FEDERAL TRADE COMMISSION

v.

THE CHAMBER OF COMMERCE OF MISSOULA, MONTANA, ITS OFFICERS, DIRECTORS, AND MEMBERS, AND THE NORTHWEST THEATRES COMPANY.

COMPLAINT IN THE MATTER OF THE ALLEGED VIOLATION OF SECTION 5 OF AN ACT OF CONGRESS APPROVED SEPTEMBER 26, 1914.

Docket 841—February 7, 1923.

SYLLABUS.

Where a local chamber of commerce, which included in its membership concerns engaged, both within and without the State, in competition with mail order houses; for the purpose and with the effect of depriving said mail order houses of the use and benefit of the catalogues through which they sold their merchandise and of thereby obstructing and preventing them from selling goods in the territory involved, and with a capacity and tendency thereby to obstruct, hinder, lessen and prevent competition in interstate commerce;

(*a*) Combined and conspired with an amusement company to remove such catalogues from the custody of the customers or prospective customers in said territory of said mail order houses, by having a local moving picture house accept from children, in lieu of price of admission, such catalogues, and by offering and giving prizes for the newest catalogue, oldest catalogue, and most used catalogue;

(*b*) By such means secured, destroyed and caused to be destroyed a large number of such catalogues:

Held, That such practices, under the circumstances set forth, constituted unfair methods of competition.

COMPLAINT.

The Federal Trade Commission having reason to believe from a preliminary investigation made by it, that the Chamber of Commerce of Missoula, Montana, its officers, directors and members, and The Northwest Theatres Company, hereinafter referred to as respondents, have been and are using unfair methods of competition in commerce, in violation of the provisions of Section 5 of an Act of Congress approved September 26, 1914, entitled "An Act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," and it appearing that a proceeding by it in respect thereof would be in the interest of the public, issues this complaint, stating its charges in that respect on information and belief, as follows:

PARAGRAPH 1. That the respondent, the Chamber of Commerce of Missoula, Montana, hereinafter referred to as the Chamber of Com-

merce, is a voluntary unincorporated Association, composed of persons, partnerships and corporations engaged in or carrying on business, or engaged in the various industrial and professional pursuits, in the City of Missoula, Montana, and territory adjacent thereto; that more than a majority of such members have been and are engaged in the business of selling goods, wares and merchandise at retail or wholesale in said city and the territory tributary thereto, and such members carry on their respective businesses in direct, active competition with other persons, partnerships and corporations who carry on said business outside of the City of Missoula and State of Montana, and sell goods, wares and merchandise to customers in said State of Montana. That the announced purpose, or object of said Chamber of Commerce is and has been to foster and promote the commercial welfare of said City, the territory tributary thereto, and its members.

PAR. 2. That the following members are representative of members of the Chamber of Commerce described in paragraph 1 hereof, and are the duly selected, qualified and acting officers and directors of said Chamber of Commerce for the year 1921, viz:

George F. Weisel	J. E. Early	Alex. Peterson
W. O. Dickinson	Chas. H. Roberts	Harry O. Bell
Ruel Cosner	J. M. Keith	E. S. Holmes
L. N. Simons	W. E. Dixon	L. J. Croonenberg
H. A. Chaney.		

That the members of said Chamber of Commerce aggregate approximately seven hundred and fifty (750) in number, and constitute a class so numerous as to make it impracticable to designate each of them as a party respondent herein; that the charges herein set out are of common or general interest to the whole of said membership, and especially to those engaged in the sale of goods, wares and merchandise, which class constitutes more than a majority of said members, and the officers and directors of said Chamber of Commerce above named are fairly representative of the whole of said membership, and are charged with the duty of formulating and executing its policies and carrying out any line of activity engaged in by said Chamber of Commerce.

PAR. 3. That the respondent, The Northwest Theatres Company, hereinafter referred to as the Theater Company, is a corporation organized under the laws of the State of Montana, with its principal place of business at Missoula, in said State, and is engaged in the business of operating motion picture theaters at Missoula and at other points. That the said Theater Company and its manager is

and has been a member of the Chamber of Commerce described in paragraph 1 hereof.

