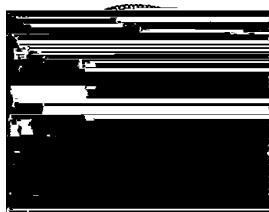


ANNUAL
REPORT

of the Federal Trade
Commission



**For the FISCAL YEAR
ENDED JUNE 30, 1952**

Federal Trade Commission

James M. Mead, Chairman

Lowell B. Mason

John Carson

Stephen J. Spingarn

Albert A. Carretta

D. C. Daniel, Secretary

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Letter of Transmittal

FEDERAL TRADE COMMISSION,
Washington, D.C.,

To the Congress of the United States:

I have the honor to transmit herewith the Thirty-eighth Annual Report of the Federal Trade Commission, for the fiscal year ended June 30, 1952. The Federal Trade Commission is having printed a limited number of copies of the report.

By direction of the Commission.

JAMES M. MEAD, Chairman

THE PRESIDENT OF THE SENATE.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

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1 Protecting Free Competitive Enterprise

THE UNDERLYING PRINCIPLE which governs the American economy is competition. It is the free play of competitive forces, the higgling in the market place, the unseen hand of competition which protects the public interest. It is the constant rivalry among numerous firms for a greater share of the market which, over the long run, protects the consumer from high and extortionate prices. It is free and open markets which safeguard the independent producers in their efforts to offer new and better products.

Generally speaking, there are only two types of exceptions to competition as the all-pervading regulator of the economy. The first exception applies to fields—for example, public utilities—where the number of sellers is too few, or the possible injury to the public too great, to permit the free play of competitive forces. The other exception arises in times of national emergency when demand far exceeds supply,

The essentially preventative character of the Federal Trade Commission is clearly borne out in the report accompanying the Clayton Act in which the Senate Judiciary Committee on July 22, 1914, stated:

Broadly stated, the bill, in its treatment of unlawful restraints ~~is~~

To safeguard the consuming public by preventing the dissemination of false or deceptive advertisements of food, drugs, cosmetics, and therapeutic devices.

To prevent discrimination in price, exclusive-dealing and tying arrangements, corporate mergers, and corporate stock acquisitions when the effect of such practices or arrangements may be the substantial lessening of competition or a tendency toward monopoly; the holding of illegal interlocking directorates; the payment or receipt of illegal brokerage; and illegal discrimination among customers in the furnishing of or payment for advertising or promotional services or facilities.

To protect producers, manufacturers, distributors, and consumers from the unrevealed presence of substitutes and mixtures in manufactured wool products.

To receive and file articles of association or incorporation of associations organized under the Export Trade Act; investigate their operations which may adversely affect competition within the United States; make recommendations to the associations for readjustments deemed necessary therein; and, where considered appropriate, make recommendations to the Attorney General for penal action.

To petition for the cancellation of the registrations of trade-marks which were illegally registered or which or or

2

The Commission and Its Staff

THE FEDERAL TRADE COMMISSION was organized as an independent administrative agency March 16, 1915, under the provisions of the Federal Trade Commission Act, which was approved September 26, 1914. It consists of five members, appointed by the President with the advice and consent of the Senate. Not more than three of the Commissioners may be members of the same political party.

Appointment of a Commissioner is for a term of 7 years, unless he succeeds a Commissioner relinquishing office prior to expiration of his term. In such cases, the statute provides that the new member shall be appointed only for the unexpired term. Upon the expiration of his term of office, a Commissioner continues to serve until the appointment and qualification of his successor.

The Chairman of the Commission is appointed by the President.

Members of the Commission as of June 30, 1952, were James M. Mead, Democrat, of New York, Chairman; Lowell B. Mason, Republican, of Illinois; John Carson, Independent, of Michigan; Stephen J. Spingarn, Democrat, of New York, and Albert A. Carretta, Democrat, of Virginia.

Each case coming before the Commission is assigned to a Commissioner for examination and report before it is acted upon. The Commission meets regularly for the consideration of cases and for the transaction of other business. The Commissioners hear oral argument in formal cases and frequently preside individually at industry trade-practice conferences.

Under the President's Reorganization Plan No. 8, effective May 24, 1950, the administrative management of the Commission is vested in the Chairman. Subject to specified limitations, the Chairman is responsible for the appointment and supervision of personnel, the distribution of business among personnel and among administrative units, and the use and expenditure of funds. Under this arrangement, the other Commissioners are relieved of many administrative details.

The Commission as a whole retains responsibility for decisions required by law to be made by the Commission, and for general poli-

cies including management matters of primary significance such as revision of budget estimates, distribution of appropriated funds according to major programs and purposes, and approval of appointments of heads of major operating and administrative units.

Staff Organization

Commission employees, as of June 30, 1952, numbered 672,¹ including attorneys, economists, accountants, statisticians, and administrative personnel stationed in Washington and in branch offices in New York, Chicago, San Francisco, Seattle, and New Orleans.

The Commission's

the Federal courts; (2) Assistant General Counsel in Charge of Special Legal

for settlement by the Commission's stipulation procedure are referred to this Division for the negotiation of voluntary agreements to cease and desist from unlawful practices. The Division takes no part in the investigation or prosecution of any matter.

Bureau of Industrial Economics.—The Bureau of Industrial Economics acts as a general economic staff in obtaining and analyzing the economic information used by the Commission in developing its antimonopoly programs. It renders economic and accounting services to the legal staff in the investigation and trial of antimonopoly cases and in the enforcement of the Commission's orders in such cases. The Bureau performs those statutory functions of the Commission which relate to general economic surveys and andgotonofisheds. It 98 TD Tc () Tj 2.3 (r

position and operating results of the Nation's manufacturing industries and distributive trades.

Hearing Examiners.—Hearing examiners are the officials of the Commission's staff to whom the Commission delegates the initial exercise of its adjudicative powers. They are appointed by the Commission in accordance with the provisions of the Administrative Procedure Act and the Civil Service regulations. They function autonomously as presiding officers in adjudicative proceedings instituted pursuant to the provisions of the Commission's enabling acts.

Upon the issuance of a complaint, the proceeding so initiated is assigned to a hearing examiner, in rotation so far as practicable. Thereafter the hearing examiner, pursuant to the Commission's Rules of Practice, presides at hearings, regulates the course thereof, administers oaths and affirmations, issues subpoenas, rules upon orders of proof, receives relevant evidence, takes or causes depositions to be taken whenever justice would be served thereby, holds conferences for the settlement or simplification of issues by consent of the parties, and disposes of procedural requests or similar matters. At the conclusion of the reception of evidence, and after considering proposed findings when submitted by the parties, the hearing examiner files an initial decision consisting of findings as to the facts and conclusions upon all material issues of fact or law presented on the record, together with the reasons therefor, and an appropriate order. Such initial decision, unless appealed to the Commission or stayed or docketed for review by the Commission within 30 days after service thereof, becomes the decision of the Commission.

In the performance of their duties as adjudicative officers, hearing examiners are exempt from all direction, control, supervision, or review by any other officer or employee of the Commission.

tively in assisting the Commission in programming its activities, with the view of achieving its objective.

In its report on the Regulatory Commissions, the Hoover Commission found that the chief criticism that could be made of these commissions was that they become too engrossed in case-by-case activities and thus fail to plan their roles and to promote the enterprises entrusted to their care. The Hoover Commission also recognized that adequate planning cannot be decreed. The reorganization and reactivation of the Central Planning Council in the Commission recognizes that program planning is of first importance in achieving fulfillment of the Commission's objective.

3

A Vital Commission Problem

THE FEDERAL TRADE COMMISSION finds itself confronted with an increasing volume of work to be done by a staff smaller than it had 35 years ago. As a result the Commission is often criticized by its friends for inaction or slowness and by its foes for insufficient consideration of matters they think relevant to the issues before it.

The change in the size of the Commission's workload can be roughly measured by the change in the scale on which American business is done. There are more business enterprises and more commodities to cover, and business operates in a much larger market. When the Federal Trade Commission was set up in 1915, the total number of business firms in the

United States was a little over 2 million. In 1950 it was 4,000,000. In 1955 it was 4,800,000. In 1960 it was 5,500,000. In 1965 it was 6,200,000. In 1970 it was 6,800,000. In 1975 it was 7,500,000. In 1980 it was 8,200,000. In 1985 it was 8,800,000. In 1990 it was 9,500,000. In 1995 it was 10,200,000. In 2000 it was 10,800,000. In 2005 it was 11,500,000. In 2010 it was 12,200,000. In 2015 it was 12,800,000. In 2020 it was 13,500,000. In 2025 it was 14,200,000. In 2030 it was 14,800,000. In 2035 it was 15,500,000. In 2040 it was 16,200,000. In 2045 it was 16,800,000. In 2050 it was 17,500,000. In 2055 it was 18,200,000. In 2060 it was 18,800,000. In 2065 it was 19,500,000. In 2070 it was 20,200,000. In 2075 it was 20,800,000. In 2080 it was 21,500,000. In 2085 it was 22,200,000. In 2090 it was 22,800,000. In 2095 it was 23,500,000. In 2100 it was 24,200,000.

The problem is aggravated by the fact that the Commission's statutory duties are substantially greater than when it was created. Highlights of this expansion of functions have been as follows:

1. In 1936 the Robinson-Patman Act materially enlarged the scope of the law against price discrimination. The Commission is now spending more than \$600,000 a year in the enforcement of this act.

2. In 1938 the Wheeler-Lea Act materially expanded the Commission's functions in the prevention of false advertising.

3. In 1940 the Wool Products Act assigned to the Commission the duty of maintaining surveillance over the labeling of wool textiles. The Commission now spends more than \$200,000 a year in the administration of this act.

4. In 1946 the Trade Mark Act assigned to the Commission new duties with regard to the unlawful use of registered trade marks.

5. In 1948 the McCarran Insurance Act gave the Commission a jurisdiction over insurance which is highly complex because its scope varies from State to State in accord with variations in State law.

6. In

broad scope, the Congress presumably intended that the Commission should keep close watch over any tendencies toward monopoly and promptly call public attention to them. The Commission is aware of situations in which there appears to be a monopolistic tendency that it has been unable to investigate with a view to taking whatever corrective action may be needed. Both in economic reporting and corrective action the Commission has succeeded often enough to show that the means at its disposal can be effectively used; but the scale of its operations has been too limited to keep pace with the problem because of limited appropriations.

The Commission has not been able to inform the public adequately as to the trend of industrial concentration. Throughout most of its history, it has made occasional spot reports of the extent of concentration in a given industry at a given time. Such limited studies of the trend as have been available have come sporadically from a variety of sources and have been insufficient to provide a solid basis for the development of public policy.

The scattered figures that are available indicate that in some parts of the economy concentration is a growing problem. In 1909, shortly before the Commission was created, the 200 largest nonfinancial corporations in the United States had about 33 percent of the assets of all such corporations. In 1929 the same number of concerns had about 48 percent of the assets of all of them. In 1933 they had about 55 percent of all such assets. These figures, which were not compiled by the Commission, are not conclusive as to the trend in competitive industry, for they cover public utilities as well as competitive enterprises.

Moreover, comparable figures are not available after 1933. On the basis of fragmentary information, controversy has developed as to the subsequent trend of business concentration in manufacturing as a whole and in the economy as a whole.

There can be no doubt, however, that, whether or not concentration has grown during the last two decades in the economy as a whole, it has done so in a considerable number of industries. Figures that are comparable for the years 1935 and 1947 show that between those years there were 58 industries in which the four largest companies

compounds, from 57 percent to 83 percent; and in window shades from 34 percent to 72 percent.²

In 1947 a high degree of concentration was so widely prevalent as to constitute a major competitive problem. Out of 452 industries surveyed, there were 147 in which the four largest manufacturers supplied more than half of the total product. In 11 industries the share of the four largest was more than 90 percent; in 31 industries, more than 80 percent; in 59 industries, more than 70 percent; and in 96 industries, more than 60 percent. Industries in which a few large concerns overshadowed the market have become so common that much of the Nation's economics has been rewritten to describe competition among the few as the typical

petition

4. In 1951 a report issued by the Small Business Committee of the House once more emphasized the point made in 1946. It said:

No other major regulatory agency is faced with so huge a task as the Commission with such feeble weapons.

It said further:

The need for larger appropriations to finance our business regulating programs has been repeatedly pointed out. The Committee believes that more and better men, and hence more money, are basic to the necessary enhancement of the effectiveness of the antitrust laws. We are convinced that this is true of the Federal Trade Commission. * * *⁶

5. In 1951 the Committee on Cartels and Monopolies of the Twentieth Century Fund said:

The appropriations and the staff provided for the Federal Trade Commission should be made adequate to the task at hand.⁷

The basic difficulty created by the discrepancy between duties and resources has slowed the Commission's work but has not prevented the Commission from proceeding in specific cases which illustrate the services it can render in the performance of its assigned functions. A few examples are listed below:

1. Automotive Parts Case.—The Hardy Subcommittee of the House Expenditures Committee reported earlier this year after hearings that the Government had spent during a period of three years over \$305,000,000 which it could have saved in connection with the purchase of automotive parts. The Committee alleged that this was the case because automotive parts manufacturers were either refusing or trying to do sell to the Government c (period) Tj 33

supply. The investigation is now almost completed and a sd

personnel, the Commission has only been able to issue one complaint. It is investigating other cases as rapidly as available personnel will permit.

6. GI Schools for Korean Veterans—The new legislation extending educational rights to Korean veterans provides that the State accrediting agencies shall give due weight to any existing Federal Trade Commission cease and desist orders involving schools before accrediting them for availability to veterans at Government expense. The Commission has sent to each of the 48 States and to the territories and possessions an index covering some 385 schools which have been the subject of orders or stipulations. (If it had available funds, the Commission could and should do a great deal more work on this matter on a project basis, which probably would save the Government money and protect the veteran from inadequate educational institutions.)

7. 1947 Copper Report.—In 1947 the Commission made a study of the copper

4 Economic Reports

THE FACT-FINDING and economic reporting functions of the Federal Trade Commission and its predecessor agency have constituted, within the limited range made possible by the resources available for such reports,

It states that there are four separate and distinct divisions of the international oil industry. However, by vertical integration, the operations in all four divisions are controlled by the large integrated companies. Outside of the United States and the Soviet Union, the seven major companies control the bulk of production and marketing of oil moving in international commerce. Many pairings and groupings of these seven companies and their affiliates conduct joint operations in most parts of the world. The seven international companies operate through layers of jointly owned subsidiaries and affiliated companies. Through this corporate complex of companies, they control not only most of the oil but also most of the world's foreign petroleum refining, cracking, transportation, and marketing facilities. Thus, control of the oil from the well to the ultimate consumer is retained in one corporate family or groups of families. These groups have extended their spheres of potential influence over the United States oil industry through indirect interlocking interests.

fining, and marketing facilities, and (3) through agreements for the purchase and sale of crude oil and refined products.

The report also discusses the use of the Gulf-plus basing point system, both in its original and modified forms. This staff report states that the use of this system to price crude oil and refined petroleum products has served two basic purposes of the major international oil companies:

1. It has eliminated differences in delivered prices among the various sellers at any given point of destination, thereby making the selection of one seller over another a matter of indifference to the buyer insofar as price was concerned.

2. It has made the relatively high United States Gulf prices the basis for both crude oil and refined prices throughout the world.

Control of Iron Ore

The second major report completed during the year was a study of the concentration of iron ore supplies, entitled *The Control of Iron Ore*. The study begins with an analysis of the amounts of iron ore consumed in 1948 and the sources of that ore, whether derived from owned mines or purchases. There is (1) an estimate of the ore reserves held by the major companies and (2) an estimate of their competitive relationships in terms of those vital ore supplies. For comparative purposes, there is a section on the iron ore position of the smaller unintegrated companies. The study indicates (1) that the big companies are not likely to feel the shortage of iron ore supplies as keenly as the small companies, and (2) that consequently the effect of the ore shortage probably will be to increase economic concentration unless offsetting measures are taken. One such measure, to which the report gives attention, is the development of new technological processes that might permit the use of small local ore bodies.

