

Complaint.

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FEDERAL TRADE COMMISSION

v.

HENRY LEDERER & BROS., INC.

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

Docket 1004—August 14, 1923.

SYLLABUS.

Where a corporation engaged in the manufacture and sale of novelties, pens, etc., sold pens and pen points so manufactured and finished as to resemble gold in color and appearance, marked in indistinct words with the legend "Premo 141 Warranted"; with the intent and effect of misleading and deceiving the purchasing public into believing said products to be "14K," that is, 14 carat gold, and thereby of inducing the purchase thereof:

Held, That the sale of such misbranded pens, under the circumstances set forth, constituted an unfair method of competition.

COMPLAINT.

Acting in the public interest pursuant to the provisions 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," the Federal Trade Commission charges that Harry Lederer & Brothers, Incorporated, and more particularly hereinafter described and hereinafter referred to as respondent, has been and is using unfair methods of competition in commerce in violation of the provisions of Section 5 of said Act, issues this complaint and states its charges in that respect as follows:

PARAGRAPH 1. Respondent, Harry Lederer & Brothers, Incorporated, is a corporation organized under the laws of the State of Massachusetts, with its principal office and place of business located in the city of Providence, in the State of Rhode Island. It is now and was at all times hereinafter mentioned, engaged in the manufacture and sale of novelties, pens, pencils, knives, jewelry and similar products, and in the conduct of its business causes the products so manufactured by it to be transported from its place of manufacture in the State of Rhode Island to wholesale and retail purchasers residing in other States of the United States. In the course of said business respondent has been and is now in competition with other persons, partnerships and corporations engaged in similar business in interstate commerce.

PAR. 2. Respondent in the course of its business as described in paragraph 1 hereof, for more than one year last past has sold in in-

terstate commerce pens or pen points which it manufactured or caused to be manufactured from certain metal or metals other than gold, through which such process of manufacture said product was finished to resemble gold in color and appearance and on which said product was marked, inscribed, or stamped in small and indistinct words and figures the following:

“Premo
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Warranted”

The mark usually placed by manufacturers on pen points and similar articles to denote that the article is made from 14-carat gold is “14K,” to which is usually added the word “Warranted.” The mark used by respondent is used, and has been used, with the intent and purpose of deceiving the purchasing public, and by reason of its resemblance to the mark usually employed to denote 14-carat gold has the tendency and capacity to mislead and deceive, and does mislead and deceive the purchasing public into the erroneous belief that respondent’s said products are made from 14-carat gold and to induce the public to purchase same in that belief.

PAR. 3. There are a considerable number of competitors of respondent who manufacture pens and pen points marked or stamped “14K,” which said pens or pen points are composed of the required number of parts or proportions of gold, as indicated by said brand or stamp, used generally in the jewelry trade to denote or designate the percentage of gold as contained in said product, which said product is sold in competition with the product of said respondent.

PAR. 4. The above-alleged acts and things done by respondent are all to the prejudice of the public and of respondent’s competitors and constitute unfair methods of competition in commerce within the intent and meaning of Section 5 of an Act of Congress entitled “An Act to create a Federal Trade Commission, to define its powers and duties, and for other purposes,” approved September 26, 1914.

REPORT, FINDINGS AS TO THE FACTS, AND ORDER.

Pursuant to the provisions of an Act of Congress approved September 26, 1914, the Federal Trade Commission issued and served its complaint upon the respondent, Henry Lederer & Bros., Inc., charging it with unfair methods of competition in commerce in violation of the provisions of said act.

The respondent having entered its appearance by its attorney, without filing an answer herein, and an agreed statement as to the

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facts having been made and filed in which it is stipulated that the facts therein recited may be taken as the facts of this proceeding and in lieu of testimony, and upon such facts the Commission may proceed further to make its report in said proceeding, stating its findings as to the facts and conclusions and entering its order disposing of the proceeding.

And thereupon this proceeding came on for final hearing without oral argument; the Commission, having duly considered the record and having now been fully advised in the premises, makes this its findings as to the facts and conclusion:

FINDINGS AS TO THE FACTS.

PARAGRAPH 1. Respondent, Henry Lederer & Bros., Inc., is a corporation organized under the laws of the State of Massachusetts, with its principal office and place of business located in the city of Providence, in the State of Rhode Island. It is now and was at all times hereinafter mentioned engaged in the manufacture and sale of novelties, pens, pencils, knives, jewelry, and similar products, and in the conduct of its business causes the products so manufactured by it to be transported from its place of manufacture in the State of Rhode Island to wholesale and retail purchasers residing in other States of the United States. In the course of said business respondent has been and is now in competition with other persons, partnerships, and corporations engaged in similar business in interstate commerce.

PAR. 2. Respondent in the course of its business, as described in paragraph 1 hereof, for more than one year last past has sold in interstate commerce pens or pen points which it manufactured or caused to be manufactured from certain metal or metals other than gold, through which such process of manufacture said product was finished to resemble gold in color and appearance and on which said product was marked, inscribed, or stamped in small and indistinct words and figures the following:

“Premo

141

Warranted”

The mark usually placed by manufacturers on pen points and similar articles to denote that the article is made from 14-carat gold is “14K,” to which is usually added the word “Warranted.” The mark used by respondent is used, and has been used, with the intent and purpose of deceiving the purchasing public, and by reason of its

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resemblance to the mark usually employed to denote 14-carat gold, has the tendency and capacity to mislead and deceive, and does mislead and deceive the purchasing public into the erroneous belief that respondent's said products are made from 14-carat gold, and to induce the public to purchase same in that belief.

PAR. 3. There are a considerable number of competitors of respondent who manufacture pens and pen points, marked or stamped "14K," which said pens or pen points are composed of the required number of parts or proportions of gold, as indicated by said brand or stamp, used generally in the jewelry trade to denote or designate the percentage of gold as contained in said product, which said product is sold in competition with the product of said respondent.

CONCLUSION.

The practices of the said respondent, under the conditions and circumstances described in the foregoing findings, are unfair methods of competition in interstate commerce, and constitute a violation 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, and the agreed statement as to the facts made and filed herein, in lieu of the testimony and evidence, and the Commission having made its findings as to the facts and its conclusion that the respondent has violated the provisions 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,"

It is now ordered, That the respondent, Henry Lederer & Bros., Inc., its officers, agents, and employees, cease and desist from:

Selling or offering to sell in interstate commerce pens or pen points made from metal or metals other than gold and finished to resemble gold in color and appearance, bearing thereon the following inscription:

"Premo

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Warranted "

or any other device or mark calculated to indicate to the purchasing public that said pens are made from or contain gold.

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FEDERAL TRADE COMMISSION

v.

RALPH E. DINGS AND LYON S. SCHUSTER, A PARTNERSHIP DOING BUSINESS UNDER THE NAME AND STYLE OF DINGS AND SCHUSTER.

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

Docket 1014—August 14, 1923.

SYLLABUS.

Where a firm engaged in the manufacture and sale of paints, varnishes, shellac and shellac substitutes, labeled, branded, advertised and sold a product, not composed solely of shellac gum cut in alcohol, "White Shellac"; with the capacity and tendency thereby to mislead and deceive purchasers and the trade into believing said product to be composed solely of genuine shellac gum cut in alcohol and thereby to induce the purchase thereof, and with the effect of so doing in the case of a substantial part of the purchasing public:

Held, That such misbranding and mislabeling, and such false and misleading advertising, under the circumstances set forth, constituted unfair methods of competition.

COMPLAINT.

Acting in the public interest pursuant to the provisions 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," the Federal Trade Commission charges that Ralph E. Dings and Lyon S. Schuster, a partnership doing business under the name and style of Dings & Schuster, 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 said act, and states its charges in that respect as follows:

PARAGRAPH 1. Ralph E. Dings and Lyon S. Schuster are partners trading under the name and style of Dings & Schuster, with their plant and business office at Long Island City in the State of New York. They are, and at all times hereinafter mentioned, were engaged in the business of manufacturing, selling, and distributing paints, varnishes, shellac and substitutes for shellac to painters, jobbers, dealers, and the public generally throughout the eastern portion of the United States. In the course and conduct of their business said respondents cause their said products when sold to be transported from the State of New York to, into, and through other States of the United States and the District of Columbia to the purchasers thereof, and at all the times hereinafter mentioned are and have been in competition with other persons, partnerships,

and corporations engaged in a similar business in interstate commerce.