PAR 4. That on or about January 1, 1919, the respondents herein conspired and confederated together to hinder or prevent persons, partnerships and corporations carrying on business other than in the State of Montana, from selling upon mail orders goods, wares and merchandise to customers or prospective customers residing in Missoula, Montana, or adjacent thereto; that pursuant to said conspiracy, and to carry out the object thereof, respondents advertised in newspapers of general circulation, published in Missoula, Montana, and announced by other means, that thereafter, on the date or dates named, a catalogue published and distributed by merchants carrying on business in States other than Montana, and soliciting business on mail orders at points in Montana, would be accepted at a theater operated by the Theater Company, when presented by persons under fifteen years of age with one cent to pay the federal tax, in lieu of the usual price of admission, and that certain cash prizes would be awarded to those presenting the oldest catalogues, most used, and the newest and latest catalogues, and as a result thereof there was presented at said theater, and accepted in lieu of the usual admission fee, several hundred catalogues published and distributed by persons, partnerships and corporations carrying on business in States other than the State of Montana, which catalogues had been sent by the respective publishers thereof to their customers or prospective customers residing in or adjacent to Missoula, Montana, as a means of soliciting their patronage; that respondents caused to be destroyed, by burning or by other means, the catalogues obtained in the manner and by the means aforesaid; that such catalogues have been collected and destroyed by respondents pursuant to said conspiracy, at intervals of about one year, beginning in January, 1919.

PAR. 5. That the business of the interstate sale of commodities upon mail orders from catalogues, has been of rapid growth in recent years, and the volume of such sales has reached such proportions that a substantial part of the commerce among the several States is the result of sales of commodities made in this manner; that the principal means of effecting such sales is the distribution of catalogues in which the commodities offered for sale are described; that the practices of the respondents in the collection and destruction of catalogues as set out in paragraph 4 hereof has had the effect of unduly hindering merchants who carry on business outside the State of Montana, and are engaged in the sale of commodities upon mail orders to customers in Montana, from competing in the sale of such commodities with those of the merchants who are engaged in the

business of selling like commodities, at Missoula, Montana, and in the territory tributary thereto, and such practices have unreasonably and wrongfully burdened commerce among the States.

PAR. 6. By reason of the facts set forth in the foregoing paragraphs of this complaint, the respondents, and each and all of them are and have been using unfair methods of competition in commerce, within the intent and meaning of the aforesaid Act of Congress, approved September 26, 1914, entitled, "An Act to create a Federal Trade Commission, to define its powers and duties, and for other purposes."

REPORT, FINDINGS AS TO THE FACTS, AND ORDER.

Pursuant to an Act of Congress approved September 26, 1914, the Federal Trade Commission issued and served its complaint upon the respondents, The Chamber of Commerce of Missoula, Montana, a voluntary, unincorporated association, its officers, directors and members, and upon The Northwest Theatres Company, a corporation, charging them with unfair methods of competition in commerce, in violation of the provisions of said Act.

Respondents having entered their appearance by their attorneys and having filed their answers therein, hearings were had before an Examiner of the Federal Trade Commission and a Commissioner of said Commission, theretofore duly appointed, and testimony and documentary evidence were thereupon offered and received in support of the allegations of said complaint and in support of the allegations of said answers of respondents, which evidence was duly certified, duly recorded and duly forwarded to the Commission; and the Commission having carefully examined and fully considered the testimony and documentary evidence offered and received as hereinabove set forth, hereby makes this its findings as to the facts and conclusion:

FINDINGS AS TO THE FACTS.

PARAGRAPH 1. Respondent, The Chamber of Commerce of Missoula, Montana, is a voluntary, unincorporated association composed of persons, partnerships and corporations engaged in carrying on business, or engaged in the various industrial and professional pursuits in the City of Missoula, Montana, and the territory adjacent thereto.

(*a*) Many of said members are engaged in the business of selling goods, wares and merchandise either at wholesale or at retail or both, in the City and County of Missoula, Montana and the territory tributary thereto, the majority being retailers, and some being wholesalers.

(*b*) Said respondent Chamber of Commerce is a commercial organization, in which the members are business and professional men, and the purpose of which is doing everything possible for the betterment of general conditions in the City of Missoula and surrounding territory; and the promotion of the commercial welfare of the City and territory adjacent thereto.