Distribution of Steel Consumption

The Commission's report entitled *Distribution of Steel Consumption, 1949-50*, compares steel distribution in 1949 with that in the fourth quarter of 1950. It points out that 1949 was

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The report shows substantial increases in

instrument by which small sellers are disciplined and brought into line by their larger rivals.

The report includes an analysis of changes in the degree of concentration of economic power within individual industries. It identifies some factors which appear to be associated with increases and with decreases in the level of economic concentration.

Rates of Return

A report on Rates of Return (after taxes) for 512 Identical companies in 25 Selected Manufacturing Industries, 1940, 1947-51 was also issued by the Commission. Like similar reports for earlier postwar years, it compares prewar and postwar rates of return on stockholders' investment after taxes for identical companies in 25 narrowly defined and homogeneous manufacturing industries. The industries covered by the study constitute a substantial segment of the economy, with their combined assets in 1940 accounting for about

34 percent of the total assets of all manufacturing industries in the United States in 1940.

mergers in order to determine whether they should be investigated as possible violations of Section 7 of the

of Price Stabilization and the Board of Governors of the Federal Reserve System.

During the year, in addition to the regularly published quarterly reports, numerous tabulations and special studies based on the five years of data of

5 Antimonopoly Work

THE COMMISSION'S antimonopoly work consists of a wide range of activities designed to effectuate national policy directed toward insuring to the public the full benefit of free and fair competition. The Federal Trade Commission Act, which the Commission alone has the duty of enforcing, contains a sweeping addition to the basic antitrust laws, the Sherman and Clayton Acts. Section 5 of the statute makes unlawful unfair methods of competition and unfair or deceptive acts or practices in interstate commerce. The Commission's investigatory powers are commensurate with its broad duties.

The efforts of parties engaged in commerce to lessen, suppress, restrain, and eliminate competition are of many kinds. Some of such efforts are forbidden by the Sherman Act; others fall within the Clayton Act; and others fall within the broad scope of section 5 of the Federal Trade Commission Act. In performing its duty under the latter act to stop unfair methods of competition, the Commission frequently proceeds against practices which may also violate the Sherman Act or the Clayton Act or the public policy reflected in those acts.

The Commission also has a broad jurisdiction over certain Clayton Act violations. That act specifically prohibits several practices which unfairly restrain or injure competition; (1) price discrimination, (2) tying contracts, (3) mergers suppressive of competition, and (4) interlocking directorates.

A major portion of the Commission's antimonopoly activities consists of putting a stop to price fixing on the part of entire industries. Complaints issued against members of an industry for lessening price competition reach combinations and conspiracies in restraint of trade. Legally and in actual operation the Commission's antimonopoly activities and the work of the Antitrust Division of the Department of Justice supplement each other to a substantial extent. In the 26.64 0 TD 0.0016 T

Investigations of practices employed in commerce play an important part in preventing use of practices contrary to public policy, and a substantial number of formal complaints are issued each year. Investigations provide material for the issuance of reports on competitive conditions in industries as well as background for complaints. In preparing and handling antimonopoly complaints there is a close cooperation between the Commission's economic and legal staffs.

The type of matters dealt with in complaints during the past fiscal year illustrates the Commission's jurisdiction in the field of antimonopoly and the action taken in carrying out its functions.

LEGAL CASE WORK

Orders to Cease and desist	126
Complaints issued	29
Cases dismissed or closed	2
Cases investigated	333

¹ Includes two (2) modified orders

Orders Against Monopolistic Practices

The following cases are illustrative of the importance to the public of the cease and desist orders that were issued during the past fiscal year.

Docket 5508, American Iron and Steel Institute et al. Order issued August 10, 1951.

This order concluded an action involving 98 percent of the American steel industry. Producers of steel were charged with lessening and restraining price competition between and among themselves by collectively arriving at price quotations for their products. It was alleged that their planned common course of action deprived the purchasing public of an opportunity to buy at the mills where steel was produced and to bargain independently with sellers. Among other things, it was also alleged that producers were acting collectively to establish extra charges for non-base items. In a large measure, this case was a follow-up of an earlier proceeding against the United States Steel Corporation and certain of its subsidiaries, but this proceeding included substantially all of the steel industry in this country. It was also a follow-up for the steel industry of the action the Commission took against the cement industry to break up price fixing, the order in which case was affirmed by the United States Supreme Court.

The order entered in the steel case in effect requires the steel producers to refrain from acting together on prices for, or the method of pricing base products or extras. It is intended to restore competition among sellers, and to enable purchasers to take advantage of all normal competitive factors in contrast to the situation that

prevailed whereby such advantages had largely been denied to them. It is designed

Docket 5883, International Cellucotton Products Company. Order entered November 13, 1951.

The respondent in this case was by far the largest producer of sanitary products in this country and substantially dominated that field. The complaint charged it with monopolistic practices in the sale of such products by offering promotional allowances to its dealers and distributors under terms and conditions which effectively prevented them from accepting the offers and promoting the sale of the products such

members of this industry through collective action had sought to cultivate trade for themselves and prejudiced nonmembers of their group, with the result that the public was being adversely affected, both price-wise and from the standpoint of service. Almost all of the products used by hospitals and doctors, in giving medical care, are involved. Thus the action has direct bearing upon the cost of one of the necessities of life, with a correspondingly important public interest ratio.

On March 14, 1952, the Commission issued its complaint against Anchor

various provisions of this act. Under subparagraph 2 (f) of the Robinson-Patman amendment of section 2, the Commission on May 14, 1952, instituted proceedings against Safeway Stores, Inc., and against the Kroger Company, charging them with knowingly receiving price discriminations from suppliers and vendors of grocery products. It is alleged that suppliers of grocery products had sold to Safeway and Kroger at prices 15 percent lower than those charged competitors for products of like grade and quality.

Antimerger Activities Under Section 7 of the Clayton Act.

The original section 7 of the Clayton Act made it unlawful under certain circumstances for

a complaint against Pillsbury Mills, Inc. (Docket 6000), the second largest flour milling company in the United States, with assets of over \$201,000,000. The complaint alleges that Pillsbury acquired tile assets of Ballard & Ballard Co., a large flour milling company in the southeast, with which it was i

The compliance function includes the processing of reports of compliance with current cease and desist orders, the holding of conferences with the rendering of opinions to respondents and their attorneys in respect thereto, and the investigation of alleged violations of outstanding orders.

A large number of cases in which the Commission issued orders to cease and desist were given consideration with respect to the manner of how the respondents were complying. One hundred and twenty-nine reports of compliance in antimonopoly cases were processed, of which 122 received the final action of having been accepted and filed. Final action was pending at the close of the year on the remainder, and in addition 28 other antimonopoly compliance cases were under investigation and study. (For reports of compliance processed in antideceptive practice cases see page 47. For civil penalty suits to enforce compliance see, page 48.)

Investigations of Monopolistic Practices

Investigations pending on July 1, 1951	-----	341
Entered for investigation during the year	-----	566
Completed during the year	-----	333
Investigations pending on June 30, 1952	-----	574

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683, 712-713). In the decision of the Supreme Court of the United States it is referred to as follows:

Thousands of secret sealed bids have been received by public agencies which correspond in prices of cement down to a fractional part of a penny.¹⁵

The Commission also docketed for investigation a substantial number of complaints on its own motion. During the fiscal year 566 such applications were entered for investigation.

Investigations involving charges of restraint of trade usually arise in connection with the administration of section 5 of the Federal Trade Commission Act and sections 2, 3, 7, and 8 of the Clayton Act, as amended.

Investigations under section 5 of the Federal Trade Commission Act related to such unfair practices as price-fixing agreements, collusive bidding, conspiracy to control production and limit supplies, interference with source of supply, boycott, and refusal to sell and selling below cost with the intent and effect of injuring competition or eliminating a competitor. Some of the more important products involved were steel and steel scrap, food products, insurance, paper products, surgical and dental instruments, floor covering, and lumber.

Clayton Act investigations covered, (1) price discrimination, unlawful payment or receipt of brokerage, (2) discrimination in the payment of allowances for advertising and promotional services and in the furnishing of services and facilities, and (3) the unlawful inducement and receipt of discriminatory prices. Among the products involved were petroleum products, automotive parts and accessories, television sets, food products, drugs, glass, books, candy, and watches.

Under section 3 of the Clayton Act investigations dealt with exclusive dealing and tying contracts relating to such products as fuel oil, artificial gas, hog serum, and dairy products.

Section 8 of the Clayton Act provides that no person shall serve as a director in two or more corporations, any one of which has capi-

¹⁵ (Footnote by the Court.) The following is one among many of the Commission's findings as to the identity of sealed bids:

"An abstract of the bids for 6,000 barrels of cement to the United States Engineer Office of Tucumcari, N. Mex., opened April 23, 1936, shows the following:

Name of bidder	Price per barrel
Monarch	\$3.286854
Ash Grove	3.286854
Lehigh	3.286854
Southwestern	3.286854
U.S. Portland Cement Co.	3.286854
Oklahoma	3.286854
Consolidated	3.286854
Trinity	3.286854
Lone Star	3.286854
Universal	3.286854
Colorado	3.286854

"All bids subject to 10 cents per barrel discount ion' 0 Tc 0.0-----fD 0D 0.0562 Tc (3.286854) Tj -412.2 -11.76 TD 0.0019 Tc (

tal, surplus, and

and desist order prohibiting sales practices tending to restrain trade and to create a monopoly in the sale of automatic temperature controls in violation of the Federal Trade Commission Act and sections 2 (a) and 3 of the Clayton Act. The Commission's order was in three parts: Parts I and II were not challenged; Part III was cha

Application for Enforcement

Whitney & Co., Seattle, Wash. The Commission filed before the Ninth Circuit (San Francisco) an application for enforcement of its order prohibiting Whitney & Company from paying or granting unlawful brokerage in violation of section 2 (c) of the Clayton Act. The Court affirmed the Commission's order but remanded the case to the Commission to act as Special Master to take and receive evidence on the question of violation and report its conclusion, together with the evidence, to the Court. The matter is now pending (infra).

Cases Pending

Automatic Canteen Co. Of America, Chicago, Ill. Petition for writ of certiorari filed in Supreme Court May 29, 1952. Price

Quantity-Limit Rule

The ~~Top~~ Goodrich Co., et al. v. Federal Trade Commission, et al. These are civil actions which were filed on and after March 3, 1952 in the U. S. District Court for the District of Columbia, to enjoin enforcement ~~of~~ Quantity-Limit Rule 203-1. The Rule fixes the carload quantity ~~of~~ 20,000 pounds ordered at one time for delivery at one time ~~the~~ quantity limit on replacement tires and tubes. It would operate to prevent the cost justification, under the cost-justification proviso ~~of~~ section 2 (a) of the Clayton Act as amended by the Robinson-Patman Act, ~~the~~ discriminations in the price ~~of~~ such ~~of~~ commodities based on differences in quantity

At the close of the fiscal year there were 42 associations filing papers with the Commission. These associations represented 460 mills, mines and factories scattered throughout the united States shipping to all parts of the world. One new association was formed during the year, Anthracite Export Association. It was organized in February, 1952, by nine producers of Pennsylvania anthracite, with offices located in New York City.

Products exported throughout

|

6 Antideceptive Practices Work

PROTECTION of the consumer from deception and the businessman from unfair methods of competition is the purpose of the Commission's antideceptive practices proceedings. The voluntary cooperative phases of the program are administered by the Bureau of Industry Cooperation. The investigation and trial of legal cases arising in this field are centered in the Bureau of Antideceptive Practices and are directed toward the prevention (1) of false and misleading advertising, (2) unfair and deceptive acts and practices, (3) misbranding of a variety of products, and (4) other forms of misrepresentation.

The basic statutory authority for the antideceptive practices program is contained in section 5 of the Federal Trade Commission Act. This section makes unlawful the use in commerce of unfair methods of competition and unfair or deceptive acts or practices, and directs the Commission to prevent such practices. Other sections of the statute deal specifically with false advertising of food, drugs, therapeutic devices, cosmetics, and oleomargarine.

In addition, the Wool Products Labeling Act requires truthful disclosures of the total fiber content, weight and other essential information of wool or purported woolen products which are manufactured for or marketed in commerce. The Fur Products Labeling Act, effective August 9, 1952, provides for the mandatory labeling of fur articles of wearing apparel, and the truthful invoicing and advertising of furs to show certain informative facts, among them being the true English name of the animal from which the fur was taken.

Under these statutes, the Commission institutes proceedings aimed at stopping practices which are unfair because characterized by deception, bad faith, or fraud. In cases in which a formal complaint is issued, and where the facts justify it, the method used is an order to cease and desist from specified practices. Other means of obtaining compliance with the law are also used. Some formal ~~stopping the~~ of stopping certain

gums in the sense of indiscriminately rubbing them is of no value and may be harmful.

A total of 18 cases were decided involving medicinal preparations, foods, cosmetics, and devices. Included were orders against: William A. Reed Co., inhibiting therapeutic claims made for Medrox soap and ointment in treating skin disorders, and Nulfex tablets in treating sciatica, gout, rheumatism, and similar ailments; Seydel Chemical Co., for claims that its product Subenon will correct the underlying causes or cure any form of rheumatism or arthritis; Foley .P Co. for advertising that Foley's Honey & Tar Compound is a remedy or effective treatment for coughs due to colds or that it has any therapeutic merit beyond giving temporary relief, or that its value has been proved clinically by hospital tests.

The Elmo Co consented to an order inhibiting therapeutic claims for its oils, ointments, gargles and cleansers used with an ear-vibrator device; and the Koken Companies, Inc., was prohibited from making claims that their preparation "Vanish" is a cure or remedy for dandruff.

Failure to disclose the foreign origin of numerous products continues to be the subject of the Commission's attention. In these cases, the Commission has found: (1) that there is a Copyright © 2018

ing; (2) the use of reused or reprocessed wool; and (3) the loading and milling of cloth.
Three textile

to refer to any article of merchandise which is not in fact a gift or is not given without requiring the purchase of other merchandise or the performance of some service inuring, directly or indirectly, to the benefit of the advertiser.

A rather comprehensive order was issued against Zlotnick The Furrier, whose advertising had become nationally known. The order included inhibitions against (1) representations that prices at which fur products were sold regularly were special or reduced prices; (2) using misleading illustrations of fur garments; (3) that its prices were lower than those of competitors for merchandise of like grade; (4) that the conditions of guarantees covering fur garments are different from those actually prevailing. Additional inhibitions dealt with defective or inferior workmanship, trade-in allowances, delivery and terms of payment, work-ups, removal of identifying marks, and refusing refunds where the company refused delivery.

Rhodes Pharmacal Co. of Cleveland, Ohio, manufacturers, sells, and distributes a drug preparation designated Imdrin, composed principally of aspirin, thiamine chloride, calcium succinate, and caffeine. In Nation-wide advertising programs in newspapers and radio broadcasts, Imdrin was represented to be an adequate, effective, and reliable treatment for all kinds of arthritis and rheumatism, neuritis, sciatica, gout, neuralgia, fibrositis, and bursitis. The complaint alleged those representations were false and that the effects of Imdrin are limited to temporary and partial relief of minor aches and pains and fever.