PAR. 2. That shellac or shellac varnish, as commercially known and sold to jobbers, dealers, and the purchasing public, is composed solely of genuine shellac gum dissolved in alcohol, and is understood by said jobbers, dealers, and the purchasing public to be composed of genuine shellac gum dissolved in alcohol.

PAR. 3. The respondents in the course and conduct of their said business for more than one year last past have manufactured and sold to jobbers, dealers, and the purchasing public, in commerce, as aforesaid, throughout the States in the eastern portion of the United States by means of traveling salesmen, mail orders, or otherwise, a product composed solely of shellac gum dissolved in alcohol, and have labeled, branded, and advertised, and still do label, brand, and advertise the said product as "White Shellac"; that the said respondents also manufacture and sell in commerce, as aforesaid, and have manufactured and sold for more than one year last past a product composed of shellac gum and a large quantity of shellac gum substitutes such as rosin and similar ingredients, which product and containers thereof they label, brand, and advertise as "White Shellac" without indicating in any way whatever on such labels, brands, and advertisements that such last described product contains any other gum or ingredient, substitute for gum, than genuine shellac gum. The said labels, brands, and advertisements of said last described product are false and misleading and have the capacity and tendency to mislead and deceive the purchasers thereof, the trade and purchasing public, into the belief that said product so labeled, branded, and advertised by respondents is composed solely of genuine shellac gum dissolved in alcohol and to induce said purchasers to purchase same in that belief.

PAR. 4. There are a large number of manufacturers and distributors of varnish composed only of genuine shellac gum, cut in alcohol, who advertise, label, and sell the same under the name of "shellac" and also many manufacturers and distributors of shellac substitutes who do not advertise, brand, or label said shellac substitutes as "shellac" or otherwise indicate to the purchasing public that such substitutes are manufactured or composed of shellac gum cut in alcohol.

PAR. 5. The above acts and things done by respondents are all to the prejudice of the public and of respondents' competitors and constitute unfair methods of competition in commerce within the intent and meaning of Section 5 of an Act of Congress entitled "An Act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," approved September 26, 1914.

REPORT, FINDINGS AS TO THE FACTS, AND ORDER.

Pursuant to the provisions of an Act of Congress approved September 26, 1914, the Federal Trade Commission issued and served a complaint upon the respondents, Ralph E. Dings and Lyon S. Schuster, a partnership doing business under the name and style of Dings & Schuster, charging it with the use of unfair methods of competition in commerce, in violation of the provisions of said act.

The respondents having entered their appearance and filed an answer herein and having made, executed, and filed an agreed statement of facts in which it is stipulated and agreed by respondents that the Federal Trade Commission shall take such agreed statement of facts as the facts in this case and in lieu of testimony, and proceed forthwith upon such agreed statement of facts to enter thereon, without the introduction of testimony or the presentation of argument in support of same, and the Federal Trade Commission being now fully advised in the premises, makes this its findings as to the facts and conclusion:

FINDINGS AS TO THE FACTS.

PARAGRAPH 1. That Ralph E. Dings and Lyon S. Schuster are partners trading under the name and style of Dings & Schuster, with their plant and business office at Long Island City in the State of New York. They are, and all times hereinafter mentioned were, engaged in the business of manufacturing, selling, and distributing paints, varnishes, shellac and substitutes for shellac to painters, jobbers, dealers, and the public generally throughout the eastern portion of the United States. In the course and conduct of their business said respondents cause their said products when sold to be transported from the State of New York to, into, and through other States of the United States and the District of Columbia to the purchasers thereof, and at all the times hereinafter mentioned are and have been in competition with other persons, partnerships, and corporations engaged in a similar business in interstate commerce.

PAR. 2. That shellac or shellac varnish, as commercially known and sold to jobbers, dealers, and the purchasing public, is composed solely of genuine shellac gum dissolved in alcohol, and is understood by said jobbers, dealers, and the purchasing public to be composed of genuine shellac gum dissolved in alcohol.

PAR. 3. That the respondents in the course and conduct of their said business for more than one year last past have manufactured and sold to jobbers, dealers, and the purchasing public, in commerce, as aforesaid, throughout the States in the eastern portion of the United States by means of traveling salesmen, mail orders, or other-

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wise, a product composed solely of shellac gum dissolved in alcohol, and have labeled, branded, and advertised, and still do label, brand, and advertise the said product as "White Shellac"; that the said respondents also manufacture and sell in commerce, as aforesaid, and have manufactured and sold for more than one year last past a product composed of shellac gum and a large quantity of shellac gum substitutes such as rosin and similar ingredients, which product and the containers thereof they label, brand, and advertise as "White Shellac" without indicating in any way whatever on such labels, brands, and advertisements that such last described product contains any other gum or ingredient, substitute for gum, than genuine shellac gum. The said labels, brands, and advertisements of said last described product are false and misleading and have the capacity and tendency to mislead and deceive the purchasers thereof, the trade and purchasing public, into the belief that said product so labeled, branded, and advertised by respondents is composed solely of genuine shellac gum dissolved in alcohol and to induce said purchasers to purchase same in that belief.

PAR. 4. That there are a large number of manufacturers and distributors of varnish composed only of genuine shellac gum, cut in alcohol, who advertise, label, and sell the same under the name of "shellac" and also many manufacturers and distributors of shellac substitutes who do not advertise, brand, or label said shellac substitutes as "shellac" or otherwise indicate to the purchasing public that such substitutes are manufactured or composed of shellac gum cut in alcohol.

PAR. 5. That the brands, labels, and advertisements containing the words "White Shellac" used by the respondent upon the containers of the product composed of shellac gum and a large quantity of shellac gum substitutes, such as rosin and similar ingredients manufactured, sold, and shipped by them, as set forth in the foregoing findings, have the capacity and tendency to and do mislead and deceive a substantial part of the purchasing public into the belief that such product so labeled, branded, and advertised by the respondent is composed solely of genuine shellac gum dissolved in alcohol, and to induce said purchasers to purchase same in that belief.

CONCLUSION.

The practices of the said respondents, under the conditions and circumstances described in the foregoing findings, are unfair methods of competition in commerce, and constitute a violation 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."

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ORDER TO CEASE AND DESIST.

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission, the answer of the respondents, and the statement of facts agreed upon by the respondents and counsel for the Commission, and the Commission having made its findings as to the facts with 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,"

It is now ordered, That the respondents, Ralph E. Dings and Lyon S. Schuster, copartners, doing business under the name and style of Dings & Schuster, and each of them, their agents, representatives, servants, and employees, cease and desist from directly or indirectly:

(1) Employing or using on labels or as brands for varnish not composed wholly, 100 per cent, of shellac gum cut in alcohol, or on the containers in which the varnish is delivered to customers, the words "White Shellac" or the word "Shellac" alone or in combination with any word or words unless accompanied by a word or words clearly and distinctly setting forth the substance, ingredient, or gum of which the varnish is composed with the percentages of all such substances, ingredients, or gums therein used clearly stated upon the label, brand, or upon the containers (e. g., "Shellac Substitute" or "Imitation Shellac" to be followed by a statement setting forth the percentages of ingredients or gums therein used).

(2) Using or displaying in circulars or advertising matter used in connection with the sale of its products in interstate commerce, except when such products contain 100 per cent shellac gum cut in alcohol, the words "White Shellac" or the word "Shellac" alone or in combination with any other word or words unless accompanied by a word or words clearly and distinctly setting forth the substance, ingredient, or gum of which the varnish is composed with the percentages of all such substances, ingredients, or gums therein used clearly stated (e. g., "Shellac Substitute," or "Imitation Shellac," to be followed by a statement setting forth the percentages of ingredients or gums therein used).

It is further ordered, That the respondents shall file with the Federal Trade Commission, within 60 days from the date of this order, its report in writing, setting forth the manner and form in which this order has been conformed to, and shall attach to such report two copies of all circulars, advertisements, devices, or labels distributed or displayed to the public by the respondents in connection with the sale of their products in interstate commerce subsequent to the date of this order.

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UNITED TYPOTHETAE OF AMERICA ET AL.

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

Docket 459—August 17, 1923.

SYLLABUS.