(*c*) The directors of said respondent Chamber of Commerce for the year 1919 included George A. Rice, editor of Daily Missoulan; H. O. Bell, Ford representative; Ruell Cosner, hardware; A. N. Whitlock, attorney; W. M. Dixon, shoes; Alex Peterson, druggist; F. A. Schlick, real estate and insurance; R. M. Barr, Great Western Sugar Company; Tom Edwards, occupation not known by witness; John R. Daily, meat dealer; J. P. Lansing, Polley's Lumber Company.

(*d*) The officers of said respondent, Chamber of Commerce in 1919 were George A. Rice, president; Tom Edwards, vice-president; R. C. Giddings, treasurer; and D. D. Richards, Secretary.

(*e*) The Board of Directors of respondent, Chamber of Commerce, for the year 1920 were Newell Gough, cashier, Western Montana National Bank; William L. Murphy, attorney; E. S. Holmes, meat dealer; John R. Daily, meat dealer; J. M. Keith, president Missoula Trust & Savings Bank; Ruell Cosner; F. A. Schlick, real estate and insurance; L. N. Simons, paints, groceries and hardware; H. O. Bell, Ford representative; W. M. Dixon, shoes; L. J. Croonenberg, garageman; W. O. Dickinson, music store; Alex Peterson, druggist.

(*f*) The officers of said respondent, Chamber of Commerce for the year 1920 were H. O. Bell, president; F. A. Schlick, first vice-president; E. S. Holmes, second vice-president; Newell Gough, treasurer; subsequent to the meeting in January, 1920, when the officers and directors were elected, Charles H. Roberts was elected secretary and manager of said respondent Chamber of Commerce.

(*g*) The directors of said respondent, Chamber of Commerce for the year 1921 were George F. Weisel, W. O. Dickinson, Ruell Cosner, L. N. Simons, H. A. Chaney, J. E. Early, J. M. Keith, W. E. Dixon, Alex Peterson, Harry O. Bell, E. S. Holmes and L. J. Croonenberg. Charles H. Roberts was secretary.

(*h*) Representative members of respondent, Chamber of Commerce engaged in the selling of clothing, dry goods, shoes, stockings and the like commodities were as follows:

Missoula Mercantile Company.	Matt Lucy.
D. J. Donohue Company.	Fred W. Hartkorn.
Abbon Lucy.	H. W. Weston.
John J. Lucy.	Alfred Sterner.

Barney's Fashion Shop
Dixon & Hoon
L. N. Simons

(*i*) From July 27, 1916 to April 1, 1920, except from May 13, 1918 to December 1, 1918, Dudley D. Richards of Missoula, Montana, was secretary of respondent, Chamber of Commerce and subsequent to April 1, 1920, up to and including the time of said hearing, Charles H. Roberts, of Missoula, Montana, was secretary of said respondent, Chamber of Commerce. Both said Richards and said Roberts while holding said position of secretary of said respondent, Chamber of Commerce, were salaried officers of said respondent, and as such, authorized to represent said respondent in its activities, having discretion as to the initiation of activities not requiring any great amount of money.

PAR. 2. Respondent, Northwest Theatres Company, is a corporation organized under and existing by virtue of the laws of the State of Montana, whose principal place of business is Missoula, Montana, where it owns, controls and operates several motion picture theatres, including the Wilma, the Liberty and Empress theaters. Said respondent, Northwest Theatres Company, operated the Isis Theater, a motion picture theater in Missoula, Montana, from March 1920 until about May 1, 1921, soon after which said theater was dismantled.

(*a*) That the Missoula Amusement Company, a corporation, is a fifty per cent stockholder in the said respondent Northwest Theatres Company and that the said Amusement Company controlled and operated the said Isis Theater in Missoula, Montana, during the whole of the year 1919 and during the year 1920 up to or about March 1, 1920, at which time it ceased to operate and control the said Isis Theater and became a stockholder in the respondent Northwest Theatres Company; that on or about said March 1, 1920, the Northwest Theatres Company acquired and exercised control over and operated the said Isis Theater as aforesaid.