On January 30, 1951, the Commission sought a temporary injunction to stay the advertising of the product pending a final determination of the proceedings before it. The District Court of the Northern District of Illinois, Eastern Division, denied the petition for a preliminary injunction on the ground that the respective affidavits supporting the petition and the answer present serious debatable questions which could not be determined by the pleadings. The Commission appealed to the Circuit Court of Appeals, and on July 5, 1961, the lower court was reversed on the ground (1) the District Court had failed to apply appropriate equitable and legal principles which in this case only required the Court to determine whether the Commission had reason to believe that it would be in the public interest to enjoin the dissemination of alleged false advertisements pending final disposition of the administrative proceeding; and (2) the District Court was not required to find the charges made to be true but to find reasonable cause to believe them to be true. The case was accordingly remanded and injunction issued on September 25, 1951.

Complaints Charging Deceptive Practices

The largest number of complaints was issued on two commodities: Sewing machines and wool products. Fourteen complaints were issued against manufacturers and distributors of sewing machines involving the unfair and deceptive practice of representing the machines as American made when the lead, in some instances the entire machine, was manufactured in Japan, the label "Made in Occupied Japan" being hidden, or obliterated. Eleven cases dealt with the improper labeling and misrepresentation as to material and fiber content of wearing apparel, in violation of the Wool Textile Identification Act (16 U.S.C. § 1361-1365).

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A complaint issued against the Natural Foods Institute, which offers a variety of foods and drug products and for which greater therapeutic merits are claimed than the facts appear to justify. The products include: (1) "Chic Tablets" for reducing; (2) "Garlic Capsules" as an intestinal disinfectant; (3) "Soy Milk Powder" to prevent mastitis;Tj 38.o

Penalty suits were filed in 3 cases:

U.S. v. Purofied Down Products Corp. (N.D.Ind.). Suit for \$35,000 for violation of a Commission order requiring that pillows containing used or secondhan Tj 235nr TD

SURVEY OF ADVERTISING

Source of advertising	Number of advertisements	
	Examined	Set aside as questionable
Mail-Order Catalogs -----	36,627 (pages)	233
Periodicals -----	287,093	13,331
Radio -----	228,051	7,204
Television -----	84,325	3,648
Total -----	636,096	24,416

Division of Investigation

The Division of Investigation performs investigations to determine the facts in deceptive practice cases, other than those involving wool and fur labeling. It investigates alleged violations and obtains necessary information to support a determination as to whether corrective action shall be undertaken by the Commission.

Its field investigators are the Commission's antennae for detecting false advertising, misbranding, misrepresentation, and other unfair and deceptive business practices throughout the United States. As an additional means of bringing questionable advertising claims to the attention of the Commission, the Division maintains a continuous sampling survey of major advertising media; and it carefully screens and evaluates complaints of alleged deceptive practices received from consumers, businessmen, and other outside sources. Through its detective and investigative functions, the Division lays the groundwork for the Commission to carry out its statutory mandate (1) to protect consumers from deception in the marketplace and (2) to protect businessmen from practices which unfairly divert trade to their competitors.

The investigations conducted by the Division include not only initial violations of the Federal Trade Commission Act, but also questions of compliance with outstanding stipulations, orders to cease and desist, and trade practice rules. Investigations looking to the institution of criminal or injunctive court proceedings are undertaken where fraud or danger to health is involved in the advertising of food, drugs, devices and cosmetics. The Division also investigates on an industry wide or project basis when such action appears to be required in the public interest.

Possible violations are first subjected to preliminary inquiry, usually by correspondence, to determine initially whether further investigation or other action is warranted. This procedure serves to weed out those matters which are

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to the population of the cities in which the stations are located. Radio stations in small cities submit samples of commercial script once yearly; stations in cities of intermediate size, twice yearly; and stations in large cities, three

Hearing Aids

The Division's project consideration of the advertising of the major hearing aid companies was continued during the year and important unwarranted claims were corrected by stipulation or other informal means.

Letters and Affidavits of Discontinuance

It is within the discretion of the Commission, according to numerous court decisions, to determine whether an order to cease and desist should be issued in cases where unlawful practices have been discontinued.

In order to conserve its investigational facilities for use against more important and persistent violations, the Division of Investigation may discontinue its inquiry in certain cases where satisfactory assurance is received that the objectionable practice has been discontinued without intent to resume. In addition, scheduled investigations involving the same types of cases may be reported to the Commission with recommendations for closing if similar assurances are received and the public interest is thereby served.

During the fiscal year, 269 cases, including 143 objectiona

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in cases where complaints had been issued. A substantial number of the formal hearings involved situations where scientific witnesses were under cross-examination. During the year the Division arranged for the appearances of 37 expert scientific witnesses in cases where it was necessary to determine scientific questions.

The Chief of the Division of Medical and Chemical Opinions is the Commission's liaison officer with the Food and Drug Administration and with the Insecticide Division, Livestock Branch, Production and Marketing Administration, Department of Agriculture. Cooperation with these agencies has brought to the Commission necessary information and other assistance in handling cases involving foods, drugs, devices, cosmetics, and "economic poisons" such as insecticides, fungicides, rodenticides and weed exterminators. Through the Division of Medical and Chemical Opinions the Commission maintains cooperative contact with other Government agencies concerned with foods, drugs, devices, cosmetics and other commodities which involve questions of science. Included among these are the National Bureau of Standards, the U.S. Public Health Service, the Bureau of Animal Industry and the Bureau of Plant Industry, soils, and Agricultural Engineering. Similar contacts also are maintained with many nongovernmental clinics, hospitals, laboratories and scientists.

ANTIDECEPTIVE CASES IN FEDERAL COURTS²

Petition for review dismissed	7
Commission order affirmed	16
Commission order affirmed after modification	5
Commission order reversed	1
Certiorari denied by Supreme Court	2
Certiorari pending in Supreme Court on June 30, 1952	2

some modification. Cases in which the Commission's orders were affirmed without change were:

Consolidated royal chemical corp., Chicago, Ill. Seventh Circuit (Chicago). False advertising of the medicinal preparation New Pe-Ru-Na.

C. Howard Hunt Pen Co., Camden, N.J. Third Circuit (Philadelphia). Misrepresentation in the sale of fountain pen points.

Jacob Colon (E. & J. Distributing Co.), New York. Second Circuit (New York). Sale of lottery devices in interstate commerce.

Globe Cardboard Novelty co., New York. Third circuit (Philadelphia). Sale of lottery devices in interstate commerce.

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Orders Affirmed After Modification

Bork Manufacturing Co., Brooklyn, N. Y. Ninth Circuit (San Francisco). Sale of lottery devices in interstate commerce.

Galter, et al., Chicago, Ill. The Supreme Court denied petition for writ of certiorari to review the decision of the Seventh Circuit (Chicago) modifying and affirming and enforcing as modified the Commission's order banning misrepresentation in the sale of razors, clocks, and other merchandise.

Hamilton Manufacturing Co., Minneapolis, Minn. District of Columbia Circuit (Washington). Sale of lottery devices in interstate commerce.

Lichtenstein, et al., Chicago, Ill. Ninth Circuit (San Francisco). Sale of lottery devices in interstate commerce. This case is now pending on petition for writ of certiorari (see. *infra*).

R. J. Reynolds Tobacco Co., Winston-Salem, N. C. Seventh Circuit (Chicago). False advertising of cigarettes.

There was one decision adverse to the Commission in the Fourth Circuit (Richmond). In *New Standard Publishing Co., Richmond, Va.*, the Commission's order was vacated because the evidence of false advertising in the sale of

Dejay Stores, New York. Second Circuit (New York). Misrepresentation as to nature of business (location of delinquent debtors).

Bernice Feitler, Chicago. Ninth Circuit (San Francisco). Sale of lottery devices in interstate commerce.

William, F. Koch, Detroit. Sixth Circuit (Cincinnati). False advertising in sale of drug products.

Leo Lichtenstein, Chicago. Petition for writ of certiorari filed on May 26, 1952, in Supreme Court to review decision of Ninth Circuit (San Francisco) modifying and affirming the Commission's order against sale of lottery devices in interstate commerce.

National Toilet Company, Paris, Tenn. Seventh Circuit (Chicago). False Misrepr4-

Tale

~~Com-Pak~~, Chicago. Seventh Circuit (Chicago).

torso).

processed wool" and "reused wool"; (2) the maximum percentage of loading and adulterating material, if any; and (3) the identity of the manufacturer of the wool product or of a person or firm marketing the product in interstate commerce. The label, or a proper substitute containing the required information must not be removed or mutilated by the dealer but must remain on the merchandise when delivered to the purchaser-consumer.

Manufacturers of wool products subject to the act are required to maintain and preserve fiber content records and civil penalties are provided for failure to maintain such records.

Products covered by the act include not only finished articles such as wearing apparel and blankets but also the yarns and fabrics from which they were made. Approximately 100 industries and some 240,000 distributor and dealer outlets are engaged in producing and marketing these products.

Rules and Regulations Under Wool Act.—Rules and regulations promulgated by the Commission under the authority of the statute are available in booklet form upon request. They provide for manufacturers, distributors, and dealers guidance on how to comply fully with the law. Another publication available on request (W—31a) contains illustrations, with explanatory text, of tag and label forms acceptable under the statute.

Registered Identification Numbers.—the regulations provide that registered identification numbers may be assigned upon proper application not only to manufacturers of wool products but also to persons subject to the labeling requirements of the act who market wool products in interstate commerce. They also provide that a registered identification number may be used on the label, tag, or other mark as and for the name of the person to whom the number is assigned.

Continuing Guaranties.—For the purpose of protecting distributors, dealers, and other resellers, from the charge of misbranding when relying in good faith upon the statement of content furnished by the supplier, provision is made for a guaranty on the part of the supplier. It may be (1) a separate guaranty specifically designating the wool product guaranteed or (2) a continuing guaranty filed with the Commission and applicable to all products handled by the guarantor. Continuing guaranties are recorded and are open to public inspection.

Enforcement.—In cases involving misbranding which require corrective action by formal proceedings, the use of the cease-and-desist order procedure authorized by the Wool Act has proved adequate. The supporting procedure (condemnation and injunction) specifically provided by the Wool Act are available when needed, however,

and in cases of deliberate or willful violation, criminal penalties may be sought.

Administrative compliance work during the year included field inspection and industry counseling, which, in most instances, resulted in voluntary correction of labeling practices by concerns throughout the country.

Compliance inspections were carried on with 12,846 manufacturers, distributors, and other dealers in wool products in the fiscal year 1952 as compared with 12,091 in fiscal 1951.

In accordance with the Commission's policy of encouraging law observance through cooperation, many cases involving labeling deficiencies of a technical or minor nature have been corrected administratively. In relatively few cases has it been necessary to invoke formal corrective proceedings. Informal administrative compliance work has proved an effective and economical method of protecting the public interest in this field.

To give greater service to the public and to assist in the enforcement of the act, year

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Every manufacturer or dealer in fur or fur products subject to the act is required to maintain and preserve records for at least 3 years, and civil penalties are provided for failure to maintain such records.

Furs are defined as animal skins or parts thereof with hair, fleece or fur fibers attached thereto, eithe

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Industry Cooperation

THE BUREAU OF INDUSTRY COOPERATION operates under authority of the Federal Trade Commission Act, approved September 26, 1914, as amended March 21, 1938 (38 Stat. 717, 15 U.S.C.A. Sec 41; 52 Stat. 111), and the Administrative Procedure Act, approved June 11, 1946 (Public Law 404).

In eliminating and preventing unfair competitive methods and other business practices violative of the laws entrusted to its administration, the Commission does not rely solely on formal legal proceedings; it makes extensive use of voluntary and cooperative procedures as an effective supplemental means of preventing unlawful practices. The Bureau of Industry Cooperation administers the cooperative procedures of the Commission and consists of the Division of Trade Practice Conferences and the Division of Stipulations.

Trade practice conferences provide the means (1) for industry members to cooperate with the Commission in establishing for their respective industries trade practice rules interpretative of laws administered by the Commission and (1) for elimination and prevention of unfair trade practices on an industry-wide basis. The stipulation procedure permits the settlement of certain types of cases by agreement without the necessity for formal proceedings.

Securing voluntary observance of the law by means of industry-wide conferences and individual stipulation agreements without recourse to formal trial procedure results in substantial economy both to Government and industry. Moreover, industry obtains authoritative guidance and a substantial degree of certainty as to what it may do under the laws administered by the Commission, and consumers are afforded that degree of protection to which they are lawfully entitled.

The Commission in establishing the Bureau of Industry Cooperation expressed its encouragement in the increased interest on the part of industry through the use of cooperative procedures in wiping out unfair and deceptive practices and in developing programs which are in the interest of, and approved by, consumers. The cooperative procedures of the trade practice conference or stipulation agreement are not available for use in disposing of matters involving violations of the Clayton Act, combination or collective action in restraint of

trade, or practices which are fraudulent or inherently dangerous to health.

TRADE PRACTICE PROCEDURES AND REQUIREMENTS

In trade practice conference proceedings, members of industry work with the Commission in formulating and establishing rules which define and proscribe marketing and business practices which are unfair, deceptive, or otherwise unlawful. Trade practice rules are worked out in a friendly and cooperative atmosphere where every effort is made to clarify the applicable legal requirements and give guidance as to the manner in which such requirements can be met with minimum burden on industry members. The rules provide a basis for obtaining assistance from industry in maintaining industry-wide compliance with legal requirements.

The procedural steps and requirements applicable to industry proceedings for the establishment of trade practice rules are covered in the Commission Rules of Practice.

Trade practice conference proceedings may be instituted in the public interest by the Commission upon its own motion or in response to an application filed with it to that end. Any interested party or group in an industry, large or o448 -15.36 Tcy thetice.

petition in the

in nomenclature between regenerated cellulose textile fibers and the cellulose acetate textile fibers. The rules require the use of the specific term "acetate" as identification of the textile products made from fibers of cellulose acetate and that textile products made from fibers of regenerated cellulose be identified as "rayon." The failure to require this distinction between the two classes of fibers resulted in misunderstanding and confusion, more particularly by reason of the fact that these fibers possess different properties, and different care and treatment are required for each fiber.

The rules not only cover the requirements for the identification of fiber content of products composed in whole or in part of "rayon" or "acetate" but they also deal, among other things, with the use of construction and weave terms, the use of the terms "silk," "pure dye," "wool," "linen," "flax," "cotton," etc.; the use of trade-marks in connection with industry products and requirements for the disclosure of adulterants. In addition there are two rules dealing with labeling information as to the treatment and care of products and an educational program with view to enabling consumers to enjoy the full benefit and qualities of the products.

The proceeding not only provided a forum for members of the industry, but enabled consumers to voice their views concerning all the problems of the industry. The use of the term "linen,"

18, 1938. The Industry for which these rules are promulgated is composed of all persons, firms, corporations, and organizations engaged in the importation, manufacture, processing, or marketing of any kind or type of pearls, cultured pearls, or imitation pearls, whether loose, strung, mounted, or affixed to another product. The total annual volume of business of the industry is estimated to be in excess of \$20,000,000 at wholesale level.

The successful solution of an unusually large number of technical problems peculiar to this industry was greatly facilitated by the active cooperation received from all segments of the industry throughout the entire conference proceedings. Among these special problems were definition of the designations "Pearl" and "Cultured Pearl"; prohibition of the misuse of the terms "pearl," "cultured pearl," "cultivated pearl," "seed pearl," "oriental pearl," and the word "oriental"; prevention of misuse of the terms "reproduction," "synthetic," "replica," and of the words "real," "genuine," "natural," "wild," and "gem," misrepresentations as to the origin of products and disclosure of foreign origin of imitation pearls. Other important subjects covered by the rules are misleading illustrations, fictitious prices, misuse of terms like "close outs," use of push money and consignment distribution.