Where a nation-wide organization of employing printers, which through a membership running into the thousands directed and controlled more than 50 per cent in volume of all the commercial printing business done in the United States, and which included among the objects set forth in its constitution, "to eliminate the evils of ignorant and ruinous competition"; in cooperation with its numerous branch and affiliated local organizations all over the United States

- (a) Evolved, promulgated and installed a "standard cost finding system" in the establishments of employing printers, based on figures furnished by its members, through which they were supplied with uniform figures or standard costs for the different operations involved in the trade;
- (b) Prepared and widely distributed a "price list" or "standard guide" in which were set forth a list of uniform selling prices and also percentages of profit recommended to be added to such costs in making prices or price estimates for work;
- (c) Brought about, energetically fostered, and encouraged the use, both among its members and non-members, of said "standard cost system" and said "price list" or "standard guide"; and
- (d) Approved and endorsed the work of its price list committee, and pledged them its support;

With the result that prices in the trade were cooperatively enhanced, fixed and maintained:

Held, That such practices, substantially as described, constituted unfair methods of competition.

COMPLAINT.

The Federal Trade Commission having reason to believe from a preliminary investigation made by it that the United Typothetae of America, its officers, its branch and affiliated local organizations and its members, all hereinafter referred to and who are all respondents herein, have been and are using unfair methods of competition in interstate commerce, in violation 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 to the interest of the public, issues this amended complaint, stating its charges in that respect on information and belief as follows:

PARAGRAPH 1. That the respondent, United Typothetae of America, is a corporation organized under the laws of the State of New York,

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with headquarters and executive offices at Chicago, Ill.; that the respondent is the successor of a voluntary association of employing printers' associations and employing printers, known as the "United Typothetae of America," which was organized during the year 1887 and by succession has been in continuous existence, and so continues, from that date to the present time; that during the year 1913 the United Typothetae of America—the voluntary association—was amalgamated with the Ben Franklin Clubs of America, another association of employing printers, and thereafter continued under the name of "United Typothetae and Ben Franklin Club of America" until some time during the month of September, 1917, when the name was changed to the *United Typothetae of America*; that thereafter, to wit, on September 16, 1919, the respondent, United Typothetae of America, a corporation, succeeded to and took over all the rights and privileges of the voluntary association known as the United Typothetae of America, and said voluntary association thereupon ceased to exist; that the respective officers of the United Typothetae of America and their respective places of business are as follows, to wit:

- (1) J. Linton Engle, Philadelphia, Pa., president;
- (2) J. C. Acton, Toronto, Ontario, Canada, first vice president and chairman of executive committee;
- (3) George K. Horn, Baltimore, Md., vice president;
- (4) B. F. Schriber, Pueblo, Colo., vice president;
- (5) R. B. Nelson, Chicago, Ill., vice president;
- (6) Fred W. Gage, Battle Creek, Mich., treasurer;
- (7) Edward T. Miller, Chicago, Ill., secretary;

that the United Typothetae of America is composed of numerous branch and affiliated local organizations, including, in addition to some not known to the Commission, the following:

- (8) Capital District Typothetae, Albany, N. Y.;
- (9) Fox River Typothetae, Appleton, Wis.;
- (10) Mountain Typothetae, Asheville, N. C.;
- (11) Atlanta Typothetae, Atlanta, Ga.;
- (12) Augusta Typothetae, Augusta, Ga.;
- (13) Austin Typothetae, Austin, Tex.;
- (14) Baltimore Typothetae, Baltimore, Md.;
- (15) Battle Creek Typothetae, Battle Creek, Mich.;
- (16) Bay City Typothetae, Bay City, Mich.;
- (17) Binghamton Typothetae, Binghamton, N. Y.;
- (18) Birmingham Typothetae, Birmingham, Ala.;
- (19) Bloomington Typothetae, Bloomington, Ill.;
- (20) Boston Typothetae Board of Trade, Boston, Mass.;

- (21) Bridgeport Typothetae, Bridgeport, Conn.;
- (22) Buffalo Typothetae, Buffalo, N. Y.;
- (23) West Jersey Typothetae, Camden, N. J.;
- (24) Stark County Typothetae, Canton, Ohio;
- (25) Charleston Typothetae, Charleston, S. C.;
- (26) Charlotte Typothetae, Charlotte, N. C.;
- (27) Chattanooga Typothetae, Chattanooga, Tenn.;
- (28) Franklin Typothetae of Chicago, Chicago, Ill.;
- (29) Franklin Typothetae of Cincinnati, Cincinnati, Ohio;
- (30) Graphic Arts Club of Cleveland, Cleveland, Ohio;
- (31) Columbia Typothetae, Columbia, S. C.;
- (32) Columbus Typothetae, Columbus, Ga.;
- (33) Columbus Typothetae, Columbus, Ohio;
- (34) Dallas Typothetae, Dallas Tex.;
- (35) Franklin Typothetae of Dayton, Dayton, Ohio;
- (36) Des Moines Typothetae, Des Moines, Iowa;
- (37) Typothetae Franklin Association, Detroit, Mich.;
- (38) Duluth Typothetae, Duluth, Minn.;
- (39) Typothetae of Elmira, Elmira, N. Y.;
- (40) Erie Typothetae, Erie, Pa.;
- (41) Everett Typothetae, Everett, Wash.;
- (42) Fargo-Moorhead Typothetae, Fargo, N. Dak.;
- (43) Flint Typothetae, Flint, Mich.;
- (44) Typothetae of Fort Smith, Fort Smith, Ark.;
- (45) Fort Wayne Typothetae, Fort Wayne, Ind.;
- (46) Fort Worth Typothetae, Fort Worth, Tex.;
- (47) Grand Rapids Typothetae, Grand Rapids, Mich.;
- (48) Greenville Typothetae, Greenville, S. C.;
- (49) Western Ontario Typothetae, Guelph, Ontario, Canada;
- (50) Central Pennsylvania Typothetae, Harrisburg, Pa.;
- (51) Hartford Typothetae, Hartford, Conn.;
- (52) Typothetae of Haverhill, Haverhill, Mass.;
- (53) Houston-Galveston Typothetae, Houston, Tex.;
- (54) Southwestern Typothetae of Kansas and Oklahoma, Independence, Kans.;
- (55) Indianapolis Typothetae, Indianapolis, Ind.;
- (56) Jackson Typothetae, Jackson, Mich.;
- (57) Jacksonville Typothetae, Jacksonville, Fla.;
- (58) Hudson County Typothetae, Jersey City, N. J.;
- (59) East Tennessee Typothetae, Johnson City, Tenn.;
- (60) Kalamazoo Typothetae, Kalamazoo, Mich.;
- (61) Graphic Arts Organization, Kansas City, Mo.;
- (62) Knoxville Typothetae, Knoxville, Tenn.;

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- (63) Lansing Typothetae, Lansing, Mich.;
- (64) Lima Typothetae, Lima, Ohio;
- (65) Lincoln Typothetae, Lincoln, Neb.;
- (66) Arkansas Typothetae, Little Rock, Ark.;
- (67) Typothetae of Macon, Macon, Ga.;
- (68) Marietta Typothetae, Marietta, Ohio;
- (69) Memphis Typothetae, Memphis, Tenn.;
- (70) Milwaukee Typothetae, Milwaukee, Wis.;
- (71) Minneapolis Typothetae, Minneapolis, Minn.;
- (72) Mobile Typothetae, Mobile, Ala.;
- (73) Montgomery Typothetae, Montgomery, Ala.;
- (74) Graphic Arts Section, C. M. A., Montreal, P. Q., Canada;
- (75) Muskegon Typothetae, Muskegon, Mich.;
- (76) Ben Franklin Typothetae of Muskogee, Muskogee, Okla.;
- (77) Typothetae of Newark, Newark, N. J.;
- (78) New Haven Typothetae, New Haven, Conn.;
- (79) New Orleans Typothetae, New Orleans, La.;
- (80) New Westminster Typothetae, New Westminster, B. C.,
Canada;
- (81) New York Employing Printers' Association, New York,
N. Y.;
- (82) Tidewater Typothetae, Norfolk, Va.;
- (83) Graphic Arts Association, Oklahoma City, Okla.;
- (84) Ottawa Typothetae, Ottawa, Ontario, Canada;
- (85) Pensacola Club, Pensacola, Fla.;
- (86) Typothetae of Philadelphia, Philadelphia, Pa.;
- (87) Typothetae of Western Pennsylvania, Pittsburgh, Pa.;
- (88) Maine Typothetae, Portland, Me.;
- (89) Portland Typothetae, Portland, Oreg.;
- (90) Typothetae of Rhode Island, Providence, R. I.;
- (91) Quebec Typothetae, Quebec, P. Q., Canada;
- (92) Gem City Typothetae, Quincy, Ill.;
- (93) Racine-Kenosha Typothetae, Racine, Wis.;
- (94) Central North Carolina Typothetae, Raleigh, N. C.;
- (95) Richmond Typothetae, Richmond, Va.;
- (96) Rochester Typothetae, Rochester, N. Y.;
- (97) Rockford Typothetae, Rockford, Ill.;
- (98) Tri-City Manufacturing Printers' Association, Rock Is-
land, Ill.;
- (99) Saginaw Typothetae, Saginaw, Mich.;
- (100) Employing Printers' Educational Association, San An-
tonio, Tex.;
- (101) Typothetae of Savannah, Savannah, Ga.;
- (102) Ben Franklin Club of St. Louis, St. Louis, Mo.;