(*b*) About January 1, 1919, Henry Turner of Missoula, Montana, became manager for the Missoula Amusement Company, which had then a lease upon said Isis Theater and in that way at that time controlled and operated said Isis Theater until about March 1920, when it fell under the control of the respondent, Northwest Theatres Company, successor to said Missoula Amusement Company. Said Turner became manager of respondent, Northwest Theatres Company about that time and as such manager continued to control and operate said Isis Theater throughout the year 1920.

PAR. 3. The National Cloak & Suit Company, domiciled in New York, New York, with a branch house in Kansas City, Missouri, is a mercantile establishment engaged in business in all the States of the United States of America, in the sale of wearing apparel, dry goods and many other articles of merchandise, by means of catalogs circulated among customers and prospective customers, and by means of correspondence with customers and prospective customers through the mails. Said National Cloak & Suit Company is known as a mail order house or catalog house. It has been in business for about 34 years.

(*a*) Said National Cloak & Suit Company in the course of its business in the year 1919 circulated in the United States of America, about 11 millions of copies of printed catalogs and booklets, describing its goods to customers and prospective customers, and giving the prices of such goods at a cost to it of about $3,155,479. Said National Cloak & Suit Company distributed in the year 1919 in the State of Montana, about 196,000 such catalogs at a cost of about $48,500, and did business that year with about 53,000 customers in the State of Montana, whose business aggregated $675,000. About $11,500 of said business done in said State of Montana was done in Missoula County, Montana, and about $5,400 of said business was done in the City of Missoula, Montana. Within a radius of 50 miles of Missoula, Montana, said National Cloak & Suit Company had about 3,200 customers in 1919.

(*b*) Many other mail order or catalog houses engaged in interstate commerce by methods similar to said National Cloak & Suit Company's circulated in the years 1919 and 1920 and still circulate their catalogs in the State of Montana and in and about the City of Missoula, Montana, among such mail order or catalog houses being, Sears, Roebuck & Company and Montgomery Ward & Company of Chicago.

(*c*) In the course of its said business said National Cloak & Suit Company through the mail, places its catalogs of merchandise in the hands of its customers and prospective customers in the various states of the United States. Said customers note descriptions, prices, etc., of goods therein listed and described, and also the catalog numbers of said goods and after having done so, send to said National Cloak & Suit Company through the mails, orders in writing for the purchase of said goods. When said orders are received by said National Cloak & Suit Company, the goods ordered are packed and shipped from the New York or the Kansas City warehouses of said company, in and through the several states of the United States,

to the customers in Montana and elsewhere so ordering said goods and the sale and delivery of said goods are thus completed. Access to a catalog of said National Cloak & Suit Company is necessary in order that customers may send said company orders for its goods and so that it may make sales thereof.

(*d*) In the sale of said merchandise by means of catalogs, as hereinabove described, said National Cloak & Suit Company and other mail order houses located outside of the State of Montana and engaged in interstate commerce in Montana, are in direct competition in interstate commerce with several members of respondent, Chamber of Commerce. That some representative members of the respondent, the said Chamber of Commerce of Missoula, Montana, were, at all the times mentioned herein and now are doing business outside of the State of Montana, as well as within the State of Montana, in competition in interstate commerce with the said mail order catalog houses; that among these members were the Missoula Mercantile Company, The Smith Drug Store and D. J. Donohue Company.

PAR. 4. In the month of January 1919 and prior to January 23, 1919, Dudley D. Richards of Missoula, Montana, then secretary of respondent, Chamber of Commerce, as such secretary, acting for and on behalf of said respondent, Chamber of Commerce, conspired with said Henry Turner of Missoula, Montana, the manager of the Missoula Amusement Company, predecessor of respondent, Northwest Theatres Company, acting as such manager for and on behalf of said Missoula Amusement Company to remove from the residences or the custody of customers and prospective customers of said mail order houses in the City of Missoula, Montana and the adjacent territory, the catalogs of said mail order houses and thus to obstruct, hinder and prevent said mail order houses from engaging in commerce in said City of Missoula, Montana and in the territory adjacent thereto. Said conspiracy so entered into between said Dudley D. Richards and said Henry Turner was subsequently approved by respondent, Chamber of Commerce through the directors thereof. Subsequently, to-wit, upon dates including January 23, 24 and 25, 1919, said Dudley D. Richards and said Henry Turner, acting respectively for and on behalf of respondent, Chamber of Commerce, and of the Missoula Amusement Company, caused to be brought to said Isis Theater, a motion picture theater in Missoula, Montana, then controlled and operated by said Missoula Amusement Company, three to four hundred of said catalogs of mail order houses, including catalogs of said National Cloak & Suit Company and other