Grocery Industry.—This industry has over 600,000 members and its retail sales in 1951 exceeded \$45 billion. The rules cover all segments of the industry, including manufacturers, brokers, wholesalers, retailers and other marketers of grocery products and constitute a revision and extension of rules for this Industry promulgated by the Commission on March 14, 1932. There are 22 rules of the Group I classification which set forth practices considered to be prohibited under the laws administered by the Commission. Of particular interest to consumers, are those prohibiting use of pricing practices which have the capacity and tendency or effect of deceiving purchasers and the rules prohibiting misrepresentation of the available supply of products, the use of misleading or deceptive selling methods and the use of deceptive schemes in the sale of grocery products.

Of paramount importance to the grocery trade are those rules dealing with the provisions of the Robinson-Patman Amendment to the Clayton Act prohibiting unlawful discrimination in price, payment or receipt of unlawful brokerage commissions and the furnishing of illegal promotional allowances or services.

Floor Machinery Industry.—These rules cover a relatively new but growing industry which had not previously operated under Commission trade practice rules. The industry is composed of persons, firms, corporations, and organizations engaged in the manufacture, distribution or sale of household, commercial, or industrial power driven

machines for wet or dry cleaning, polishing, resurfacing or maintenance of floors or floor coverings, or parts, accessories or attachments for such machines, but not including the type of machines commonly designated as dry-suction "vacuum cleaners" except when designed for use in connection with other products of the industry. The twenty-eight Group I and Six Group II rules illustrate the wide range of industry practices treated under the trade practice conference procedure. The total annual volume of business of the industry is in excess of \$20,000,000 at the manufacturers level.

Set-up Paper Box Industry.—Members of this industry are engaged in manufacturing and marketing boxes of the set-up (noncollapsible) type which are fabricated from noncorrugated paperboard. Rules relating to important industrial problems cover tile practices of substituting lower quality products for those called for in the original order, selling below cost, and price discrimination.

Upholstery and Drapery Fabrics Industry.—Industry members are engaged in the production (including the dyeing and finishing, or refinishing, of goods of foreign origin), and the sale or distribution of upholstery and drapery fabrics. The fabrics are composed of the various natural and man-made fibers as well as the innumerable mixtures or other combinations of fibers customarily used in such production. The rules constitute a revision and extension of those promulgated by the Commission on November 16, 1932, and are designed to prevent such unfair practices as misrepresentation of industry products, including misbranding and deception as to origin, prohibited discrimination in terms of sale, imitation of trade marks, and deceptive concealment of the fiber or material content of any product of the industry, as well as the deceptive nondisclosure of the fact that any industry product contains used fiber or material in whole or in part.

Gladiolus Bulb Industry.—Members of this industry are commercial growers and distributors of gladiolus bulbs. The major industry problems covered in the rules relate to deception as to the true size of bulbs advertised for sale, and the related problems of misrepresenting the blooming or flowering ability of immature bulbs. The rules also cover use of deceptive guarantees and deceptive pricing and include Group II Rules outlining trade standards of quality, with an endorsement by the industry of the use of diameter in preference to a circumference measure in designating bulb size.

Narrow Fabrics Industry.—On January 30, 1952, the Commission promulgated rules for the Narrow Fabrics Industry which produces annually approximately \$75,000,000 worth of nonelastic woven fabrics for many thousands of end uses in such industries as the shoe, clothing, textile, electrical, rubber and ordnance industries. The application

for these rules was made by a segment of the industry representing more than one-half of the total domestic annual production. Among the subjects covered by the rules are selling below cost, disclosure as to foreign origin of imported narrow fabrics, unlawful coercion or combinations in restraint of trade and prohibited discrimination.

Sun Glass Industry.—Members of this industry are those engaged in the manufacture, sale or distribution of sun glasses and other glasses and lenses which are used to provide protection for the eyes against sun glare, strong light, or other similar conditions. Frames or parts for the glasses are also products of the industry. Included in the rules, which are a revision and extension of rules for this industry promulgated by the Commission on December 23, 1941, are, among others, provisions inhibiting misuse of the terms "ground," "polished" and "ground and polished"; misuse of the word "Crookes," and use of deceptive representations as to products conforming to a standard or specification, as well as a number of rules relating more specifically to certain objectionable commercial practices which both this Bureau and the Industry were anxious to eliminate.

Public Refrigerated Storage Industry.—The rules for this industry constitute a revision of the rules for the Commercial Cold Storage Industry promulgated by the Commission on November 9, 1931. Members of the industry are those engaged in the business of providing refrigerated storage space, issuing warehouse receipts for stored products and supplying services and facilities incidental to such storage. Some of the more important rules are those entitled "Deceptive Issuance of Warehouse Receipts," "Delivering Goods When Negotiable Warehouse Receipt Is Outstanding and Uncanceled," "Commercial Bribery," "Inducing Breach of Contract," and "Prohibited Forms of Trade Restraints."

Pending Conference Proceedings

Trade practice proceedings were undertaken for a number of other industries and were pending in various stages of progress at the close of the fiscal year.

Two formal and many informal conferences were held for the Radio and Television Industry. Practices to be r. (for) Tj 3.3D 0 Tc () Tj 2.52 C

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dustry produces the art work, halftones, line etchings, process color and other plate work used in the production of newspapers, magazines, books, and advertisements which have become essential to our national economy, and it is the purpose of this proceeding to establish a comprehensive set of trade practice rules directed to the maintenance of fair competitive conditions in the industry and the protection of the purchasing public. Proposed trade practice rules for release for hearing are presently before the Commission.

A regional trade practice conference for the Athletic Goods Industry was held in Los Angeles, Calif., and an industry-wide conference is scheduled to be held in Chicago, Ill. Among the more important subjects considered for rules are illegal discrimination in price, services or facilities, and payment or acceptance of illegal brokerage, failure to differentiate between wholesale and retail transactions done in the same establishment, misuse of terms such as "official," "league," "regulation," etc., as descriptive of industry products.

Proposed trade practice rules for the Cedar Chest Manufacturing industry were released for the consideration of interested and affected parties and public hearing held thereon.

A number of other pending proceedings were given attention during the year including proceedings to revise rules for the Luggage and Related Products and the Hearing aid Industries and to establish rules for the Millinery Industry, Refined Lubrication Oil Industry, Watch Attachment Industry, Water Repellent Fabrics Industry, Floor Wax and Floor Polish Industry, Costume Jewelry Industry, and with respect to wool shrinkage.

The Bureau has also been giving consideration to the matter of establishing rules for all man-made fibers, other than rayon and acetate, to provide among other things for proper identification of such fibers in products containing the same so as to prevent deception of purchasers. There are a number of new fibers that have come on the market which present special problems of a highly technical nature to both industry and the consumer. An informal conference was had with all the manufacturers of the various types of man-made fibers. As a result of this meeting, such fibers were classified generally as acrylic, vinylidene chloride, mineral, polyethylene, polyester, vinyl, protein, or polyamide, and for each classification a separate industry committee was created for the purpose of giving consideration to the feasibility of adopting a generic name and definition for the fibers in these respective groups.

In some instances all fibers within one general classification may have physical properties which differentiate one from the other regarding, among other things, such characteristics as heat resistance, elasticity, sun fading and water absorption. These problems as they

relate to labeling and advertising, require and are being given detailed consideration concerning the relative merits of the respective fiber products in order that any rules which may be promulgated will fully cover deceptive practices, false and misleading advertising and unfair methods of competition.

Rule Administration

Cooperation is

and all offers made to their customers in connection with the promotion of the resale of their products. Such material is being carefully reviewed to determine whether the firms are complying with the rules. Many of the plans submitted are complex and require detailed study of the practices involved. Considerable correspondence has been and will continue to be entailed in this work in order to obtain clarifying information from the industry members concerned. In a considerable number of instances informal office conferences have been and continue to be necessary in order to effect compliance with the rules. In those cases in which cooperative efforts are successful in bringing the industry members' plans into conformance with the rules, the matters are reported to the Commission with appropriate recommendation. In all those instances wherein efforts to secure voluntary compliance with the rules are unsuccessful, the cases are referred to the Commission with recommendations for investigation with the view of obtaining an order against the offending industry member if the facts so warrant.

Installment Sale and Financing of Motor Vehicles.—These rules are designed to eliminate and prevent deception in the installment sale and financing of motor vehicles and other practices which tend to suppress competition or restrain trade. The principal requirement of the rules is that the seller furnish the purchaser, before he becomes legally bound to purchase, an itemization in writing signed by the seller separately disclosing to the purchaser the finance charge, insurance costs, and other charges paid or to be paid by the purchaser. Due to the tremendous public interest in this subject, voluminous correspondence, entailing numerous administrative interpretations respecting the applicability of the rules to many and varied situations, was conducted with purchasers and prospective purchasers of automobiles on installment payment plans, forms engaged in the sale of motor vehicles, firms in the automobile financing business, Better Business Bureaus and even Federal and State banks not subject to the rules.

Pearl, Cultured Pearl, and Imitation Pearl Industry.—Shortly after promulgation of these rules on February 16, 1952, the Commission removed 52 investigational cases in the pearl industry from the suspense calendar and referred them to the Bureau for consideration and recommendation. The proposed respondents had been variously charged with failure to disclose the foreign origin or imported imitation pearls and the use of fictitious pricing practices contrary to the rule provisions. In less than 3 months from the time work was commenced on these matters the Bureau was able to recommend to the Commission that 51 cases be closed on the basis that the proposed respondents therein were not currently engaged in the practices charged and

had assured the bureau that they would observe the rule provisions in the conduct of their respective businesses. In only one case was it necessary to recommend reference for further action by another Commission Bureau.

Rayon and Acetate Textile Industry.—The promulgation of these rules which constituted a revision and extension of the 1937 Rayon Rules brought to the fore not only the intense interest of members of this industry but also the interest of members of related textile industries in the new rules and in the matter of fiber identification in general. As a consequence, there has been extensive correspondence conducted with weavers, converters, manufacturers, trade associations and trade

instances where policies are so drawn, of provisions under which policy holders may be subject to assessments in excess of stated premiums.

Seam Binding Industry.—An intensive survey of the principal members of the seam binding industry was conducted in connection with the alleged widespread practice of delivering short yardage in violation of the industry rules. The purpose of the survey was to induce more strict adherence to the rule requirements and to effect the discontinuance of the practice in question. As a result of such field work, closer liaison with members of the industry was established and substantial progress made in attaining full compliance with the rule provisions.

Masonry Waterproofing Industry.—Elimination of misrepresentation in advertising, labeling, and promotional literature of the degree of water impermeability imported by industry products has been effected by constant administrative contact through the media of field interviews, office conferences, and correspondence with those industry members who had heretofore failed to comply with the rules. Also, misrepresentation of this nature have been averted by giving prompt attention to newcomers in the "waterproofing" field and acquainting them with the provisions of the industry rules prior to their preparation and dissemination of labeling and advertising copy. Information concerning industry conditions obtained through field contact was particularly helpful in achieving cessation of unfair trade practices.

Bedding Manufacturing and Wholesale Distributing Industry.—Progress has been made in the administration of the trade practice rules for this industry by securing through cooperative means the discontinuance of such unfair practices as fictitious pricing and misrepresentation of the therapeutic value of bedding products. Emphasis has been placed upon the elimination of the

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us 5 (wa 5 1 1 5) 0 1 5 0 1 2 (b 1 1 0) Tj 41.76 0 TD 0 Tc () -104.52 -15.

Baby Chick Industry.—Rule enforcement through administrative action in this industry has modified and materially reduced unfair trade practices, such as deceptive claims as to quality, character, productivity, etc. of baby chicks. Through close cooperation with officials of the National Poultry Improvement Plan of the United States Department of Agriculture, its various executive committees, and participating State agencies, instances of misuse of plan terminology have been corrected. In addition, progress was made in the matter of bringing about full disclosure of the sex and breed of baby chicks.

SETTLEMENT OF CASES BY STIPULATION

Summary of Case Work

The stipulation or informal settlement method is utilized extensively by the Commission as a means of settling cases by voluntary action of the parties, without resort to formal complaint and trial. Under this procedure businessmen are afforded an opportunity in appropriate cases to enter into a voluntary agreement to discontinue practices considered to be unlawful.

In the fiscal period the Commission disposed of 182 cases under the stipulation procedure, as follows:

Accepted executed stipulations, including 7 amendment or substitute stipulations -----	131
Closed without prejudice -----	23
Directed issuance of complaint -----	9
Referred for further investigation -----	7
Placed on suspense -----	11
Filed without action -----	1
	182
Total -----	182

Negotiation of Stipulations

The Division of Stipulations in the Bureau of Industry Cooperation is charged with the duty of negotiating settlements under the stipulation procedure. The Division does not investigate or prosecute any matter. Its procedure is to notify the businessman concerned that certain of his business practices have been challenged as illegal. The notice includes a statement of the specific practices which preliminary investigation indicates should be discontinued. The businessman may reply by letter and submit for consideration any pertinent information or explanation he may care to present, or he may request an informal conference with a representative of the Division of Stipulations. Opportunity for such informal conference is always afforded, 133 having been held during the fiscal

year. At these conferences the facts and issues are discussed informally and every effort made to reach an amicable settlement.

Consent Settlement Amendment

The consent settlement rule became effective on August 4, 1951, 30 days after publication in the Federal Register. It provides that at any time after the issuance of complaint and prior to the commencement of the taking of evidence, all respondents in any case may jointly move the hearing examiner to suspend proceedings before him for a reasonable time to permit negotiations by counsel upon a consent settlement dispositive of the proceeding. Such suspension, and the time thereof, is in the discretion of the hearing examiner, after considering representations of counsel for both sides and the reasonable probability of an agreement being reached that would result in a substantial saving in time and expense.

This rule may not be invoked after the Commission has begun to present the evidence necessary to prove its case, so that it cannot be used as a dilatory tactic or become a means for seeking to negotiate a remedy less than that warranted by the evidence already presented in support of the complaint.

A motion to suspend the proceedings for the purpose of negotiating a consent settlement must be made to the hearing examiner, and whether or not the motion is granted is in his discretion. The time allowed for such negotiations is also controlled by the hearing examiner. Unless the hearing examiner believes that there is "reasonable probability of an agreement being reached that would result in a substantial saving of time and expense" the motion is not granted. Negotiations under the rule are handled by the Commission's trial attorney, but responsibility for seeing that the case is not unduly delayed remains with the hearing discretion.

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ment continued, with 9 hearing examiners issuing 109 initial decisions, of which, 34 became, within that fiscal year, the decisions of the Commission without appeal or review. The value of the new procedures has thus been demonstrated in actual practice by the fact that ten hearing examiners during 1951 and nine during 1952 have disposed of the initial

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Work in Defense Mobilization Program

PARTICIPATION in the defense mobilization program by the Federal Trade Commission has been of a threefold nature: (1) Carrying out responsibility assigned to it by the Defense Production Act; (2) undertaking work for defense agencies in the field in which its experience gives it special competence, and (3) proceeding with its regular work—both legal and economic—so aligned as to give priority to the job of preventing practices detrimental to defense production.

Clearance of Antitrust Exemption

Section 708 of the Defense Production Act authorizes the President to consult with representatives of industry, business, finance, agriculture, labor, and other interests, with the view to encouraging the making by such persons, with the approval of the President, of voluntary agreements and programs to further the objectives of the act. It further provides that no act, or omission to act, if requested by the President pursuant to a voluntary agreement or program approved thereunder and found by the President to be in the public interest as contributing to the national defense, shall be construed to be within the prohibitions of the antitrust laws or the Federal Trade Commission Act. Copies of such requests must be furnished to the Attorney General and the Chairman of the Federal Trade Commission. In authorizing the President to delegate to certain officials his authority under section 708 (b) relating to exemptions from the antitrust laws and the Federal Trade Commission Act, the statute provides that such officials must consult with the Attorney General and the Chairman of the Federal Trade Commission before making any request or finding under the exemption proviso. It provides further, in effect, that such exemptions become effective only with the approval of the Attorney General.