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- (103) St. Paul Typothetae, St. Paul, Minn.;
- (104) Anthracite Typothetae, Scranton, Pa.;
- (105) Seattle Division, U. T. A., Seattle, Wash.;
- (106) St. Joseph Valley Typothetae, South Bend, Ind.;
- (107) Spokane Typothetae, Spokane, Wash.;
- (108) Springfield Typothetae, Springfield, Mass.;
- (109) Springfield Typothetae, Springfield, Ohio;
- (110) Okanagan Press Guild, Summerland, B. C., Canada;
- (111) Syracuse Typothetae, Syracuse, N. Y.;
- (112) Tacoma Typothetae, Tacoma, Wash.;
- (113) Florida West Coast Typothetae, Tampa, Fla.;
- (114) Terre Haute Typothetae, Terre Haute, Ind.;
- (115) Toledo Typothetae, Toledo, Ohio;
- (116) Topeka Typothetae, Topeka, Kans.;
- (117) Toronto Typothetae, Toronto, Ontario, Canada;
- (118) Trenton Typothetae, Trenton, N. J.;
- (119) Typothetae of Tulsa, Tulsa, Okla.;
- (120) Typothetae of Utica, and Vicinity, Utica, N. Y.;
- (121) Vancouver Typothetae, Vancouver, B. C., Canada;
- (122) Waco Typothetae, Waco, Tex.;
- (123) Typothetae of Washington, D. C., Washington, D. C.;
- (124) Ben Franklin Typothetae of Wichita, Wichita, Kans.;
- (125) Williamsport Typothetae, Williamsport, Pa.;
- (126) Wilmington Typothetae, Wilmington, Del.;
- (127) Ben Franklin Typothetae, Wilmington, N. C.;
- (128) Triangle Typothetae, Winston-Salem, N. C.;
- (129) Winnipeg Typothetae, Winnipeg, Manitoba, Canada;
- (130) Worcester Typothetae, Worcester, Mass.;

that there are approximately 5,100 persons, firms, associations, or corporations engaged in the printing business and located in the various States of the United States, the District of Columbia, and the Dominion of Canada who are members of some one of the branch and affiliated local organizations of said United Typothetae of America, and by virtue of such membership in the branch and affiliated local organizations, are members of said National organization, said United Typothetae of America, and each such member of said branch and affiliated organizations is hereby made a respondent to this complaint, although the names of the vast majority of such members are unknown to the Commission, and it is, therefore, impossible, without manifest inconvenience and oppressive delay, to designate by name all such respondents to this complaint; the following, however, are known to this Commission, and are:

- (131) Franc C. Sheiry, Washington, D. C.;
- (132) E. F. Eilert, New York, N. Y.;

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- (133) Toby Rubovitz, Chicago, Ill.;
- (134) Earl R. Britt, St. Louis, Mo.;
- (135) William S. Pfaff, New Orleans, La.;
- (136) Bert Swezea, Seattle, Wash.;

that said respondent, the United Typothetae of America, through its officers, its branch and affiliated organizations, and its members, represents, directs, and controls approximately 80 per cent in volume of all the commercial printing business in the United States.

PAR. 2. That the respondent, United Typothetae of America, maintains and operates a school of printing at Indianapolis, Ind., where it publishes monthly its official magazine, *Typothetae Bulletin*, and causes the same to be sent to its various members located in the different States of the United States, the District of Columbia, and the Dominion of Canada; that the respondent, United Typothetae of America, at its headquarters and executive office at Chicago, Ill., and at its district offices, which it operates and maintains in the various States of the United States, prints, publishes, and causes to be circulated to its members and to various other employing printers located in the different States of the United States, the District of Columbia, and the Dominion of Canada, literature relative to the "Standard Cost System" and "Standard Price List" (Typothetae Standard Guide) and various other publications and circulars; that many of the various members of the United Typothetae of America are employing printers, engaged in soliciting printing throughout the States of the United States other than the States of their respective domicile, in due course of interstate commerce, in direct and active competition with other persons, firms, and corporations similarly engaged, who are not members of respondent association.

PAR. 3. That respondent, United Typothetae of America, through its officers, its branch and affiliated local organizations and its members, inaugurated a campaign known as the "Three-Year Plan," the object of which is to collect assessments from manufacturers and merchants throughout the United States who sell paper print presses, type, ink, and other supplies to employing printers, and from associations allied to the printing industry, the money so collected to be applied to alleged educational purposes, but mainly to induce employing printers to use the uniform system of cost accounting and the "Standard Price List" compiled by the United Typothetae of America, through its officers, its branch and affiliated local organizations and its members, with the view of teaching the printer how to charge adequate prices for his work, so that the alleged "evils of ignorant and ruinous competition" might be eliminated, as stated in bulletins published by said respondent; that coercive methods

have been used by respondent to obtain subscriptions to said "three-year plan" fund, in that there were published and circulated by respondent, monthly bulletins containing names and addresses of subscribers, in order that the employing printers could discriminate, in the purchase of supplies required by them, in favor of those who had subscribed to said fund and against those who had not so subscribed; that the publication of the lists of contributors, as aforesaid, has intimidated manufacturers and dealers in printers' supplies, and has caused them to contribute to said fund, against their will, in order to avoid being discriminated against by the members of said United Typothetae of America in the purchase of supplies required by them, the result of which has been that manufacturers and dealers in printers' supplies have been compelled to pay a bonus or gratuity, as a condition precedent to the sale of supplies to members of respondent association.

PAR. 4. That approximately 4,000 employing printers who are members of the United Typothetae of America, have adopted and are now using the uniform cost accounting system in their respective printing establishments, which respondent has established and designated as the "Standard Cost System"; that respondent, United Typothetae of America, has compiled a "Standard Price List" for the use of employing printers in arriving at the price to be charged for their work, which it has designated as the "Standard Price List" (Typothetae Standard Guide), and each member of the Typothetae is furnished a so-called "Standard Price List" (Typothetae Standard Guide), and the respondent, United Typothetae of America, through its officers and its branch and affiliated local organizations is constantly urging its members to adopt and use the same, and approximately 5,000 members of the Typothetae are now using said "Standard Price List," the effect of which is to establish a uniform schedule of prices among the members of respondent association and the printing industry in general; that the United Typothetae of America is constantly urging employing printers who are not members of the Typothetae to use the "Standard Price List" (Typothetae Standard Guide), and that there are now in use in the United States, the District of Columbia, and the Dominion of Canada approximately 6,100 of the "Standard Price List" (Typothetae Standard Guide); that these two devices, the "Standard Cost System" and the "Standard Price List" (Typothetae Standard Guide), which respondent is constantly urging employing printers to adopt and use, are not merely systems of cost finding, but devices, the intent and purpose of which are to establish a uniform scale of prices in the printing industry throughout the United States, and

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has a tendency unduly to suppress competition in the printing business in interstate commerce, and to create a monopoly directly affecting interstate commerce.

REPORT, FINDINGS AS TO THE FACTS, AND ORDER.

Pursuant to the provisions 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," the Federal Trade Commission issued and served its amended complaint upon the respondents, United Typothetae of America and others, charging them with unfair methods of competition in commerce in violation of the provisions of said act.

Thereupon, the respondents having duly filed their answers, admitting certain allegations of said complaint and denying others and setting up certain new matters in defense, and hearings having been held before an examiner of the Commission theretofore duly appointed, and the Commission having offered evidence in support of the charges of said complaint, and said respondents having introduced evidence on their behalf, and the parties having rested, and attorneys for the respective parties having duly argued the issues in this proceeding, and having presented said issues herein to the Commission for final consideration and determination,

The Federal Trade Commission, having duly considered the record, and being now fully advised in the premises, makes this its findings as to the facts and conclusion:

FINDINGS AS TO THE FACTS.