mail order houses located outside the State of Montana, from various residences in the City of Missoula, Montana, and in the territory adjacent thereto and said catalogs were there collected and received and thereafter destroyed, thus depriving said National Cloak & Suit Company and many other mail order houses of the use and benefit of said catalogs in the sale of their goods, wares and merchandise and thus obstructing, lessening, hindering and preventing mail order houses from selling their goods in interstate commerce in the City of Missoula and the territory adjacent thereto. The details of said conspiracy are in substance as follows:

(*a*) In January 1919 and prior to January 23, 1919, said Dudley D. Richards, then secretary of respondent, Chamber of Commerce, approached said Henry Turner, then manager of Missoula Amusement Company, which then controlled and operated said Isis Theater and said Richards proposed and suggested to said Turner that when the next "serial" picture was to appear in said Isis Theater said Turner would admit children to the theater upon the presentation at the door of the theater of a mail order catalog in lieu of admittance fee, the object being to eliminate mail order house catalogs from the city of Missoula and the territory adjacent thereto, and to prevent mail order houses which issued these catalogs from competing with local merchants or members of respondent, Chamber of Commerce. Said Richards urged upon said Turner that this plan of procedure would also be a means of securing publicity for said Isis Theater and also for said Chamber of Commerce.

(*b*) Said Turner at once accepted the suggestion of said Richards for the acceptance of mail order house catalogs from children in lieu of cash admittance fees, and named the "serial" "Eddie Polo, The Circus King" to be exhibited first at said Isis Theater, January 25, 1919, as the occasion for putting the plan into execution.

(*c*) After said Turner had agreed to said proposition of said Richards as to accepting mail order house catalogs from children in lieu of cash admittance fees, said Richards submitted said proposition, said plan and said agreement with said Turner, through its Board of Directors to respondent, Chamber of Commerce and said Chamber of Commerce, through its Board of Directors, approved and adopted said plan thus agreed to between said Richards and said Turner.

(*d*) Subsequently, upon dates including January 23, and 24, 1919, said respondent, Chamber of Commerce, through said Richards, as its secretary, and said Missoula Amusement Company, through its manager, said Turner, caused reading matter and advertising matter to be printed and published in daily papers of general circulation in

the City of Missoula, Montana and the territory adjacent thereto, to wit, in the Missoula Sentinel and in the Daily Missoulan, soliciting the children residing in said City of Missoula and territory adjacent thereto, to procure and collect mail order house catalogs and bring them to said Isis Theater upon a certain day and secure therefor, in lieu of cash admittance fees, admittance to the Isis Theater to see "Eddie Polo, The Circus King," a serial then beginning. In some of these notices children were asked to bring one cent in order to pay the amusement tax. In connection with said announcements and said advertisements a cash prize of $3 was offered to the child who brought the oldest and most thumbed mail order house catalog.

(*e*) In answer to said announcements and said advertisements so caused to be printed by said respondent, Chamber of Commerce and by said Missoula Amusement Company through said Richards and said Turner, as secretary and as manager respectively, children residing in Missoula, Montana and the territory adjacent thereto brought to said Isis Theater on or about January 25, 1919, mail order house catalogs numbering 300 to 400 and said catalogs were received by said Turner in lieu of admittance fees, were turned over to said respondent, Chamber of Commerce and by it destroyed, and said Chamber of Commerce caused to be paid to a child, Pearl Somers, a cash prize of $3 for presenting the oldest and most thumbed catalog.