Under this provision, when a defense agency has a matter coming within the scope of section 708 of the Defense Production Act, copies of the proposal are submitted through the appropriate liaison officers to the Attorney General and the Chairman of the Federal Trade Commission. Through interagency staff consultation, the matters involved are explored and a basis is established for the clearance pro-

vided in the act. Before such clearance is granted, the matters are examined with the view of minimizing, so far as possible, without interference with the defense effort, factors which may tend to eliminate competition, create or strengthen monopolies, injure small business, or otherwise promote undue concentration of economic power

In handling the work, close coordination and collaboration are maintained between the Department of Justice and the Federal Trade Commission, in cooperation with the defense agencies concerned.

Up to the close of the fiscal year, 50 voluntary industry programs and agreements were processed under section 708 of the Defense Production list.

Compliance Surveys for NPA

The Commission was designated in February 1951 as the agency through which the Administrator of the National Production Authority may exercise his power to conduct surveys and investigations on the operation of NPA orders and regulations and the extent of compliance by business firms. This designation was made in accordance with the policy of utilizing existing Government agencies, insofar as possible, in carrying out the defense mobilization program. It was recognized that the Commission, with its staff of experienced attorney-examiners and accountants, was especially equipped to make the needed surveys and investigations. This work was assigned to the Division of Defense Surveys which was established in the office of the Federal Trade Commission Chairman.

The curtailed budget of NPA necessitated termination of the work of the Division of Defense Surveys as of December 31, 1951. But prior to that date Commission attorney-examiners investigated compliance with NPA orders, regulations and directives involving (1) maintenance of inventories; (2) the level of production and delivery of orders; (3) the selection of and uses for materials; (4) the use of supplies acquired for maintenance and repair; (5) the treatment of rated and unrated orders; (6) the use of scrap; (7) the operation of tool conversion and repurchase agreements; and (8) the progress of plant conversion to essential defense production. The surveys involved field investigations, including plant and inventory inspections. The scope, timing, and technical aspects of each survey were determined in advance by conference between NPA and the Commission.

The factual record assembled in these surveys was transmitted directly to NPA through the Chairman, and NPA made all decisions concerning possible violations of orders and applications for modifications, adjustments, or exceptions.

During the period July 1, 1951, to December 31, 1951, the Federal Trade Commission completed surveys (1) of a representative cross-

of Price Stabilization, National Production Administration, the Department of Defense, and other Government agencies concerned with the national emergency. ~~Article 10~~ 0.0022 6 0 TD 0 Tc (D

10 Appropriations and Obligations

FUNDS AVAILABLE FOR FISCAL YEAR

Funds

Year	Number of employees	Nature of appropriations	Appropriations	Obligations	Balance
1933	404	Lump sum -----	\$1,421,714.70	\$1,378,973.14	\$42,741.56
		Printing and Binding -----	30,000.00	20,000.00	10,000.00
1934	584	Lump sum -----	1,273,763.49	1,273,606.38	157.11
		Printing and Binding -----	40,250.00	40,250.00	0
1935	535	Lump sum -----	2,063,398.01	1,922,313.34	141,084.67
		Printing and binding -----	34,000.00	34,000.00	0
1936	571	Lump sum -----	1,998,665.58	1,788,729.76	209,935.82
		Printing and binding -----	36,800.00	32,996.05	3,803.95
1937	577	Lump sum -----	1,895,571.94	1,850,673.82	44,898.12
		Printing and binding -----	43,353.95	43,353.95	0
1938	585	Lump sum -----	1,950,000.00	1,895,519.47	54,480.53
		Printing and binding -----	46,000.00	46,000.00	0
1939	687	Lump sum -----	2,236,795.00	2,150,474.40	86,320.60
		Printing and binding -----	46,700.00	46,700.00	0
1940	668	Lump sum -----	2,285,500.00	2,214,889.07	70,610.93
		Printing and binding -----	60,000.00	60,000.00	0
1941	694	Lump sum -----	2,240,000.00	2,167,256.24	72,743.76
		Printing and binding -----	60,000.00	59,000.00	1,000.00
1942	631	Lump sum -----	2,373,822	2,296,921.13	76,900.87
		Printing and binding -----	60,000.00	42,000.00	18,000.00
1943	487	Lump sum -----	2,237,705.00	2,100,783.09	136,921.91
		Printing and binding -----	50,250.00	32,210.75	18,039.25
1944	463	Lump sum -----	2,040,050.00	1,917,307.50	122,742.50
		Printing and binding -----	43,000.00	39,848.45	3,151.55
1945	451	Lump sum -----	2,016,070.00	1,957,818.31	58,251.69
		Printing and binding -----	43,000.00	39,728.72	3,271.28
1946	496	Lump sum -----	2,129,833.00	2,118,404.77	11,428.23
		Printing and binding -----	44,000.00	33,044.88	10,955.12
1947	604	Lump sum -----	2,925,120.00	2,826,817.64	98,302.36
		Printing and binding -----	50,000.00	33,902.35	16,097.65
1948	579	Lump sum -----	2,915,596.92	2,894,685.60	20,911.32
		Printing and binding -----	55,000.00	53,815.34	1,184.66
1949	660	Lump sum -----	3,574,510.00	3,548,657.21	25,852.79
		Printing and binding -----	46,525.00	33,310.54	13,214.46
1950	654	Lump sum (including printing and binding) -----	3,723,000.00	3,715,057.88	7,942.12
1951	684	Lump sum (including printing and binding) -----	3,891,695.00	3,767,482.95	124,212.05
1952	672	Lump sum (including printing and binding) -----	4,314,400.00	4,306,917.14	7,482.86

APPENDIXES

Federal Trade Commissioners—1915-52

Name	State from which appointed	Period of service
Joseph E. Davies	Wisconsin	Mar. 16, 1915-Mar. 18, 1918
Edward N. Hurley	Illinois	1918
William J. Harris	Georgia	Mar. 16, 1915-Jan. 31, 1917
Will H. Parry	Washington	
George Rublee	New Hampshire	
William B. Colver	Minnesota	Mar. 16, 1915-May 31, 1918
John Franklin Fort	New Jersey	Mar. 16, 1915-Apr. 21, 1917
Victor Murdock	Kansas	Mar. 16, 1915-May 14, 1916
Huston Thompson	Colorado	Mar. 16, 1917-Sept. 25, 1920
Nelson B. Gaskill	New Jersey	Mar. 16, 1917-Nov. 30, 1919
John Garland Pollard	Virginia	Sept. 4, 1917-Jan. 31, 1924
John F. Nugent	Idaho	Jan. 17, 1919-Sept. 25, 1926
Vernon W. Van Fleet	Indiana	Feb. 1, 1920-Feb 24, 1925
Charles W. Hunt	Iowa	Mar. 6, 1920-Sept. 25, 1921.
William E. Humphrey	Washington	Jan 15, 1921-Sept. 25, 1927
Abram F. Myers	Iowa	June 26, 1922-July 31, 1926
Edgar A. McCulloch	Arkansas	June 16, 1924-Sept. 25, 1932.
Garland S. Ferguson	North Carolina	Feb. 25, 1925-Oct. 7, 1933.
Charles H. March	Minnesota	Aug 2, 1926-Jan. 15, 1929
Ewin L. Davis	Tennessee	Feb. 11, 1927-Jan. 23, 1933
Raymond B. Stevens	New Hampshire	Nov. 14, 1927-Nov. 15, 1949
James M. Landis	Massachusetts	Feb. 1, 1929-Aug. 28, 1945
George C. Mathews	Wisconsin	May 26, 1933-Oct. 23, 1949.
William A. Ayres	Kansas	June 26, 1933-Sept. 25, 1933.
Robert E. Freer	Ohio	Oct. 10, 1933-June 30, 1934.
Lowell B. Mason	Illinois	Oct. 27, 1933-June 30, 1934.
John Carson	Michigan	Aug. 23, 1934-Feb. 17, 1952.
James M. Mead	New York	Aug. 27, 1935-Dec. 31, 1948.
Stephen J. Spingarn	New York	Oct. 15, 1945-.
Albert A. Carretta	Virginia	Sept. 28, 1949-.
		Nov. 16, 1949-.
		Oct. 25, 1950-.
		June 18, 1952-.

Statutes Pertaining to the Federal Trade Commission

The authority and powers of the Federal Trade Commission in the main are drawn from the following statutes:

1. Federal Trade Commission Act, approved September 26, 1914 (38 Stat. 717), and subsequently amended as indicated below.
2. Clayton Act, sections, 2, 3, 7, 8, and 11 approved October 15, 1914 (38 Stat. 730, 731, 732), amended as indicated below.
3. Webb-Pomerene Export Trade Act, approved April 10, 1918 (40 Stat. 516).
- 4.

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: Provided, however, That upon the expiration of his term of office a commissioner shall continue to serve until his successor shall have been appointed and shall have qualified. The Commission shall choose a chairman from its own membership.¹ 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,² 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,³ 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 from time to time be 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 of 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 regulations 13.56 of the DoC, (16 CFR 13.56) shall be paid by the

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. The words defined in this section shall have the following meaning when found in this Act, to wit:

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

"Corporation" shall be deemed to include any company, trust, so-called Massachusetts trust, or association, incorporated or unincorporated,

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(2) Upon the expiration of the time allowed for filing a petition for certiorari, if the order of the Commission has been affirmed, or the petition for review dismissed by the circuit court of appeals, and no petition for certiorari has been duly filed; or

(3) Upon the denial of a petition for certiorari, if the order of the Commission has been affirmed or the petition for review dismissed by the circuit court of appeals; or

(4) Upon the expiration of thirty days from the date of issuance of the mandate of the Supreme Court, if such Court directs that the order of the Commission be affirmed or the petition for review dismissed.

(h) If the supreme Court directs that the order of the Commission be modified or set aside, the order of the Commission rendered in accordance with the mandate of the Supreme Court shall become final upon the expiration of thirty days from the time it was rendered, unless within such thirty days either party has instituted proceedings to have such order corrected to accord with the mandate, in which event the order of the Commission shall become final when so corrected.

(i) If the order of the Commission is modified or set aside by the circuit court of appeals, and if (1) the time allowed for filing a petition for certiorari has expired and no such petition has been duly filed, or (2) the petition for certiorari has been denied or (3) the decision of the court has been affirmed by the Supreme court, then the order of the Commission rendered in accordance with the mandate of the circuit court of appeals shall become final on the expiration of thirty days from the time such order of the Commission was rendered, unless within such thirty days either party has instituted proceedings to have such order corrected so that it will accord with the mandate, in which event the order of the Commission shall become final when so corrected.

(j) If the Supreme court orders a rehearing; or if the case is remanded by the circuit court of appeals to Commission shall

(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, 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 either⁸ House of Congress to investigate and report the facts relating to any alleged violations of the antitrust Acts by any corporation.

(e) Upon the application of the Attorney general to investigate and make recommendations for the readjustment of the business of any corporation alleged to be violating the antitrust 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,

of procedure as the court may prescribe, and upon the coming in of such report such

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 things concerning which he may testify, or produce

SEC. 12. (a) It shall be unlawful for any person , partnership, or corporation to disseminate, or cause to be disseminated, any false advertisement—

(1) By United States mails, or in commerce by any means for the purpose of inducing, or which is likely to induce, directly or indirectly, the purchase of food, drugs, devices, or cosmetics; or

(2) By any means, for the purpose of inducing, or which is likely to induce directly or indirectly, the purchase in commerce of food, drugs, devices, or cosmetics.

(b) The dissemination or the causing to be disseminated of any false advertisement within the provisions of subsection (a) of this section shall be an unfair or deceptive act or practice in commerce within the meaning of section 5.

SEC. 13. (a) Whenever the Commission has reason to believe—

(1) that any person, partnership, or corporation is engaged in, or is about to engage in, the dissemination or the causing of the dissemination of any advertisement in violation of section 12, and

(2) that the enjoining thereof pending the issuance of a complaint by the Commission under section 5, and until such complaint is dismissed by the Commission or set aside by the court on review, or the order of the Commission to cease and desist made thereon has become final within the meaning of section 5, would be to the interest of the public,

the Commission by any of its attorneys designated by it for such purpose may bring suit in a district court of the United States or in the United States court of any Territory, to enjoin the dissemination or the causing of the dissemination of such advertisement. Upon proper showing a temporary injunction or restraining order shall be granted without bond. Any such suit shall be brought in the district in which such person, partnership, or corporation resides or transacts business.

(b) Whenever it appears to the satisfaction of the court in the case of a newspaper, magazine, periodical, or other publication, published at regular intervals—

(1) that restraining the dissemination of a false advertisement in any particular issue of such publication would delay the delivery of such issue after the regular time for the delivery of such

(2) that such delay would be due to the

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imprisonment; except that

(4) articles intended for

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," of August twenty-seventh, eighteen hundred and ninety-four; an 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; and also this Act.

"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 2.² (a) 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 of like grade and quality, where either or any of the purchases involved in such discrimination are in commerce, where such 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, and where the effect of such discrimination may be substantially to lessen competition or tend to create a monopoly in any line of commerce, or to injure, destroy, or prevent competition with any person who either grants or knowingly receives the benefit of such discrimination, or with customers of either of them. Provided, That nothing herein contained shall prevent differentials which make only due allowance for differences in the cost of manufacture, sale, or delivery resulting from the different methods or quantities in which such commodities are to such purchasers sold or delivered: Provided, however, That the Federal Trade Commission may, after due investigation and hearing to all interested parties, fix and establish quantity limits, and revise the same as it finds necessary, as to particular commodities or classes of commodities, where it finds that available purchasers in greater quantities are so few as to render differentials on account thereof unjustly discriminatory or promotive of monopoly in any line of commerce; and the foregoing shall then not be construed to permit differentials based on differences in quantities greater than those so fixed and established: 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: And provided further, That nothing herein contained shall prevent price changes from time to time where in response to changing conditions affecting the market for or the marketability of the goods concerned, such as but not limited to actual or imminent deterioration of perishable goods, obsolescence of seasonal goods, distress sales under court process, or sales in good faith in discontinuance of business in the goods concerned.

(b) Upon proof being made, at any hearing on a complaint under this section, that there has been discrimination in price of services or facilities furnished the burden of rebutting the prima facie case thus made by showing justification shall be upon the person charged with a violation of this section, and unless justification shall be affirmatively shown, the Commission is authorized to issue an order terminating the discrimination: Provided, however,

² This section of the Clayton Act contains the provisions of the Robinson-Patman Anti-Discrimination Act, approved June 19, 1936, amending Section 2 of the original Clayton Act, approved Oct. 15, 1914.

Section 4 of the Robinson-Patman Act provides that nothing therein "shall prevent a cooperative association from returning to its members, producers, or consumers the whole, or any part of, the net earnings or surplus resulting from its trading operations, in proportion to their purchases or sales from, to, or through the association."

Public No. 550. 75th Congress approved May 26, 1938, to amend the said Robinson-Patman Act, further provides that nothing therein "shall apply to purchases of their supplies for their own use by schools, colleges, universities, public libraries, churches, hospitals, and charitable institutions not operated for profit."

That nothing herein contained shall prevent a seller rebutting the prima facie case thus made by showing that his lower price or the furnishing of services or facilities to any purchaser or purchasers was made in good faith to meet an equally low price of a competitor, or the services or facilities furnished by a competitor.

in part on any matter complained of in said suit or proceeding shall be suspended during the pendency thereof.

SEC. 6. That the labor of a human being is not a commodity or article of commerce. Nothing contained in the antitrust laws shall be construed to forbid the existence and operation of labor, agricultural, or horticultural organizations instituted for the purposes of mutual help, and not having capital stock or conducted for profit, or to forbid or restrain individual members of such organizations from lawfully carrying out the legitimate objects thereof; nor shall such organizations, or the members thereof, be held or construed to be illegal combinations or conspiracies in restraint of trade under the antitrust laws.