PARAGRAPH 1. (a) The respondent, the United Typothetae of America, is a corporation organized under the laws of the State of New York, with headquarters and executive offices at Chicago, Ill. It is the successor to a voluntary association of employing printers' associations and employing printers known as the "United Typothetae of America," which was organized during the year 1887, and by succession has been in continuous existence and so continued from that date to the present time. During the year 1913 the United Typothetae of America, a voluntary association, was amalgamated with the "Ben Franklin Club of America," another association of employing printers, and thereafter continued under the name of the "United Typothetae and Ben Franklin Club of America" until some time during the month of September, 1917, when the name was changed to United Typothetae of America. Thereafter, to wit, on September 16, 1919, the respondent United Typothetae of America, a corporation, succeeded to and took over all the rights

and privileges of the voluntary association known as the United Typothetae of America, and said voluntary association thereupon ceased to exist. The respective officers of the United Typothetae of America, and their respective places of business, at the time of the taking of testimony in this proceeding, were as follows:

J. Linton Engle, Philadelphia, Pa., president;
 J. C. Acton, Toronto, Ontario, Canada, first vice president and chairman of executive committee;
 George K. Horn, Baltimore, Md., vice president;
 B. F. Schriber, Pueblo, Colo., vice president;
 R. B. Nelson, Chicago, Ill., vice president;
 Fred W. Gage, Battle Creek, Mich., treasurer;
 Edward T. Miller, Chicago, Ill., secretary.

(b) The United Typothetae of America is composed of numerous branch and affiliated local organizations, including, in addition to some not known to the Commission, the following:

Capital District Typothetae, Albany, N. Y.;
 Fox River Valley Typothetae, Appleton, Wis.;
 Mountain Typothetae, Asheville, N. C.;
 Atlanta Typothetae, Atlanta, Ga.;
 Augusta Typothetae, Augusta, Ga.;
 Austin Typothetae, Austin, Tex.;
 Baltimore Typothetae, Baltimore, Md.;
 Battle Creek Typothetae, Battle Creek, Mich.;
 Bay City Typothetae, Bay City, Mich.;
 Binghamton Typothetae, Binghamton, N. Y.;
 Birmingham Typothetae, Birmingham, Ala.;
 Bloomington Typothetae, Bloomington, Ill.;
 Boston Typothetae Board of Trade, Boston, Mass.;
 Bridgeport Typothetae, Bridgeport, Conn.;
 Buffalo Typothetae, Buffalo, N. Y.;
 West Jersey Typothetae, Camden, N. J.;
 Stark County Typothetae, Canton, Ohio;
 Charleston Typothetae, Charleston, S. C.;
 Charlotte Typothetae, Charlotte, N. C.;
 Chattanooga Typothetae, Chattanooga, Tenn.;
 Franklin Typothetae of Chicago, Chicago, Ill.;
 Franklin Typothetae of Cincinnati, Cincinnati, Ohio;
 Graphic Arts Club of Cleveland, Cleveland, Ohio;
 Columbia Typothetae, Columbia, S. C.;
 Columbus Typothetae, Columbus, Ga.;
 Columbus Typothetae, Columbus, Ohio;
 Dallas Typothetae, Dallas, Tex.;

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Franklin Typothetae of Dayton, Dayton Ohio;
Des Moines Typothetae, Des Moines, Iowa;
Typothetae Franklin Association, Detroit, Mich.;
Duluth Typothetae, Duluth, Minn.;
Typothetae of Elmira, Elmira, N. Y.;
Erie Typothetae, Erie, Pa.;
Everett Typothetae, Everett, Wash.;
Fargo-Moorhead Typothetae, Fargo, N. Dak.;
Flint Typothetae, Flint, Mich.;
Typothetae of Fort Smith, Fort Smith, Ark.;
Fort Wayne Typothetae, Fort Wayne, Ind.;
Fort Worth Typothetae, Fort Worth, Tex.;
Grand Rapids Typothetae, Grand Rapids, Mich.;
Greenville Typothetae, Greenville, S. C.;
Western Ontario Typothetae, Guelph, Ontario, Canada;
Central Pennsylvania Typothetae, Harrisburg, Pa.;
Hartford Typothetae, Hartford, Conn.;
Typothetae of Haverhill, Haverhill, Mass.;
Houston-Galveston Typothetae, Houston, Tex.;
Southwestern Typothetae of Kansas and Oklahoma, Independence, Kans.;
Indianapolis Typothetae, Indianapolis, Ind.;
Jackson Typothetae, Jackson, Mich.;
Jacksonville Typothetae, Jacksonville, Fla.;
Hudson County Typothetae, Jersey City, N. J.;
East Tennessee Typothetae, Johnson City, Tenn.;
Kalamazoo Typothetae, Kalamazoo, Mich.;
Graphic Arts Organization, Kansas City, Mo.;
Knoxville Typothetae, Knoxville, Tenn.;
Lansing Typothetae, Lansing, Mich.;
Lima Typothetae, Lima, Ohio;
Lincoln Typothetae, Lincoln, Nebr.;
Arkansas Typothetae, Little Rock, Ark.;
Typothetae of Macon, Macon, Ga.;
Marietta Typothetae, Marietta, Ohio;
Memphis, Typothetae, Memphis, Tenn.;
Milwaukee Typothetae, Milwaukee, Wis.;
Minneapolis Typothetae, Minneapolis, Minn.;
Mobile Typothetae, Mobile, Ala.;
Montgomery Typothetae, Montgomery, Ala.;
Graphic Arts Section, C. M. A., Montreal, P. Q., Canada;
Muskegon Typothetae, Muskegon, Mich.;
Ben Franklin Typothetae of Muskogee, Muskogee, Okla.;

Typothetae of Newark, Newark, N. J.;
 New Haven Typothetae, New Haven, Conn.;
 New Orleans Typothetae, New Orleans, La.;
 New Westminster Typothetae, New Westminster, B. C., Canada;
 New York Employing Printers' Association, New York, N. Y.;
 Tidewater Typothetae, Norfolk, Va.;
 Graphic Arts Association, Oklahoma City, Okla.;
 Ottawa Typothetae, Ottawa, Ontario, Canada;
 Pensacola Club, Pensacola, Fla.;
 Typothetae of Philadelphia, Philadelphia, Pa.;
 Maine Typothetae, Portland, Me.;
 Portland Typothetae, Portland, Oreg.;
 Typothetae of Rhode Island, Providence, R. I.;
 Quebec Typothetae, Quebec, P. Q., Canada;
 Gem City Typothetae, Quincy, Ill.;
 Racine-Kenosha Typothetae, Racine, Wis.;
 Central North Carolina Typothetae, Raleigh, N. C.;
 Richmond Typothetae, Richmond, Va.;
 Rochester Typothetae, Rochester, N. Y.;
 Rockford Typothetae, Rockford, Ill.;
 Tri-City Manufacturing Printers' Association, Rock Island, Ill.;
 Saginaw Typothetae, Saginaw, Mich.;
 Employing Printers' Educational Association, San Antonio,
 Tex.;
 Typothetae of Savannah, Savannah, Ga.;
 Ben Franklin Club of St. Louis, St. Louis, Mo.;
 St. Paul Typothetae, St. Paul, Minn.;
 Anthracite Typothetae, Scranton, Pa.;
 Seattle Division, U. T. A., Seattle, Wash.;
 St. Joseph Valley Typothetae, South Bend, Ind.;
 Spokane Typothetae, Spokane, Wash.;
 Springfield Typothetae, Springfield, Mass.;
 Springfield Typothetae, Springfield, Ohio.;
 Okanagan Press Guild, Summerland, B. C., Canada;
 Syracuse Typothetae, Syracuse, N. Y.;
 Tacoma Typothetae, Tacoma, Wash.;
 Florida West Coast Typothetae, Tampa, Fla.;
 Terre Haute Typothetae, Terre Haute, Ind.;
 Toledo Typothetae, Toledo, Ohio;
 Topeka Typothetae, Topeka, Kans.;
 Toronto Typothetae, Toronto, Ontario, Canada;
 Trenton Typothetae, Trenton, N. J.;
 Typothetae of Tulsa, Tulsa, Okla.;

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Typothetae of Utica and Vicinity, Utica, N. Y.;
Vancouver Typothetae, Vancouver, B. C., Canada;
Waco Typothetae, Waco, Tex.;
Typothetae of Washington, D. C., Washington, D. C.;
Ben Franklin Typothetae of Wichita, Wichita, Kans.;
Williamsport Typothetae, Williamsport, Pa.;
Wilmington Typothetae, Wilmington, Del.;
Ben Franklin Typothetae, Wilmington, N. C.;
Triangle Typothetae, Winston-Salem, N. C.;
Winnipeg Typothetae, Winnipeg, Manitoba, Canada;
Worcester Typothetae, Worcester, Mass.