PAR. 5. Henry Turner, the manager of respondent, Northwest Theatres Company of Missoula, Montana, which then controlled and operated said Isis Theater of Missoula, Montana, acting as such manager for and on behalf of said Theatres Company, conspired with Charles H. Roberts, then secretary of respondent, Chamber of Commerce, acting as such secretary for said respondent, Chamber of Commerce, in September, 1920, prior to September 14, 1920, to remove from the residences or the custody of customers or prospective customers of said mail-order houses, residing in the City of Missoula, Montana and in the territory adjacent thereto, the catalogs of said mail order houses and thus hinder, obstruct and prevent said mail order houses from selling their goods in the City of Missoula, Montana and the territory adjacent thereto. Said conspiracy so entered into between said Henry Turner and said Charles H. Roberts was subsequently approved by respondent, Chamber of Commerce, through the directors thereof, September 14 and 21, 1920. Subsequently, to wit, upon dates including September 17, 18, and 19, 1920, said Turner, manager of said Northwest Theatres Company, acting for and on behalf of respondents, Northwest Theatres Company and with the sanction and consent and the aid of respondent, Chamber

of Commerce of Missoula, and its secretary, said Roberts, acting as secretary for and on behalf of said respondent, Chamber of Commerce, caused to be brought to said Isis Theater in Missoula, Montana, about 262 catalogs of mail order houses, including catalogs of said National Cloak & Suit Company, from various residences in the City of Missoula, Montana, and the territory adjacent thereto, and there collected and received and thereafter destroyed said catalogs, thus depriving said National Cloak & Suit Company and other mail order houses of the use and benefit of such catalogs in the sale of their goods, wares and merchandise and thus obstructing, hindering, lessening and preventing the sale of goods, wares and merchandise by said mail order houses in interstate commerce. The details of said conspiracy are in substance as follows:

(*a*) Sometime in September 1920, prior to September 14, said Turner, then manager of respondent, Northwest Theatres Company, acting as such manager for and on behalf of said respondent, Northwest Theatres Company, which company controlled and operated said Isis Theater in Missoula, Montana, called upon Charles H. Roberts, then secretary of respondent, Chamber of Commerce, and asked the cooperation of said respondent, Chamber of Commerce, in a second mail order catalog day, mentioning at that time that there had been a previous mail order catalog day in Missoula and stating its purpose and its results. Said Roberts thereafter, as secretary of respondent, Chamber of Commerce, submitted said Turner's proposition to said respondent, Chamber of Commerce, through its board of directors, at a regular meeting of said board on or about September 14, 1920 and said board of directors, for and on behalf of said respondent, Chamber of Commerce, accepted and adopted said Turner's proposition for a second mail order catalog day and authorized said Turner to use the name of said respondent, Chamber of Commerce, in arranging for and having a second mail order house catalog day at said Isis Theater, then under the control and operation of said Turner as manager of said respondent, Northwest Theatres Company, the object, aim and purpose of said second mail order house catalog day, so far as respondent, Chamber of Commerce, was concerned, being the collection from residences in the City of Missoula, Montana, and the territory adjacent thereto, of mail order house catalogs and their subsequent destruction so as to hinder and prevent mail order houses issuing and circulating said catalogs from selling their goods, wares and merchandise to customers and prospective customers residing in and about Missoula, Montana, and thus prevent, their competing with the members of

respondent, Chamber of Commerce, in said territory. Subsequently, on or about September 21, 1920, said action of respondent, Chamber of Commerce, was approved by said board by approving the minutes setting forth such action.

(*b*) Subsequently and upon several dates, including September 17, 18, 19 and 25, 1920, in carrying out said conspiracy, said respondent, Chamber of Commerce and said Northwest Theatres Company, through said Turner, caused to be inserted in daily papers of general circulation in Missoula, Montana, and the territory adjacent thereto, to-wit, the Missoula Sentinel and the Daily Missoulan, notices and advertisements soliciting and importuning children residing in Missoula, Montana, and the territory adjacent thereto to secure and collect mail order house catalogs and offer them at the door of said Isis Theater in lieu of cash admittance fees between 11 o'clock A. M. and 6 o'clock P. M. on September 18 and between 4 o'clock P. M. and 11 o'clock P. M. on September 25, 1920, where the "serial," "The Vanishing Dagger" by Eddie Polo was to be exhibited. In addition to the catalog presented each child was to bring one penny to pay war tax. In addition to the inducement of admittance to the motion picture exhibition, said Turner in said notices, offered two cash prizes of $3 and $2 respectively, to the child bringing to the theater the "newest and latest and the next newest" mail order house catalogs.