SEC. 7.³ That no corporation engaged in commerce shall acquire, directly or indirectly, the whole or any part of the stock or other share capital and no corporation subject to the jurisdiction of the federal Trade Commission shall acquire the whole or any part of the assets of another corporation engaged also in commerce, where in any line of commerce in any section of the country, the effect of such acquisition may be substantially to lessen competition, or to tend to create a monopoly.

No corporation shall acquire, directly or indirectly, the whole or any part of the stock or other share capital and no corporation subject to the jurisdiction of the Federal trade Commission shall acquire the whole or any

under the laws of any State or

abstracts or willfully mis

and containing a notice of 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. The Attorney General shall have the right to intervene and appear in said proceeding and any person may make application, and upon good cause shown may be allowed by the Commission or Board, to intervene and appear in said proceeding by counsel or in person. The testimony in any such proceeding shall be reduced to writing and filed in the office of the Commission or Board. If upon such hearing the Commission or Board, as the case may be, shall be of the opinion that any of the provisions of said selections 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, or other share, capital, or assets, held or rid itself of the directors chosen contrary to the provisions of sections 73B, 73C, 73D, 73E, 73F, 73G, 73H, 73I, 73J, 73K, 73L, 73M, 73N, 73O, 73P, 73Q, 73R, 73S, 73T, 73U, 73V, 73W, 73X, 73Y, 73Z, 74A, 74B, 74C, 74D, 74E, 74F, 74G, 74H, 74I, 74J, 74K, 74L, 74M, 74N, 74O, 74P, 74Q, 74R, 74S, 74T, 74U, 74V, 74W, 74X, 74Y, 74Z, 75A, 75B, 75C, 75D, 75E, 75F, 75G, 75H, 75I, 75J, 75K, 75L, 75M, 75N, 75O, 75P, 75Q, 75R, 75S, 75T, 75U, 75V, 75W, 75X, 75Y, 75Z, 76A, 76B, 76C, 76D, 76E, 76F, 76G, 76H, 76I, 76J, 76K, 76L, 76M, 76N, 76O, 76P, 76Q, 76R, 76S, 76T, 76U, 76V, 76W, 76X, 76Y, 76Z, 77A, 77B, 77C, 77D, 77E, 77F, 77G, 77H, 77I, 77J, 77K, 77L, 77M, 77N, 77O, 77P, 77Q, 77R, 77S, 77T, 77U, 77V, 77W, 77X, 77Y, 77Z, 78A, 78B, 78C, 78D, 78E, 78F, 78G, 78H, 78I, 78J, 78K, 78L, 78M, 78N, 78O, 78P, 78Q, 78R, 78S, 78T, 78U, 78V, 78W, 78X, 78Y, 78Z, 79A, 79B, 79C, 79D, 79E, 79F, 79G, 79H, 79I, 79J, 79K, 79L, 79M, 79N, 79O, 79P, 79Q, 79R, 79S, 79T, 79U, 79V, 79W, 79X, 79Y, 79Z, 80A, 80B, 80C, 80D, 80E, 80F, 80G, 80H, 80I, 80J, 80K, 80L, 80M, 80N, 80O, 80P, 80Q, 80R, 80S, 80T, 80U, 80V, 80W, 80X, 80Y, 80Z, 81A, 81B, 81C, 81D, 81E, 81F, 81G, 81H, 81I, 81J, 81K, 81L, 81M, 81N, 81O, 81P, 81Q, 81R, 81S, 81T, 81U, 81V, 81W, 81X, 81Y, 81Z, 82A, 82B, 82C, 82D, 82E, 82F, 82G, 82H, 82I, 82J, 82K, 82L, 82M, 82N, 82O, 82P, 82Q, 82R, 82S, 82T, 82U, 82V, 82W, 82X, 82Y, 82Z, 83A, 83B, 83C, 83D, 83E, 83F, 83G, 83H, 83I, 83J, 83K, 83L, 83M, 83N, 83O, 83P, 83Q, 83R, 83S, 83T, 83U, 83V, 83W, 83X, 83Y, 83Z, 84A, 84B, 84C, 84D, 84E, 84F, 84G, 84H, 84I, 84J, 84K, 84L, 84M, 84N, 84O, 84P, 84Q, 84R, 84S, 84T, 84U, 84V, 84W, 84X, 84Y, 84Z, 85A, 85B, 85C, 85D, 85E, 85F, 85G, 85H, 85I, 85J, 85K, 85L, 85M, 85N, 85O, 85P, 85Q, 85R, 85S, 85T, 85U, 85V, 85W, 85X, 85Y, 85Z, 86A, 86B, 86C, 86D, 86E, 86F, 86G, 86H, 86I, 86J, 86K, 86L, 86M, 86N, 86O, 86P, 86Q, 86R, 86S, 86T, 86U, 86V, 86W, 86X, 86Y, 86Z, 87A, 87B, 87C, 87D, 87E, 87F, 87G, 87H, 87I, 87J, 87K, 87L, 87M, 87N, 87O, 87P, 87Q, 87R, 87S, 87T, 87U, 87V, 87W, 87X, 87Y, 87Z, 88A, 88B, 88C, 88D, 88E, 88F, 88G, 88H, 88I, 88J, 88K, 88L, 88M, 88N, 88O, 88P, 88Q, 88R, 88S, 88T, 88U, 88V, 88W, 88X, 88Y, 88Z, 89A, 89B, 89C, 89D, 89E, 89F, 89G, 89H, 89I, 89J, 89K, 89L, 89M, 89N, 89O, 89P, 89Q, 89R, 89S, 89T, 89U, 89V, 89W, 89X, 89Y, 89Z, 90A, 90B, 90C, 90D, 90E, 90F, 90G, 90H, 90I, 90J, 90K, 90L, 90M, 90N, 90O, 90P, 90Q, 90R, 90S, 90T, 90U, 90V, 90W, 90X, 90Y, 90Z, 91A, 91B, 91C, 91D, 91E, 91F, 91G, 91H, 91I, 91J, 91K, 91L, 91M, 91N, 91O, 91P, 91Q, 91R, 91S, 91T, 91U, 91V, 91W, 91X, 91Y, 91Z, 92A, 92B, 92C, 92D, 92E, 92F, 92G, 92H, 92I, 92J, 92K, 92L, 92M, 92N, 92O, 92P, 92Q, 92R, 92S, 92T, 92U, 92V, 92W, 92X, 92Y, 92Z, 93A, 93B, 93C, 93D, 93E, 93F, 93G, 93H, 93I, 93J, 93K, 93L, 93M, 93N, 93O, 93P, 93Q, 93R, 93S, 93T, 93U, 93V, 93W, 93X, 93Y, 93Z, 94A, 94B, 94C, 94D, 94E, 94F, 94G, 94H, 94I, 94J, 94K, 94L, 94M, 94N, 94O, 94P, 94Q, 94R, 94S, 94T, 94U, 94V, 94W, 94X, 94Y, 94Z, 95A, 95B, 95C, 95D, 95E, 95F, 95G, 95H, 95I, 95J, 95K, 95L, 95M, 95N, 95O, 95P, 95Q, 95R, 95S, 95T, 95U, 95V, 95W, 95X, 95Y, 95Z, 96A, 96B, 96C, 96D, 96E, 96F, 96G, 96H, 96I, 96J, 96K, 96L, 96M, 96N, 96O, 96P, 96Q, 96R, 96S, 96T, 96U, 96V, 96W, 96X, 96Y, 96Z, 97A, 97B, 97C, 97D, 97E, 97F, 97G, 97H, 97I, 97J, 97K, 97L, 97M, 97N, 97O, 97P, 97Q, 97R, 97S, 97T, 97U, 97V, 97W, 97X, 97Y, 97Z, 98A, 98B, 98C, 98D, 98E, 98F, 98G, 98H, 98I, 98J, 98K, 98L, 98M, 98N, 98O, 98P, 98Q, 98R, 98S, 98T, 98U, 98V, 98W, 98X, 98Y, 98Z, 99A, 99B, 99C, 99D, 99E, 99F, 99G, 99H, 99I, 99J, 99K, 99L, 99M, 99N, 99O, 99P, 99Q, 99R, 99S, 99T, 99U, 99V, 99W, 99X, 99Y, 99Z, 100A, 100B, 100C, 100D, 100E, 100F, 100G, 100H, 100I, 100J, 100K, 100L, 100M, 100N, 100O, 100P, 100Q, 100R, 100S, 100T, 100U, 100V, 100W, 100X, 100Y, 100Z

SEC. 17.⁶ That no preliminary injunction shall be issued without notice to the opposite party.

No temporary restraining order shall be granted without notice to the opposite party unless it shall clearly appear from specific facts shown by affidavit or by the verified bill that immediate and irreparable injury, loss, or damage will result to the applicant before notice can be served and hearing had thereon. Every such temporary restraining order shall be endorsed with the date and hour of issuance, shall be forthwith filed in the clerk's office and entered of record, shall define the injury and state why it is irreparable and why the order was granted without notice, and shall by its terms expire within such time after entry, not to exceed ten days, as the court of judge may fix, unless within the time so fixed the order is extended for a o thē

benefits or other moneys or things of value; or from peaceably assembling in a lawful manner, and for lawful purposes; or from doing any Act or thing which might lawfully be done in the absence of such dispute by any party thereto; nor shall any of the acts specified in this paragraph be considered or held to be violations of any law of the United States.

SEC. 21.⁷ That any person who shall willfully disobey any lawful writ, process, order, rule, decree or command of any district court of the United States or any court of the District of Columbia by doing any Act or thing therein, or thereby forbidden to be done by him, if the Act or thing so done by him be of such character as to constitute also a criminal offense under any statute of the United states, or under the laws of any State in which the Act was ~~the~~ which also

the granting of such writ of error, execution of judgment shall be stayed, and the accused, if thereby sentenced to imprisonment, shall be admitted to bail in such reasonable sum as may be required by the court, or by any justice or any judge of any district court of the United States or any court of the District of Columbia.

SEC. 24.⁸ That nothing herein contained shall be construed to relate to contempts committed in the presence of the court, or so near thereto as to obstruct the administration of justice, nor to contempts committed in disobedience of any lawful writ, process, order, rule, decree, or command entered in any suit or action brought or prosecuted in the name of , or on behalf of, the United States, but the same, and all the other cases of contempt not specifically embraced within section twenty-one of this Act, may be punished in conformity to the usages at law and in equity now prevailing.

SEC. 25.⁸ That no proceeding for contempt shall be instituted against any person unless begun within one year from the date of the Act complained of; nor shall any such proceeding be a bar to any criminal prosecution for the same Act or acts; but nothing herein contained shall affect any proceedings in contempt pending at the time of the passage of this Act.

SEC. 26. If any clause, sentence, paragraph, or part of this ACT shall, for any reason, be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered.

Approved, October 15, 1914.

Congress), 18 U.S.C., Section 3285 and 18 U. S. C. Section 3691. Section 23 was omitted as no longer required in view of the civil and criminal rules promulgated by the Supreme Court.

The Act of June 25, 1948, c. 646 (62 Stat. 896), which revised, codified, and enacted into law Title 28 of the Code (Judicial Code and judiciary), repealed the first, second, and fourth paragraphs of Section 17, and repealed Sections 18 and 19, in view of Rule 65, Federal Rules of Civil Procedure, which covers the substance of the matter involved.

11. Passing off goods for products of competitors through appropriation or simulation of such competitors' trade names, labels, dress of goods, or counter-display catalogs.

12. Selling rebuilt, second-hand, renovated, or old products, or articles made in whole or in part from used or second-hand materials, as new, by so representing them or by failing to reveal that they are not new or that second-hand materials have been used.

13. Buying up supplies for the purpose of hampering competitors and stifling or eliminating competition.

14. Using concealed subsidiaries, ostensibly independent, to obtain competitive business otherwise unavailable, 9.24 0 o0 TD 0 TD 0 Tc () T 13.48 0 TD 0k 0.025427plies

(e)

- (i) Claiming falsely or misleading patent, trade-mark, or other special and exclusive rights.
- (j) Granting seals of approval by a magazine to products advertised therein and misrepresenting thereby that such products have been adequately tested, and misrepresenting by other means the quality, performance, and characteristics of such products.

22. Obtaining business through undertakings not carried out and not intended to be carried out, and through deceptive, dishonest, and oppressive devices calculated to entrap and coerce the customer or prospective customer, such practices including—

- (a) Misrepresenting that seller fills orders

23. Giving products misleading names so as to give them a value to the purchasing public which they would not otherwise possess, such as names implying falsely that—

(a) The products were made for the Government or in accordance with its specifications and of corresponding quality, or that the advertiser is connected with the Government or in accordance with its specifications and of corresponding quality, or that the advertiser is connected with the Government in some way, or in some way the products have been passed upon, inspected, underwritten, or endorsed by it; or

(b) They are composed in whole or in part of ingredients or materials which in fact are present only to a negligible extent or not at all, or that they have qualities or properties which they do not have; or

(c) They were made in or came from some locality famous for the quality of such products, or are of national reputation; or

(d) They were made by some well and favorably known process; or or

(e) They have been inspected, passed, or approved after meeting the tests of some official

misrepresenting scientific or other facts bearing on the value thereof to the purchaser.

(d) Falsely representing products as legitimate, or prepared in accordance with Government or official standards or specifications.

(e) Falsely claiming Government or official or other acceptance, use, and endorsement of product, and misrepresenting success and standing thereof through use of false and misleading endorsements or false and misleading claims with respect thereto, or otherwise.

(f) Making use of a misleading trade name and representing by other means that the nature of a business is different than is the fact, such as a collection agency engaged in tracing alleged delinquent debtors representing itself to be a delivery system, an organization in search of missing heirs, or one connected with a Government agency.

(g) Misrepresenting fabrics or garments as to fiber content; and, in the case of wool products, failing to attach tags thereto indicating the wool, reused wool, reprocessed wool or other fibers contained therein, and the identity of the manufacturer or qualified reseller, as required by the Wool Products Labeling Act, or removing or mutilating tags required to be affixed to the products when they are offered for sale to the public.

29. Failing and refusing to deal justly and fairly with customers in consummating transactions undertaken through such practices as refusing to correct mistakes in filling orders or to make promised adjustments or refunds, and retaining, without refund, goods returned for exchange or adjustment, and enforcing, notwithstanding agents' alterations, printed terms of purchase contracts, and exacting payments in excess of customers' commitments.

30. Shipping products at market prices to customers or prospective customers or to the customers or prospective customers of competitors without an order and then inducing or attempting by various means to induce the consignees to accept and purchase such consignments.

31. Inducing the shipment and mistakes

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Description of Procedure

Cases before the Commission may originate in one of several ways: Through complaint by a consumer or a competitor; from other governmental agencies, Federal, State, or municipal; or upon observation by the Commission. The Commission itself may initiate all investigation to determine whether the laws administered by it are being violated. No formality is required in making application for complaint. A letter setting forth the facts in detail is sufficient, but it should be accompanied by all evidence in possession of the complaining party in support of the charges made. It is the policy of the Commission not to disclose the identity of the complainant.

Upon receipt of an application by the Commission, the Commission will conduct an investigation to determine whether the laws administered by it are being violated. No formality is required in making application for complaint. A letter setting forth the facts in detail is sufficient, but it should be accompanied by all evidence in possession of the complaining party in support of the charges made. It is the policy of the Commission not to disclose the identity of the complainant.

the Commission permit disposition by stipulation, the case is referred to the Division of Stipulations in the Bureau of Industry Cooperation.

All proceedings prior to issuance of a formal complaint or acceptance of a stipulation are confidential.