(c) During the year 1918 there were approximately 2,127, during the year 1919 there were approximately 2,312, during the year 1920 there were approximately 4,989, and during the year 1921 there were approximately 5,046 persons, firms, associations, or corporations engaged in the printing business and located in the various States of the United States, the District of Columbia, and the Dominion of Canada who were members of some one of the branches and affiliated local organizations of said United Typothetae of America, and by virtue of such membership in the branches and affiliated local organizations were members of the national organization of said United Typothetae of America.

PAR. 2. The United Typothetae of America has members in every State of the United States, the District of Columbia, and Hawaii, in Canada, and in South America. The United Typothetae of America, through its officers, its branch and affiliated organizations and its members, represents, directs, and controls more than 50 per cent in volume of all the commercial printing business in the United States.

PAR. 3. Said respondent, United Typothetae of America, adopted the following declaration of policies:

Object of the organization.

(Article 2, Section 1, of the constitution) To foster trade and commerce in the printing industry; to reform abuses relative thereto; to protect trade and commerce from unjust and unlawful exactions; to diffuse accurate and reliable information among its members as to the standing of merchants, and other matters; to promote uniformity and certainty in the customs and usages of said trades and commerce, and of those having a common trade, business or financial interest; to settle differences and promote a more enlarged and friendly intercourse among its members, and between its members and the business world; and in general, to do such other and further lawful acts as may be found necessary and convenient.

(Section 3) To effect a thorough organization of the employing printers and allied employing trades of the United States, Canada, and Mexico, with a view to improving the conditions of the industry in every proper and lawful manner, * * *

(Section 4) To promote education in the printing trades by the instruction of apprentices; the preparation and publication of lesson sheets, text books and other like literature; the conduct of schools; the spread of information among its members; cooperation with institutions of learning engaged in vocational training; and to issue certificates of proficiency to students of educational courses.

(Section 5) To urge employing printers and allied employing trades to cooperate with one another; to eliminate the evils of ignorant and ruinous competition; to make the relationship of the entire printing trades harmonious, and to correct such further evils as may exist.

(Section 6) To spread a wider knowledge of the elements of cost and what constitutes a proper remuneration for services rendered to them, and that competition may be honorable, just and reasonable.

(Section 9) To employ competent men to install the standard uniform cost-finding system as approved and amended from time to time by the Cost Commission; to secure uniformity in the application of the system in the plants of its members; to urge its adoption in all printing plants everywhere, and by all the allied industries.

(Section 11) To create legislative committees both local and international, for the purpose of watching, promoting and furthering the legitimate interests of the industry.

Sections 12, 13, 14, and 15 provide for formation of mutual insurance companies, standardizing a code of ethics and trade customs, better trade relations between individual printers and between printers and other allied interests, providing for boards of arbitration and for forming local branches in various cities and towns throughout the country.

(Section 16) To employ the persons necessary for carrying out the work of organization in general.

(Section 17) To conduct such departments as may be necessary for carrying out the general objects and purposes of the association.

And Section 18 sets forth that the purposes of the association shall not be profit, but shall be service.

Membership.

(Article 5, Section 1) Any individual, partnership, firm, corporation or association engaged in the printing or any allied trade or craft, having proprietary interest therein and whose principals are not officers of labor organizations, may, upon ap-

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plication in the prescribed form and upon subscribing to the constitution and by-laws, and by receiving a majority vote of the executive committee, and by paying into the treasury the initiation fee and dues as herein provided, become a member of this association.

(Article 5, Section 2) Only members engaged in the printing business and operating either composition, press room or bindery, shall be eligible to attend the executive sessions of the conventions of the U. T. A., or to hold elective office in the U. T. A.

(Article 5, Section 3) Members who form "local associations" shall be known as "local members"; members not in "local associations" shall be known as "members at large"; members elected from allied trades or crafts shall be known as "allied trades members" or "allied crafts members."

(Section 5) A local association may comprise members in several cities or towns adjacent to each other; provided the radius from the city or town designated as local headquarters conforms to such regulations as may be established by the executive council.

(Section 6) When a local association has been formed, all members of the International Association within the above-prescribed limits of such local association may retain membership in the International only by affiliating with the local association.

Officers.

(Article 6, Section 1) The officers of this Association shall be a President, a first Vice President, three other vice presidents, a Treasurer and an Executive Committee of not to exceed 35 members, composed of one representative from each of the districts hereinafter provided for. * * * The Executive Committee shall be the board of directors of the corporation and shall have the control and management of the affairs, funds and property of the corporation.

By-Laws.

Article I. Fees and dues.

Section 1. Each local body and each individual firm where no local body exists, shall, upon admission to this association, and thereafter as members are admitted, pay into the treasury as an initiation fee a sum equal to Five Dollars (\$5) for each membership in the local association: *Provided*, however, that the Executive Council shall have power to waive the payment of initiation fee in specific cases or localities when, in their judgment, the interests of this Association are best served by so doing.

Sec. 2. Each local body for each of its members, and each individual member where no local body exists, shall pay quarterly in advance into the treasury of this Association a sum equal to one-half ($\frac{1}{2}$) of one per cent (1%), or \$5 per \$1,000, on the average quarterly pay-roll for the previous year in all the composing, press, bindery and foundry departments: *Provided*, however, that local associations having an annual mechanical pay-

roll of \$3,000,000 or over, shall be regarded as maximum members, their dues to be \$15,000 per year: *Provided*, further, that any existing contracts made under the Standard Organization Agreement shall not hereby be affected during its life or existence. For the sake of convenience in collection and in book-keeping, these quarterly payments shall be in even dollars, the amount being that even number of dollars nearest to the exact figures.

SEC. 3. The maximum dues to be paid by any individual member of a local body to this Association shall be one hundred and fifty dollars (\$150) per month, and the minimum dues shall be eighteen dollars (\$18) a year, payable to this Association quarterly in advance.

Of the annual dues paid by each member, one dollar (\$1) shall be applied in payment of one yearly subscription to the *Bulletin*: *Provided*, that any member whose annual dues exceed twelve dollars (\$12) shall be privileged to have one dollar (\$1) of each twelve dollars (\$12) so paid apply in payment of a yearly subscription to the *Bulletin*, to be sent to such persons as he may designate.

(Article 4, Section 1) The Executive Committee shall, immediately after its election, elect a cost commission composed of seven members; * * * and the following committees: Credit, Legislative, Organization, Trade Matters.

In its code of ethics published in its constitution and by-laws the following appears:

Recognizing the fact that in the conduct of their business no individual or concern in any community can act regardless of his neighbors and competitors, and that while the spirit of competition has been so deeply imbedded in the human breast and so keenly sharpened by the methods of every day life as to cause it to enter into and influence every transaction, but at the same time believing there are methods of competition which are clean, honorable and legitimate, whereby we can compete without wronging others and without demoralizing the business in which we are engaged, this Association adopts the following rules and recommends them to the employing printers of the country:

Under Paragraph 5, it is stated that—

Every printing establishment should have a perfect system of ascertaining the actual cost of every job. It is in this way only that the business can hope to be relieved from the deleterious effects of guess prices. Such a system should not only ascertain the facts, but record them, so that they can be referred to understandingly and the information immediately ascertained.

PAR. 4. The United Typothetae of America maintains and operates a school of printing, at Indianapolis, Ind., where it publishes monthly its official magazine, *Typothetae Bulletin*, and causes the same to be sent to its various members located in the various States

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of the United States, the District of Columbia, and the Dominion of Canada. At the time of the taking of testimony in this proceeding, said Bulletin had a circulation of about 6,500.

PAR. 5. That many of the members of the United Typothetae of America are employing printers, extensively engaged in soliciting printing throughout the States of the United States other than the States of their respective domicile, and in shipping printed matter in interstate commerce in direct and active competition with other persons, firms and corporations similarly engaged who are not members of respondent Association.

PAR. 6. *Three-Year Plan.* The respondent, United Typothetae of America, through its officers, its branch and affiliated organizations and its members, inaugurated a campaign known as the "three-year plan." The object of the plan was to increase the membership of the Typothetae and to educate the employing printers by inducing them to use the standard system of cost accounting and the standard price list compiled by the Typothetae, with the view of teaching the printer how to charge adequate prices for his work, so that the alleged "evils of ignorant and ruinous competition" might be eliminated. The plan contemplated the raising of \$150,000 a year for three years. Feeling that this was more than the printers could handle, they applied to the allied trades (manufacturers and merchants who sell paper, presses, type, ink and other supplies to employing printers) for help. The work of securing subscriptions began in 1916 and continued up until the late summer of 1918, when the final sum was realized. For the purpose of securing funds from the allied trades, lists containing names and addresses of subscribers to the plan were printed regularly in the Typothetae Bulletin, pamphlets and circulars showing the progress of the plan and also showing the names of endorsers and subscribers to the same were sent to thousands of printers throughout the various States of the United States. The Typothetae hired professional solicitors who approached the members of the allied trades with lists showing that competitors of the latter had already contributed to the plan.