(*c*) In answer to said notices and advertisements so caused to be printed and circulated by said respondent, Chamber of Commerce and said Northwest Theatres Company through said Turner, children residing in Missoula, Montana, and the territory adjacent thereto collected and brought to said Isis Theater on or about September 18, 1920, and September 25, 1920, mail order house catalogs numbering about 262, and said Turner caused said catalogs to be received at the doors of said Isis Theater in lieu of cash admittance fees. Subsequently said Turner caused said catalogs to be destroyed, said mail order houses issuing said catalogs being thus deprived by respondents of the use and benefit of said catalogs in the transaction of their business and having been harassed and interfered with in the sale of their goods, wares, and merchandise in interstate commerce.

PAR. 6. That customers of and former purchasers from the said mail order catalog houses were, by reason of the aforesaid destruction of said mail order house catalogs, unable for a time to carry out their purposes and intentions to purchase from the said mail order catalog houses and were hindered and delayed in making purchases from said houses.

PAR. 7. Commercial concerns known as mail order or catalog houses, do a large merchandising business in the United States, having business houses or branches in many States and serving customers throughout all the States of the United States. Catalogs and circulars are the means by which mail order houses make their sales. Destruction of such catalogs eliminates the means of merchandising of such mail order catalog houses until such catalogs have been replaced. Collection and destruction of mail order house catalogs has had, and has, a capacity and tendency to obstruct, hinder, lessen, and prevent competition in interstate commerce.

CONCLUSION.

The practices and activities of respondent herein, under the conditions and in the circumstances set forth in the foregoing report upon the facts, are unfair methods of competition in commerce and constitute a violation of Section 5 of the Act of Congress approved September 26, 1914, entitled "An Act to create a Federal Trade Commission, to define its powers and duties, and for other purposes."

ORDER TO CEASE AND DESIST.

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission, the answer of respondents, the testimony and documentary evidence offered and received, and the arguments of counsel for the respective parties hereto, and the Commission having made its findings as to the facts and its conclusion that the respondents have violated the provisions of the Act of Congress approved September 26, 1914, entitled, "An Act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," therefore

It is now ordered, That respondents, The Chamber of Commerce of Missoula, a voluntary organization, its members, officers, directors, agents, servants and employees and respondent, Northwest Theatres Company, a corporation organized under and existing by virtue of the laws of the State of Montana, its officers, directors, agents, servants and employees, do cease and desist.

PARAGRAPH 1. From inducing persons in possession of the catalog or catalogs of mail order houses, to divert said catalogs from their former and customary use by such persons for the purpose of purchasing goods from said mail order houses, and to use them as an exchange for admission to a moving picture theater for the purpose of eliminating or hindering competition between such mail order houses and local merchants.

PAR. 2. From collecting, securing or procuring or from causing to be collected, secured or procured from residents in the City of Missoula, Montana, or the territory adjacent thereto, any catalog or circular of any mail order or catalog house located outside the State of Montana and doing business in said State, for the purpose of depriving such mail order or catalog house or its customers or prospective customers of the use and benefit of such catalogs in the sale and purchase of merchandise in interstate commerce.

PAR. 3. From destroying or causing to be destroyed, such catalog or catalogs of such mail order or catalog houses secured or procured from any customer or prospective customer of such mail order house in the City of Missoula, Montana, or in the territory adjacent thereto, for the purpose of depriving such mail order or catalog house or its customers or prospective customers of the use and benefit of such catalogs in the sale and purchase of merchandise in interstate commerce.

It is further ordered, That each respondent herein, within sixty (60) days from and after the date of the service upon it or him of such order, shall file with the Commission a report in writing setting forth in detail the manner and form in which he or it has complied with the order to cease and desist hereinbefore set forth.

FEDERAL TRADE COMMISSION