The consent settlement rule became effective on August 4, 1951, 30 days after publication in the Federal Register. It provides that at any time after the issuance of complaint and prior to the commencement of the taprior

acting in the public interest. They name the respondents, allege a violation of law, and contain

direction of, any officer, employee, or agent engaged in the performance of investigative or prosecuting functions for the Commission.

If the allegations of the complaint are sustained by the evidence, the hearing examiner (or the Commission on appeal or review) makes findings as to the facts and conclusions of law, and an order is then issued requiring the respondent to cease and desist from the practice found to be violative of law. If the complaint is dismissed or the case closed, an appropriate order is likewise entered.

Up to and including the issuance of an order to cease and desist there is no difference in procedure, whether

Agricultural Income (Congress).—Investigating a decline in agricultural income and increases or decreases in the income of corporations manufacturing and distributing wheat, cotton, tobacco, livestock, milk, and potato products (Public Res. 61, 74th, 8/27/35), and table and juice grapes, fresh fruits and vegetables (Public Res. 112, 74th, 6/20/36), the Commission made recommendations concerning, among other things, the marketing of commodities covered by the inquiry; corporate consolidations and mergers⁵ unbalanced agricultural-industrial relations; cooperative associations; production financing; transportation; and terminal markets. Its recommendations for improvement of the Perishable Agricultural Commodities Act were adopted by Congress in amending that Act (Public, 328, 75th) in 1937. [Report of the F.T.C. on Agricultural Income Inquiry, Part I, Principal Farm Products, 1,134 p., 3/2/37 (summary, conclusions, and recommendations, S. Doc. 54, 75th, 40 p.); Part II, Fruits, Vegetables, and Grapes, 906 p. 6/10/37; Part III, Supplementary Report, 154 p., 11/8/37; and interim reports of 12/26/35 (H. Doc. 380, 74th, 6 p.), and 2/1/37 (S. Doc. 17, 75th, 16p.)]

Agricultural Prices.—See Price Deflation.

Automobiles.—See Distribution Methods and Costs, and Motor Vehicles.

Bakeries and Bread.—See under Food

Beet Sugar.—See under Food—Sugar

Building Materials.—See Distribution Methods and Costs.

Calcium Arsenate (Senate).—High prices of calcium arsenate, a poison used to destroy the cotton boll weevil (S. Res. 417, 67th, 1/23/23), appeared to be due to sudden increased demand rather than trade restraints (Calcium Arsenate Industry, S. Doc. 345, 67th, 21 p., op 3/3/23).

Cartels.—See paragraphs headed Copper Industry, International Phosphate Cartels, Sulphur Industry, International Electrical Equipment Cartel, International Steel Cartels, Fertilizer (E. T. C.), International Petroleum Cartels, and International Alkali Cartels.

Cement (Senate).—Inquiry into the cement industry's competitive conditions and distribution processes (S. Res. 448, 71st, 2/16/31) showed that rigid application of the multiple basing-point price system⁶ tended to lessen price competition and destroy the value of sealed bids; concerted activities of manufacturers and dealers strengthened the system's price effectiveness; and dealer associations' practices were designed to restrict sales to recognized "legitimate" dealers (Cement Industry, S. Doc. 71, 73d, 160 p., o.p., 6/9/33).

Chain Stores (Senate).—Practically every phase of chain-store operation was covered (S. Res. 224, 70th, 5/12/28), including cooperative chains, chain store manufacturing and wholesale business, (Se

tions pointed the way to subsequent enactment of

recommending legislation striking at this practice; Commercial Bribery (S. Doc. unnumbered, 65th, 36 p., o. p., 8/22/18); and Commercial Bribery (S. Doc. 258, 66th, 7 p., o.p., 3/18/20).

Concentration of Productive Facilities (F. T. C.).—In a study of the extent of concentration of economic power, the Commission reported that 46 percent of the total net capital assets of all manufacturing corporations in the United States in 1947 was concentrated in the 113 largest manufacturers. The report is entitled *The Concentration of Productive Facilities, 1947—Total Manufacturing and 26 Selected Industries* (96 p.). See also *Divergence between Plant and Company Concentration*.

Control of Iron Ore (F. T. C.).—A study of the concentration of iron ore supplies covers the sources and consumption of iron ore in 1948, an estimate of reserves available to major companies and an analysis of effect of possible shortage on big and small companies. *The Control of Iron Ore* (1952).

Cooperation in American Export Trade.—See *Foreign Trade*.

Cooperation in Foreign Countries (F. T. C.).—Inquiries made by the Commission regarding the cooperative movement in 15 European countries resulted in a report, *Cooperation in Foreign Countries* (S. Doc. 171, 68th, 202 p., o. p., 11/29/24), recommending further development of cooperation in the United States.

Cooperative Marketing (Senate).—This inquiry (S. Res. 34, 69th, 3/17/25) covered the development of the cooperative movement in the U. S. and *Foreign Trade*. See also *Foreign Trade*.

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Foods (President), Wartime, 1917-18, herein.] Proceedings of the

Du Pont Investments (F. T. C.).—The Report of the F. T. C. On DuPont Investments (F. T. C. Motion 7/29/27; report, 46 p., o. p. processed, 2/1/29) discussed reported acquisition by E. I. du Pont de Nemours & Co. of U. S. Steel Corp. stock, together with previously reported holdings in General Motors Corp.

Electric and Gas Utilities, and Electric Power.—See Power. together with previously reported holdings in General Motors Corp.

Farm Implements (Senate), Wartime, 1917-18.—The Report of the F. T. C. on the Causes of High Prices of Farm Implements (inquiry under S. Res. 223, 65th, 5/13/18; report, 713 p., o. p., 5/4/20) disclosed numerous trade combinations f 0 TD 0, 0 TD TD -0.012i) Tj 26(of) TjTD 0 Tc () Tj s.0194 0.0282in0 TD TD 1plD

tribution of foodstuffs" and "to ascertain the facts bearing on alleged violations of the antitrust acts." Two major series of reports related to meat packing and the grain trade with separate inquiries into flour milling, canned Vegetables and fruits, canned salmon, and related matters, as listed below.

Food (President) Continued—Meat Packing.—Food Investigation—Report of the F. T. C. On the Meat-Packing Industry was published in six parts: I. Extent and Growth of Power of the Five Packers in Meat and Other Industries (6/24/19, 574 p., o. p.); II. Evidence of Combination Among Packers (11/25/18, 294 p., o. p.); III. Methods of the Five Packers in Controlling the Meat-Packing Industry (6/28/19, 325 p., o. p.); IV. The Five Large Packers in Produce and Grocery Foods (6/30/19, 390 p., o. p.); V. Profits of the Packers (6/28/19, 110 p., o. p.); VI. Cost of Growing Beef Animals, Cost of Fattening cattle, and Cost of Marketing Livestock (6/30/19, 183 p., o. p.); and summary (H. Doc. 1297, 65th, 51 p., o. p., 7/3/18).

The reports first led to antitrust proceedings against the Big Five Packers, resulting in a consent decree (Supreme Court of the D. C., 2/27/20),⁹ which had substantially the effect of Federal legislation in restricting their future operations to certain lines of activity. As a further result of the investigation, Congress enacted the Packers and Stockyards Act (1921), adopting the Commission's recommendation that the packers be divorced from control of the stockyards. (The meat-packing industry is further referred to under Meat Packing Profit Limitation, p. 150.)

Food (President) Continued—Grain Trade.—Covering the industry from country elevator to central market, the Report of the F. T. C. on the Grain Trade was published in seven parts: I. Country Grain Marketing (9/15/20, 350 p., o. p.); II. Terminal Grain Markets and Exchanges (9/15/20, 333 p., o. p.); III. Terminal Grain Marketing (12/21/21, 332 p., o. p.); IV. Middlemen's Profits and Margins (9/26/23, 215 p., o. p.); V. Future Trading Operations in Grain (9/15/20 347 p., o. p.); VI. Prices of Grain and Grain Futures (9/10/24, 374 p., o. p.); and VII. Effects of Future Trading (6/25/26, 419 p., o. p.). The investigation as reported in vol. V, and testimony by members of the Commission's staff (U. S. Congress House Committee on Agriculture, Future Trading, hearings, 67th, April 25-May 2, 1921) was an important factor in enactment of the Grain Futures Act (1921). (Further reference to the grain trade is made under Grain Elevators, Grain Exporters, and Grain Wheat Prices, p. 149.)

Food (President) Continued—Bakeries and Flour Milling.—One F. T. C. report was published by the Food Administration (U. S. Food Administration, Report of the F. T. C. On Bakery Business in United States, pp. 5-13, o. p., 1133/17). Other reports were: Food Investigation, Report of the F. T. C. On Flour Milling and Jobbing (4/4/18, 27 p., o. p.) And Commercial Wheat Flour Milling (9/15/20, 118 p. o. p.).

Food (President) Continued—Canned Foods,¹⁰ Private Car Lines, Wholesale Food Marketing.—Under the general title Food Investigation were published Report of the F. T. C. On Canned Foods—General Report and Canned Vegetables and Fruits (5/18/18, 83 p., o. p.); Report of the F. T. C. On Canned Foods—Canned Salmon (12/27/18, 83 p., o. p.); Report of the F. T. C. On Private Car Lines, regarding transportation of meats, fruits, and Vegetables (6/27/19, 271 p.,

⁹ The legal history of the consent decree and a summary of divergent economic interests involved in the question of packers participation in unrelated lines of food products were set forth by the Commission in Packer Consent Decree (S. Doc. 219, 68th, 44 p.o.p., 2/20/25), prepared pursuant to S. Res. 278, 68th, 12/8/24.

¹⁰ In connection with its wartime cost finding inquiries, 1917-18, p. 162 herein, the Commission published report of the F. T. C. On Canned Foods 1918—Corn, Peas, String Beans, Tomatoes, and Salmon (86 p., 11/21/21).

o. p.); and Report of the F. T. C. On Wholesale Marketing of Food (6/30/19), 268 p., o. p), which recommended that a wholesale dealer in perishable food products should be required to procure a Federal license and that Federal inspection and standards should be provided. Provisions in accordance with these recommendations were incorporated in the Perishable Agricultural Commodities Act (1930).

Food—Bread and Flour (Senate).—Reports on this inquiry (S. Res. 163, 68th, 2/26/24) were Competitive Conditions in Flour Milling (S. Doc. 97, 70th, 140 p., o. p, 5/3/26); Bakery Combines and Profits (S. Doc. 212, 69th, 95 p., 2/11/27); Competition and Profits in Bread and Flour (S. Doc. 98, 70th, 509 p., o. p; 1/11/28); and Conditions in the Flour Milling Business, supplementary (S. Doc. 96, 72d, 26 p., o. p., 5/28/32).

Food—Wholesale Baking Industry (F. T. C.).—This inquiry (F. T. C. Res., 8/31/45) resulted in two Reports to Congress: Wholesale baking Industry, Part I—Waste in the Distribution of Bread (4/22/46, processed, 29 p.) And Wholesale Baking Industry, Part II—Costs, Prices and Profits (8/7//46, 137 p.). Part I developed facts concerning wasteful and uneconomic practices in the distribution of bread, including consignment selling which involves the taking back of unsold bread; furnishing, by gift or loan, bread racks, stands, fixtures, etc., to induce distributors to handle a given company's products. It was found that, although War Food Order No. 1 which prohibited these practices was only partially observed, in 1945 as compared with 1942, the quantity of bread saved was sufficient to supply the population of England, Scotland, and wales with a daily ration of one-third of a loaf for 30 days, the population of France for 36 days or the population of Finland for nearly 1 year. The Commission suggested that "a careful examination of present laws be made by the legislative and executive branches of the Government to determine what legislation, if any, is needed to permanently eliminate wasteful trade practices and predatory competition which threaten the existence of many small bakers, foredoom new ventures to failure and promote regional monopolistic control of the wholesale bread-baking industry."

Part II presents information concerning prices and pricing practices in the industry, profits earned, and unit costs of production and distribution. It compares the details of production and distribution costs for bread and rolls, other bakery products, and for all bakery products for two operating periods in 1945, March and September. Comparisons of costs are also made for these two periods for plants arranged by geographical areas. Comparisons of the costs of production and distribution are made by size groups of wholesale bakeries.

Food—Fish.—See Distribution Methods and Costs.

Food—Flour Milling (Senate)—The study of costs, profits, and other factors (S. Res. 212, 67th, 1/18/22) was reported in Wheat Flour Milling Industry (S. Doc. 130, 68th, 130 p., o. p., 5/16/24).

Food—Flour Milling Industry, growth and Concentration in (F. T. C.).—The Commission's study showed that there has been a progressive increase in the size of flour-mill operations and a progressive decrease in the number of flour-milling establishments. Nevertheless, the Commission reported, there is a lesser degree of concentration in the flour-milling industry than in many other important industries. The results of the study were presented to congress in a report on the Growth and Concentration in the Flour-Milling Industry (6/2/47).

Food—Grain Elevators (F. T. C.), Wartime, 1917-18.—In view of certain bills pending before Congress with reference to regulation of the grain trade, the Commission, in a preliminary report, Profits of country and Terminal grain

Elevators (S. Doc. 40, 67th, 12 p., o. p., 6/13/21) presented certain data collected during its inquiry into the grain trade ordered by the President.

Food—Grain Exporters (Senate).—The low prices of export wheat in 1921 gave rise to this inquiry (S. Res. 133, 67th, 12/22/21 concerning harmful speculative price manipulations on the grain exchanges and alleged conspiracies among country grain buyers to agree on maximum purchasing prices. The Commission recommended stricter supervision of exchanges and additional storage facilities for grain not controlled by grain dealers (Report of the F. T. C. On Methods and Operations of Grain Exporters, 2 vols., 387 p., o. p., 5/16/22 and 6/18/23).

Food—Grain, Wheat Prices (President).—An extraordinary decline of wheat prices was investigated (President Wilson's directive 10/12/20) and found to be due chiefly to abnormal market conditions (Report of the F. T. C. On Wheat Prices for the 1920 Crop, 91 p., o. p., 12/13/20).

Food—Important Food Products.—See Distribution Methods and Costs.

Food—Meat Packing Profit Limitation (Senate), W960 TD0.0065 Tc (Limitg(e. T1.172 TD0.0 9 Tcq6i () Tj (abnorm

Commission recommended changes which the growers adopted (California Associated Raisin Co., 26 p., processed, o. p., 6/8/20).

Food—Southern Livestock Prices (Senate).—Although the low prices of southern livestock in 1919 gave rise to a belief that discrimination was being practiced, a Commission investigation (S. Res. 133, 66th, 7/20/19) revealed the alleged discrimination did not appear to exist (Southern Livestock Prices, S. Doc. 209, 66th, 11 p., o. p., 2/2/20).

Food—Sugar (House).—An extraordinary advance in the price of sugar in 1919 (H. Res. 150, 66th, 10/1/19) was found to be due chiefly to speculation and hoarding. The Commission made recommendations for correcting these abuses (Report of the F. T. C. on Sugar Supply and Prices, 205 p., o. p., 11/15/20).

Food—Sugar, Beet (F. T. C.).—Initiated by the Commissioner of Corporations,¹¹ but completed by the F. T. C., this inquiry dealt with the cost of growing beets and the cost of beet-sugar manufacture (Report on the Beet Sugar Industry in the U. S. , H. Doc. 158, 65th, 164 p., o. p., 5/24/17).

Foreign Trade—Antidumping Legislation (F. T. C.).—To develop information for use of Congress

Guarantee Against Price Decline (F. T. C.).—Answers to a circular letter (12/26/19) calling for information and opinions on this subject were published in Digest of Replies in Response to an Inquiry of the F. T. C. Relative to the Practice of Giving Guarantee Against Price Decline (68 p., o. p. 5/27/20).