PAR. 7. *Standard Cost Finding System.* The Standard Cost Finding System is a uniform cost accounting system based on the principle that the unit of cost is the hour sold, which the Typothetae has installed in the establishments of employing printers. This system is installed for members of the association at actual cost. Approximately 2,000 members of respondent association were using this cost-finding system at the time of the taking of testimony in this proceeding. Respondent, the United Typothetae of America, is constantly urging its members and other employing printers who are

not members of the association, to install in their establishments this Standard Cost Finding System.

PAR. 8. *The Standard Guide*. This document is in loose-leaf book form, of convenient size, leather-bound, and with interchangeable leaves. It is compiled in accordance with the average costs of the composite cost statement known as "Form 9-h," and these cost systems are obtained from members who report monthly on this form, and the form is used by members following out the rules and regulations of the Typothetae in the use of its cost-finding system. The price list committee of the United Typothetae of America compiles the guide. This book has had various names. At one time it was called "The Price List," but it is now distributed under the title of "Standard Guide." It has two parts—one a commercial printing section, the other an estimating and general information section. The first part covers 33 kinds of commercial printing, such as letter-heads, ruled billheads, invoices, statements, envelopes, tags and tag envelopes, blotters, die-cut cards, ordinary cards, tickets, good-grade cards, written letters, dodgers, auction and sale bills, society printing, law briefs and records, show printing, type work, constitutions and by-laws, window placards, counter cards, checks, drafts, notes, receipts, steel and copper plate engraving and printing, Government postal cards and stamped envelopes, blank books, stock certificates, street car cards, etc., covering the field of commercial printing thoroughly and uniformly.

The looseleaf sheets under the above headings and others in this book show the net cost stock per thousand, the printing from 250 to 5,000 sheets according to what is termed "1-up," that is, printed from type; prices from 7,500 up from one electro; from 25,000 up from three electros, and 50,000 up from seven electros. Each of these sheets covers classifications under these divisions of commercial printing just above referred to, with the appropriate prices for the same in each column, and in each column for the different numbers of copies of the character of printing covered by the heading of the sheet is given the price that is recommended by the United Typothetae of America to be charged for the same.

The prices in this list are based upon the actual average hour costs and actual average production for the various operations, plus 25 per cent profit, which amount of profit the Typothetae recommends should be charged. These suggested prices made up in this list are found by the Typothetae from the reports that are made by the individual master printers in their plants in compiling their costs on a form known as "9-h." Between 400 and 500 printers return these reports monthly.

If all printers using this price adopted the prices unmistakably set forth in the looseleaf sheets furnished by the Typothetae, all of them would reach the same price for the same character of printing.

This first portion covers all small items of printing that have been standardized. The Typothetae issues these sheets for any additional item of printing that they may standardize. It is stated in the foreword of this book that it is only through cooperation that the book will be the sum of the experience of the entire printing industry that it should be.

In the second part of this Standard Guide, directions are given for estimating on such general jobs as do not appear in the 33 classifications in the first part. It starts out with "Scales for General Printing."

Scales for General Printing Stock, Material, Outside Work.

Stock and Material.—Carefully kept records show an average cost of 15% for handling stock and other materials. To the cost of stock delivered at the plant, plus handling charge, the following rates for profit are considered equitable:

Amounts less than \$100.00 add 25%.

\$100.00 and less than \$200.00 add 24%.

200.00 and less than 300.00 add 23%.

300.00 and less than 400.00 add 22%.

400.00 and less than 500.00 add 21%.

500.00 and over add 20%.

Outside work should be figured at the same profit as paper stock.

When customer furnishes paper stock it is suggested that a charge of 15% of its value be made for handling.

When customer furnishes art work and engraving, charge for all necessary handling, proving, etc., at regular time rates.

On electrotyping on any run of 10,000 or more, charge is to be made for at least one set of electros, and on allowances for spoilage the appropriate percentage is given. On composition, the hour costs that the printer should charge are expressed in the appropriate amount of money applicable to this part of the general printing; so are mutually covered all of the different operations, with the appropriate price to be charged in each, covering the subject of general printing. On book composition, hand work, plain matter, appears the following:

Literature or solid, manuscript or reprint copy, requiring type proof, \$4.70 per 1,000 ems. This price includes composition, proof reading, distribution and office corrections. Author's alterations, make-up and lock-up for the foundry or press, to be charged extra.

And then are standardized other elements in book composition by hand, with the appropriate charge.

This book contains in this second part a small pamphlet entitled "Square Inch Basis for Hand Composition." The following statement is made in reference to the same:

The following average production records were compiled in accordance with the actual time consumed in setting thousands of pieces of Hand Composition. These are offered to the printing industry as authentic production records of Hand Composition for use in making the layouts for advanced price and checking against office records in the interests of efficiency.

Pamphlet binding is covered in the estimating section of the book and is treated in the same way. The different elements of pamphlet binding are fully set forth and the appropriate charge, either in percentage or a completed composition in dollars and cents stated. For instance:

Sewing books on machine, charge per M sections, \$1.25.

The next subdivision of this part of the book relates to miscellaneous scales, and the next to ruling; the next to electrotyping and photo-engraving; and the last section to general information, with this statement:

The following pages contain accurate tables and data which will prove time-savers to estimators and those having price calculations to make.

The record shows that approximately 500 members make the monthly return on the 9-h sheets, and with the aid of these 9-h sheets there is compiled in the general offices of the Typothetae a composite average cost.

At the time of the taking of testimony in this proceeding, between 5,000 and 6,000 printers in the United States were using the Standard Guide.

In charging for matter not contained in the Standard Guide, the Typothetae recommends that its members and other printers add to the actual average hour cost 25 per cent for profit.

Out of the dues paid by Typothetae members the Typothetae allocates \$6 per member per year for the Price List furnished to the member. For extra copies the member pays, irrespective of any dues, the sum of \$20 a copy and \$5 a year for revisions. For all outsiders the price charged is \$30. The revisions, when made, are furnished to each person having a Price List. For these revisions the nonmember pays \$10 per year, and revisions are distributed approximately twice a month—sometimes one page, sometimes more, according to the necessities of revision, and the revision so dis-

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tributed is accompanied with a circular showing how to use it and what it means.

The Guide or Price List has been in preparation approximately 10 years. It started in a small way—a few pages at first. It has been added to and added to and developed as time went on, and about three or four years ago the Typothetae started to sell the Guide to any who would apply to purchase it. The use of this book and its revisions is urged upon the members and others by advertising, by letters, by speeches, and by the field force of the Typothetae, who are sent all over the United States to show the members and the purchasers of the Guide how to use it. The allocation of \$6 from the dues of a member to provide for the expense of the Guide was arrived at in a general way. An estimate is made of the number of members, of the expense of the department having in charge the printing of the Guide, and of other expenses incident to its compilation, and the amount arrived at is divided by the number of members, which produced the sum of \$6 (it was at one time \$10). The extra copies to members and the copies to non-members have an arbitrary price fixed by the Typothetae. The Price List, or Standard Guide, is distributed from the headquarters in Chicago, to all parts of the United States, the Dominion of Canada, and a number of places in other parts of the world. The Typothetae employs agents to sell the Standard Guide on a commission basis throughout the different States of the United States.

PAR. 9. Locals. In many of the locals the national organization has supplied the secretary, who is the executive operating head of the local. He is not a member of the Typothetae.

(a) In Portland, Oreg., the Typothetae supplies its present secretary and manager. He was formerly engaged in the printing business in Chicago, as assistant manager of the Chicago Local of the U. T. A., and was thoroughly familiar with the Typothetae operation. The Portland Typothetae was organized by Harry S. Stutt, a field representative of the U. T. A., June 1, 1918, and from that date until December, 1921, it was a charter division of the U. T. A. It resigned from the national organization in December, 1921, but this resignation was not accepted. The reason given for the resignation was that the dues, in the local's estimation, were too high for the benefit to be derived from the national association. This local has the following paragraph in its constitution:

The Constitution and By-Laws, Code of Ethics and Regulations of the National Organization—the United Typothetae of America—shall be deemed a part of the regulations and laws of the Portland Typothetae.

