment and return of textbooks, and provide that claimant have at least 30 days after completion to file application for refund.

*“Illustration.--*To require that students return all lesson sheets, make claim within three days of completion, or to impose other technical conditions, is not in accord with the spirit of the offer.

“23. Be it resolved, That the use of statements of papers simulating court documents in the collection of accounts constitutes unfair practice. (Adopted unanimously.)

*“Note.--*Conduct collection activities openly. Collections are an integral part of home-study merchandising. They should be conducted without resort to pseudo legal documents or representations that the agency is nonaffiliated with the organization unless this be the fact.

*“Illustration.--*A school may conduct collection procedure under a distinct name and from a different location, but such a department should not hold thereafter that it is an outside holder of a contract; nor should it simulate court documents or otherwise employ legal status which it does not possess.

“24. Be it resolved, That misrepresentation or exaggeration regarding offices, the building or buildings occupied by the institution, and equipment of the same constitutes unfair practice. (Adopted unanimously.)

*Note.--*The use of a cut in a catalogue or sales literature of a large building purported to be occupied by the school in question, while as a matter of fact the school may occupy only a small portion of same, is misleading to the prospective student.

“25. Be it resolved, That the misuse of such pictures as the National Capitol, Uncle Sam, etc., or the misuse of any title or statement that would lead the reader to believe that the institution or its instructors are or have been in connection in any way with the United States Government, constitutes unfair practice. (Adopted: In favor, 21; opposed, 2.)

*“Note.--*The use of any picture or statement which would lead the prospective student to believe that the institution or any of its members are now or have been in connection with the United States Government and are, therefore, in a favored position to give information and instruction not available to other institutions, etc., is misleading to the prospect and detrimental to legitimate competitors.

“26. Be it resolved, To advertise that an institution is conducted not for profit when an interlocking management exists with another corporation or concern not so organized constitutes unfair practice. (Adopted: In favor 20; opposed, 2.)

*“Note.--*To advertise that a privately owned school is conducted not for profit, thus inferring that it is conducted on a more economic basis and consumes the fees received in superior instructional services, while its owner or owners conduct a subsidiary concern for the primary purpose of manufacturing texts, selling courses, etc., for the school, and from which financial profits are made is misleading to the prospect and unfair to competitors not so doing.”

WOVEN-FURNITURE INDUSTRY

WASHINGTON, D. C., July 26,

1927.

Baby carriages and woven furniture should be described to purchasers in terms that will leave no confusion in their minds as to the materials of which these articles are made, according to a ruling announced to-day by the Federal Trade Commission in connection with the recent trade practice conferences with the woven-furniture industry.

Alleged misuse of such terms as “wicker,” “fiber,” “reed,” and “willow,” in the advertising and sales literature of the woven-furniture trade was investigated with the result that the commission is issuing a list of rules and interpretations under which baby carriages and woven

furniture shall be offered for sale in terms of materials used.

MUST SPECIFY MATERIALS

Furniture and baby carriages in which the woven surfaces are of one material shall be designated by the name of the materials used, such as "reed," "fiber," "rattan," "seagrass," and "cane," etc., according to the rules approved by the commission. These same articles in which the woven surfaces are of more than one material shall be designated by the names of the principal materials used, such as "reed and fiber," "reed and cane," or "fiber and cane," etc.

When a substantial amount of wood appears on the surface of so-called woven furniture it shall be so stated, the commission's rules provide, and all descriptions of such wood shall be written in accordance with rules for the designation of furniture woods.

"Wicker" is the term formerly used to designate willow, but through practice there has resulted confusion in the minds of the consumers, the commission reports, and in its interpretations of the rules regarding woven furniture declares the term "wicker" should be abandoned.

The interpretations have to do largely with directing as to proper cataloguing labeling, advertising, and selling of woven furniture in terms of materials used by jobbers, wholesalers, manufacturers, or representatives.

HOLD TWO CONFERENCES

Unanimous approval of these rules and interpretations came July 8 as a result of the second trade practice conference on the woven-furniture trade held by the commission April 29, at Chicago, with Chairman C. W. Hunt, of the Federal Trade Commission, presiding, assisted by director Stephen Van Fleet, assistant director of trade practice conferences. Prior to the conference of April 29 a meeting was held February 24 at Chicago for manufacturers. Thirty-four representatives of manufacturing concerns attended. Some held proxies. It is estimated that close to 80 per cent of the manufacturers of woven furniture were represented.

Manufacturers at this meeting requested that retail dealers be asked to participate. Their wish was granted and later the resolutions so passed were submitted to retail dealers generally throughout the country, but particularly to those situated in California and Florida, where woven furniture is extensively used.

The second conference, held April 29, was called with a view to obtaining the consensus of opinion of both the manufacturing and distributing branches of the industry.

The presiding commissioner at each of these conferences suggested that the conferees organize by electing from among the members present a chairman and a secretary. This was done. Then the commissioner suggested that the representatives of the commission would be willing to withdraw to give the members of the industry an opportunity freely to discuss the questions under consideration, but it was the unanimous desire of the trade representatives that the two officials of the commission remain throughout the proceedings.

COMMISSION APPROVES RULES

The rules and interpretations approved by the commission July 8 as an outcome of the second conference are as follows:

Preamble.--The description of woven furniture and baby carriages should be such as to leave in the minds of the purchasers no confusion as to the material or materials of which made. Therefore, woven furniture and baby carriages, when offered for sale in terms of materials used, shall be designated under the following rules and interpretations:

"RULE 1. Furniture and baby Carriages in which the woven surfaces are of one material shall be designated by the name of the material used, such as 'reed,' 'fiber,' 'rattan,' 'sea grass,' 'cane,' etc.

"RULE 2. Furniture and baby carriages in which the woven surfaces are of more than one material shall be designated by the names of the principal materials used, such as 'reed and fiber,' 'reed and cane,' 'fiber and cane,' etc.

"RULE 3. When a substantial amount of wood appears on the surface of so-called woven furniture it shall be so stated. If such wood is described, it shall be described in accordance with rules for the designation of furniture woods.

INTERPRETATIONS LISTED

“A. The material should not be named under rule 2 unless a substantial amount thereof is used on woven surfaces.

“B. Designations made in the caption or body of each particular description should be without qualifications elsewhere.

“C. Descriptive terms such as ‘fiber reed’ and ‘reed fiber’ are open to misinterpretation and should be abandoned.

“D. Inasmuch as the term ‘wicker’ originally designated willow, but through practice has built confusion in the mind of the consumer, it should be abandoned.

“E. Where woven furniture is catalogued, labeled, advertised, or sold by retailers in terms of materials used, it shall be in accordance with these rules and interpretations.

“F. Where woven furniture is catalogued, labeled, advertised, invoiced, or sold, in terms of materials used by manufacturers, representatives, jobbers, or wholesalers, it shall be in accordance with these rules and interpretations.”

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