House furnishings (Senate).—This inquiry (S. Res. 127, 67th, 1/4/22) resulted in three volumes showing concerted efforts to effect uniformity of prices in some lines (Report of the F. T. C. On House furnishing Industries, 1018 p., o. p., 1/17/23, 10/1/23, and 10/24).

Independent Harvester Co. (Senate), Wartime, 1917-18.—After investigation (S. Res. 212, 65th, 3/11/18) of the organization and methods of operation of the company which had been formed several years before to compete with the "harvester trust," but which had passed into receivership, the F. T. C. Report to the Senate on the Independent Harvester Co. (5 p., release, processed, o. p., 5/15/18) showed the company's failure was due to mismanagement and insufficient capital.

Interlocking Directorates (F. T. C.).—This 1950 report on Interlocking Directorates summarizes the interlocking relationships among directors of the 1,000 largest manufacturing corporations. It also covers the interlocking directorates between these corporations and a selected list of banks, investment trusts, insurance companies, railroads, public utilities, and distributive enterprises.

International Alkali Cartels (F. T. C.).—In a report (1950) on International Cartels in the Alkali Industry, the Commission discussed the nature, extent, and effect of international agreements concerning baking soda, soda ash, and ~~the~~ directorates

Large Manufacturing Companies (F. T. C.).—This 1951 report, entitled A List of 1,000 Large Manufacturing Companies, Their Subsidiaries and Affiliates, 1948, shows for each of the 1,000 largest manufacturing corporations which publish financial statements the percentage of stock interest held by the corporation in each of its subsidiaries and affiliates. The parent corporations are grouped in 21 major industries and ranked as to size on the basis of their total assets in 1948, 223 p., 6/1/51.

Leather and Shoes (F. T. C. and House), Wartime, 1917-18.—General complaint regarding high prices of shoes led to this inquiry, which is reported in Hide and Leather Situation, preliminary report (H. Doc. 857, 65th, 5 p., o. p., 1/23/18), and Report on Leather and Shoe industries (180 p., o. p., 8/21/19). A further study (H. Res. 217, 66th, 8/19/19) resulted in the Report of a F. T. C.. On Shoe and Leather Costs and Prices (212 p., o. p., 6/10/21)

Lumber—Costs.—See Wartime Cost Finding, 1917-18.

Lumber Trade Associations (Attorney General).—The Commission's extensive survey of lumber manufacturers' associations (referred to F. T. C., 9/4/19) resulted in Department of Justice proceedings against certain associations for alleged antitrust law violations. Documents published were: Report of the F. T. C. On Lumber Manufacturers' Trade Associations, incorporating regional Reports of 1/10/21, 2/18/21, 6/9/21, and 2/15/22 (150 p., o. p.); Report of the F. T. C. On Western Red Cedar Association, Lifetime Post Association, and Western Red Cedarmen's Information Bureau (22 p., o. p., 1/24/23), also known as Activities of Trade Associations and Manufacturers of Posts and Poles in the Rocky Mountain and Mississippi Valley Territory (S. Doc. 293, 67th, o. p.); and Report of the F. T. C. On Northern Hemlock and Hardwood Manufacturers Association (52 p., o. p., 5/7/23).

Lumber Trade Associations (F. T. C.).—Activities of five large associations were investigated in connection with the Open-Price Associations inquiry to bring down to date the 1919 lumber association inquiry (Chap. VIII of Open-Price Trade Associations, S. Doc. 226, 70th, 516 p., o. p., 2/13/29).

Meat-Packing Profit Limitations—See Fn aT56 Tion

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which report the Commission made constructive proposals to conserve the oil supply; Letter of Submittal and Summary of Report on Gasoline Prices in 1924 (24 p. Processed, 6/4/24, and Cong. Rec., 2/28/25, p. 5158)—pursuant to request of President Coolidge, 2/7/24; Petroleum Industry—Prices, Profits and Competitions (S. Doc.

Power—Utility

tinuation by S. E. C. of its current responsibilities for collection of financial information from corporations with securities registered on a national exchange. F. T. C. obtains comparable information from a carefully selected sample of small, medium size and large nonregistered corporations. The sample has been designed so that the two sets of data can be combined to provide estimates for 21 major industry groups (increased to 23 major groups in 1951) as well as the aggregate for all manufacturing corporations. The Quarterly Financial Reports formerly were known as Industrial Corporation Reports.

Quarterly Financial Report, United States Retail and Wholesale Corporation.—

This presents estimates of the income statements and balance sheets for the total operations of United States wholesale trade corporations (merchant wholesalers only) and retail trade corporations, for various industrial segments of retailing and merchant wholesaling, and for different sizes of business in retailing and merchant wholesaling. These estimates .00RwwaP 0.0182 Tj -459.36 -1se1() Tj 1.92 0 TD 0.0061 Tc (and) Tj -452.04

capital and assets and having their securities listed on the New York stock or curb exchanges. The Report of the F. T. C. on Compensation of Officers and Directors of Certain Corporations (15 p., processed, 2/26/34) explained the results of the inquiry.¹⁶ The facts developed focused the attention of Congress on the necessity of requiring listed corporations to report their salaries.

Southern Livestock Prices.—See Food.

Steel Code and Steel Code as Amended (Senate and President).—The Commission investigated (S. Res. 166 73d, 2/2/34) price fixing, price increases, and other matters (Practices of the Steel Industry Under the Code, S. Doc. 159, 73d, 79 p., o. p., 3/19/34) and the Commission and N. R. A. studied the effect of the multiple basing-point system under the amended code (Report of the F. T. C. to the President in Response to Executive Order of May 30, 1934, With Respect to the Basing-point System in the Steel Industry, 125 p., o p., 11/30/34).¹⁷ The Commission recommended important code revisions.

Steel Companies, Proposed Merger (Senate).—An inquiry (S. Res. 286, 67th 5/12/22) into a proposed merger of Bethlehem Steel Corp. and Lackawanna Steel Co., and of Midvale Steel & Ordnance Co., Republic Iron & Steel Co., and Inland Steel Co., resulted in a two-volume report. Merger of i reporils9System 04 the Steel resulted May

Textiles (President).—President Roosevelt (Executive Order of 9/26/34) directed an inquiry into the textile industry

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the U. S. covering their operations for May 1942 and their compliance with W. P. B. Supplementary Orders m-1-d, M-1-c, and M-1-f.

Antifreeze Solutions, Manufacturers of (W. P. B.), Wartime, 1943-44.—War Production Board Order 258 of 1/20/43 prohibited production of salt and petroleum-base antifreeze solutions. While production of these products had ceased, great quantities were reported to be still in the hands of producers and distributors. To enable W. P. B. to determine what further action should be taken to protect essential automotive equipment from these solutions, it requested the Commission to locate producers' inventories as of 1/20/43, and to identify all deliveries made from such inventories to distributors subsequent to that date.

Capital Equipment (W. P. B.), Wartime, 19443.—For the War Production Board, a survey was made in connection with Priorities Regulation No. 12, as amended 10/3/42, of concerns named by it to determine whether orders had been improperly related to secure capital equipment or whether orders that had been rerated had been extended for the purpose of obtaining capital equipment in violation of priorities regulations.

Chromium Processors (W. P. B.), Wartime, 1942-43—For the War Production Board, the Commission investigated the transactions of the major chromium processors to determine the extent to which they were complying with Amendment No. 2 to W. P. B. General Preference Order No. m-18a, issued 2/4/42. The investigation was conducted concurrently with a survey of nickel processors.

Commercial Cooking and Food and Plate Warming Equipment, Manufacturers of (W. P. B.), Wartime, 1942-43.—The Commission conducted an investigation for the War Production Board to determine whether manufacturers of commercial cooking and plate warming equipment were complying with W. P. B. Limitation Orders L-182 and L-182 as amended 3/2/43; Conservation Orders M-126 and M-9 c, as amended; and Priorities Regulation No. 1.

Contractors, Prime, Forward Buying Practices of (W. P. B.), Wartime, 1942-43.—The matter of procurement, use, and inventory of stocks of critical materials involved in the operation of major plants devoting their efforts to war production was inquired into for the information of the War Production Board. Items such as accounting, inventory, control, purchase, practices, etc., formed a part of the inquiry.

Copper Base Alloy Ingot Makers (W. P. B.), Wartime, 1942-43.—This investigation was designed to ascertain the operations, shipments, and inventories of copper, copper alloys, copper scrap, and copper base alloy ingot makers and was conducted for the purpose of determining the extent to which they were complying with governing W. P. B. Preference and Conservation Orders M-9-a and b, and M-9-c.

Copper, Primary Fabricators of (W. P. B.), Wartime, 1941-42.—A survey and inspection of a specified list of companies which used a large percentage of all refinery copper allocated, and at the same time represented a fair cross-section of the industry, were made to ascertain the degree of compliance accorded to preference, supplementary, and conservation orders and regulations of the Director of Priorities, Office of Production Management (later the War Production Board).

Cost of Living (President).—President Roosevelt, in a published letter (11/16/37), requested the Commission to investigate living costs. The Commission (11/20/37) adopted a resolution undertaking the inquiry and a few months thereafter submitted a report to the President.

Costume Jewelry, Manufacturers of (W. P. B.), Wartime, 1943-44.—Because it appeared that vast quantities of critical metals were being diverted illegally

from war use to the manufacture of costume jewelry and similar items, the War Production Board requested the Commission to investigate 45 manufacturers to ascertain the facts concerning their compliance with W. P. B. Orders M-9-a, M-9-b, M-9-c-2, M-43, M-38, M-11, M-11-b, M-126, L-81, L-131, and L-131-a, all as amended.

Electric Lamp Manufacturers (W. P. B.), Wartime, 1942-43.—At the direction of the War Production Board, an investigation was made of the activities of manufacturers of portable electric lamps whose operations were subject to the restrictions imposed by W. P. B. Limitation and Conservation Orders L-33 and m-9- c.

Fertilizer and Related Products (O. P. A.), Wartime, 1942-43.—At the request of O. P. A. (June 1942), the Commission investigated costs, prices, and profits in the fertilizer and related products industries. The inquiry developed information with reference to the operations of 12 phosphate rock mines of 11 companies, and 40 plants of 24 companies producing sulphuric acid, superphosphate, and mixed fertilizer. One of the principal requirements of the inquiry was to obtain

furnaces, to determine whether its practices in selling and servicing domestic heating plants were in violation of Orders L-79 and P-84, and other applicable regulations and orders of W. P. B.

Fuse Manufacturers (W. P. B.), Wartime, 1942-43.—For the War Production Board the Commission investigated and reported on the activities of representative fuse manufacturers whose operations were subject to W. P. B. Limitation Orders L-158 and L-161, as amended.

Glycerin, Users of (W. P. B.), Wartime, 1942-43.—At the request of the War Production Board, paint and resin manufacturers, tobacco companies, and other large users of glycerin were investigated to determine whether they had improperly extended preference ratings to obtain formaldehyde, paraformaldehyde, or hexamethylenetetramine, to which they were not otherwise entitled.

Household Furniture (O. P. A.), Wartime, 1941-42.—Costs, prices, and profits of 67 representative furniture companies were studied to determine whether, and to what extent, price increases were justified. A study was also made to determine whether price-fixing agreements existed and whether wholesale price increases resulted from understandings in restraint of trade. Confidential Reports were transmitted to O. P. A. in Sept. 1941.

Insignia Manufacturers (W. P. B.), Wartime, 1944-45.—Preliminary studies made by the War Production Board disclosed the probability that certain insignia manufacturers had acquired larger quantities of foreign silver than necessary to fill legitimate orders and diverted the balance to unauthorized uses. In Response to W. P. B.'s request the Commission surveyed the acquisition and use of foreign silver by such manufacturers to determine the degree of their compliance with Order M-199 and checked the receipt and use of both domestic and treasury silver, as well as the manufacture of insignia, as controlled by Orders L-131 and M-9-c.

Jewel Bearings, Consumers of (W.P. B.), Wartime, 1942-43.—For the War Production Board, users of jewel bearings were investigated to determine the extent to which they were complying with W. P. B. Conservation Order M-50, which had been issued to conserve the supply and direct the distribution of jewel bearings and jewel-bearing material.

Metal-Working Machines, Invoicing and Distribution of (W. P. B.), Wartime, 1942-43.—For the War Production Board an inquiry was made to obtain complete data from the builders of metal-working machines (including those manufactured by their subcontractors) such as all nonportable power-driven machines that shape metal by progressively removing chips or by grinding, boning, or lopping; all non-portable power-driven shears, presses, hammers, bending machines, and other machines for cutting, trimming, bending, forging, pressing, and forming metal; and all power-driven measuring and testing machines. Each type and kind of machine was reported on separately.

Nickel Processors (W. P. B.), Wartime, 1942-43.—The Commission was designated by the War Production Board to investigate the transactions of some 600 nickel processors for the purpose of determining the extent to which they were complying with W. P. B. Preference Order No. M-6-a, issued 9/30/41, and Conservation Order M-6-b, issued 1/20/42. The investigation was conducted concurrently with a survey of chromium processors.

Paint, Varnish, and Lacquer Manufacturers (W. P. B.), Wartime, 1943-44.—The purpose of this survey was to determine whether the manufacturers covered were in violation of War Production Board Orders M-139(rith) Tj 19 5.4 0 TD -0.0964 Tc (sf29vD -0.096 3.36 0 TD 0. 0 Tc 88 xas) Tj the

Paperboard (O. P. A.), Wartime, 1941–42.—Costs, profits, and other financial data regarding operations of 68 paperboard mills (O. P. A. request, 11/12/41) for use in connection with price stabilization work, were transmitted to O. P. A. in a confidential report (May 1942).

Paper—Newsprint (Attorney General).—The Commission investigated (inquiry referred to F. T. C. 1/24/38) the manner in which certain newsprint manufacturers complied with a consent decree entered against them (11/26/17) by the U. S. District Court, Southern District of New York.

Petroleum Decree (Attorney General).—The Commission investigated (inquiry referred to F. T. C. 4/16/36) the manner in which a consent decree entered (9/15/30) against Standard Oil Co. of California, Inc., and others, restraining them from monopolistic practices, was being observed, and reported (4/2/37); to the Attorney General.

Priorities (W. P. B.), Wartime, 1941–45—Pursuant to Executive orders (January 1942), W. P. B. designated the Federal Trade Commission as an agency to conduct investigations of basic industries to determine the extent and degree to which they were complying with W. P. B. orders relative to the allocation of supply and priority of delivery of war materials. F. T. C. priorities investigations are listed herein under the headings: Aluminum, Foundries Using; Antifreeze Solutions, Manufacturers of; Capital Equipment, Chromium, Processors of; Commercial Cooking and Food and Plate Warming Equipment, Manufacturers of; Contractors, Prime, Forward Buying Practices of; Copper Base Alloy Ingot Makers; Copper, Primary Fabricators of; Costume Jewelry, Manufactures of; Electric Lamps, Manufacturers of; Fruit Growers and Shippers; Furnaces, Hot Air, Household; Fuse Manufacturers; Glycerin, Users of; Insignia Manufacturers; Jewel Bearings, Consumers of; Metal-working Machines, Invoicing and Distribution of; Nickel, Processors of; Paint, Varnish, and Lacquer, Manufacturers of; Quinine, Manufacturers and Wholesalers of; Silverware, Manufacturers of; Silverware Manufacturers and Silver Suppliers; Steel Industry; Textile Mills, Cotton; and Tin, Consumers of. The report on each of these investigations was made directly to W. P. B.

Quinine, Manufacturers and Wholesalers of (W. P. B.), Wartime, 1942–43.—At the instance of the War Production Board, investigation was i n Production (was) in 1942 (Wartime), Tj 41920 dTD -s (0.0059 dsh, T

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