The Portland local, owing to local conditions, labor, etc., could not get the prices called for by the Typothetae Standard Guide. It revised this Guide and published one of its own more suitable to local conditions, the title of which is, "Recommended Price List of Printing, compiled in accordance with the latest results obtained through the use of the Standard Cost Finding System." This price list follows the Standard Price List in all essentials, except some of the revisions in prices that it has made to meet their local conditions, and the set-up and arrangement of its pages.

Members of the Portland Typothetae receive the printed matter that the Typothetae distributes and some of them have the Typothetae Guide. The Portland Typothetae through its membership, prints, publishes, and sells printed matter in interstate commerce.

Most of the operations in interstate commerce are with the adjoining State of Washington.

The secretary of the Portland Typothetae performs the estimating for the members. When a customer calls in a printing office of a member of the Portland Typothetae to ask for a bid or estimate on a piece of work, the member of the Typothetae sends to the secretary a blank form properly filled out, upon which are listed the name of the customer, the department of the concern that may be asking for the bid, whether the printer who submits the matter to the secretary has ever produced the job before or not, and his estimate; and a rule of the local Typothetae requires him to make this report.

The secretary knows from the records kept in his office whether the particular job has ever been handled before by a member. If it has been, and other members of the Typothetae are asked to estimate upon it, or bid on it, the award is so handled that the member who previously had the job gets it again, or the customer will have to go out to a printer not a member of the Typothetae in order to get a competitive price. Eighty-five per cent, or possibly more, of the estimates compiled by the secretary are made from the Portland price list.

The secretary of the Portland Typothetae makes a report to each member at the end of each month, listing each job that the member has reported in to the office, upon which he has been asked to give a price.

The Portland Typothetae printed and distributed to its members a pamphlet publication entitled "The Portland Printing Industry." It is dated July 15, 1919, and contains the following:

First Year's Record of the Typothetae.

Here is something to take note of and digest. Sixty-seven firms, representing over 90 per cent of the invested capital, producing 95 per cent or over of all the printing done in the city,

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and all working in harmony for the betterment and improvement of the printing industry, is the record of the first year of the Typothetae existence. * * * The old cutthroat days have gone, having been relegated to the scrap heap, and in their stead are days of the standardization of prices based on accurate costs as found by cost systems, competition on an equitable and honest basis, operation of the policy of live and let live, and a regard for the rights of competitors. Education is responsible for a great deal of this. Too frequently, in the past, printers and salesmen of printing have resorted to "guesstimating," with the result that everyone who guessed gave a different price, driving the buyer, of course, to shopping in order to get the lowest price. That is one of the things that is passing out of style. Buyers are eliminating shopping practices, for they have found that printers quoting from one price list quote about the same price, and so they have discovered the best way is to send the job out and expect to be charged a fair price. This does two things: It relieves the printer of worrying over whether he is going to lose money on the job, and it saves the buyer wasted time spent in hunting the lowest price. When a prospective customer requires an estimate, the use of the price list makes estimates more uniform. One of the greatest mistakes has been to forget the little items, but in manufacturing an article every operation costs something. Care should be taken to include everything entering into the production of a job. Doing this will elevate the printing industry to its proper level.

Between 16 and 20 of the Portland printers, members of the Portland Typothetae, use the United Typothetae of America's Standard Cost Finding System in their plants. The local Typothetae secured the cost accountant from the Chicago office of the U. T. A. to install the system.

There are 67 members of the local Typothetae. The Chamber of Commerce of Portland sends all of its printing to the office of the secretary of the local Typothetae to distribute or divide up between the printers in Portland who are members of the Chamber of Commerce, on the basis of the number of memberships that the printers have in the Chamber of Commerce. This method seemed to meet the approval of the printers in the city of Portland, as it appears that the secretary of the Chamber of Commerce interviewed the printers who were not members of the Portland Typothetae but were members of the Chamber of Commerce, and they agreed to the plan.

If a member of the local Typothetae fails to get the full Typothetae price list price on a piece of work and it is brought to the attention of the officers by one who was competing with him, he is summoned to the office of the local, and there have been instances where he was brought before the board of directors for correction.

All members doing work for the Government or work for plants that are engaged indirectly in making war material were required to keep a special record of such work, so that same would be available for use when making application for priority.

At the meeting of the local Typothetae held June 25, 1918, the cost committee of the local, which had in charge the revision of the price list, recommended price lists for use of members. The price list was gone over and the use of same explained to the members. It was unanimously agreed that members of the association follow the recommendations of the cost committee regarding method of estimating on work. There was some discussion as to the price to be quoted where total was in odd costs, and it was resolved that the split should be on each five cents. If there was work to be done by one member for another, it was agreed that on the press work a discount of 20 per cent be allowed. Price lists were distributed to those present at the meeting.

A concerted effort was made by the Portland Typothetae to sell copies of its list in other places than the city of Portland. It sold these lists at \$7 each and charged 10 cents per sheet for all changes or additions, and it did sell these lists, not only in the State of Oregon, but also in the State of Washington. The secretary-manager of the Portland Typothetae, on March 4, 1920, wrote a letter to Mr. Morgan, of the *Harrisburg Bulletin*, of Harrisburg, Oreg., in which the following appeared:

Your question regarding solution of the problem of keeping printers from underbidding one another is indeed a difficult one to answer in a letter. From our two years' experience as a Typothetae organization we have not found that the matter of charging Typothetae prices has taken away much of our work from the city, and the matter of underbidding has, in all earnestness, almost entirely been eliminated. Our members have learned through experience that in order to make a living out of the printing business it is necessary to get a profit above cost of work.

We believe that the use of the standard list on printing has helped greatly in bringing about such a condition, and we would be glad indeed to have you use our printing list, which is compiled in Portland, and to further invite any other printer in our locality to do likewise. The list is in looseleaf form and contains also the retail prices of paper from the five local paper houses. This list complete with cover is \$15 for the first year, which includes all changes or additions for that year, and \$10 for the second year.

Another letter to Seattle, Wash., written by the secretary-manager of the Portland Typothetae, on August 29, 1918, to Mr. Joseph

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Anderson, care of Hotel Frye, Seattle, Wash., contained the following:

In regards to the new price list for the Northwest coast cities, will say that I am putting in every possible spare moment I have in getting up such a list, but owing to the necessity of getting up a list that will not be criticised too severely, I am taking the time necessary in making it correct. I am expecting to send out proof sheets on part of it in a few days, after which the balance will come at regular intervals.

The secretary-manager of the Portland Typothetae, on July 15, 1919, sent to the Carlson Printing Company, Portland, Oreg., the following estimate:

On your request we are embodying herein our estimate on the several jobs in question for the Salvation Army drive, as being a fair market price for those goods:

5,000 copies of a 16 page pamphlet, entitled "Back Home to Serve," printer to furnish cuts, total price...	\$277.40
15,000 official receipt books, as per sample herewith, total price-----	335.25
10,000 posters entitled "She Came Through Over There" (exclusive of engravings, which should be charged extra)-----	404.25
50,000 stickers entitled "I Came Through" same as sample, printed in five different lots of 10,000 each--	83.16
5,000 stickers entitled "Home Service Campaign," gummed top and bottom-----	56.36
2,000 cards, "Extraordinary Announcement"-----	111.80

The record contains many other letters written from the Portland Typothetae, covering the uses of the price list, bills or invoices covering printing done under the allotment of the Portland Typothetae, firms who would be entitled to the prevailing discounts on paper, and other phases of official operation.

(b) Seattle, Wash.: The secretary of the Seattle local Typothetae was formerly a field man for the United Typothetae of America, and is familiar with the policies of the U. T. A., its Standard Cost Finding System, which he studied at Chicago, and with the Typothetae Standard Guide. The members of the local Typothetae (about 50) do approximately 70 per cent of the volume of printing done in the city of Seattle. About 25 of the members have installed cost systems in the various plants in Seattle.

The city of Seattle local publishes *The Seattle Composing Stick*, and it is the duty of the secretary to issue and edit that bulletin. This local has a blank form which is used by the member whenever he is asked to estimate on a job. It carries full information as to the character of the job, whether the customer is a new or old one,

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who the customer is, the date on which he is asked to estimate, and the time of the day, whether "a. m." or "p. m." This form, carrying all this detailed information, the member of the local immediately sends to the secretary of the local Typothetae, and the estimates and awards are made through the local Typothetae office according to the local rules. The record shows that 631 estimates were rendered members during the first quarter of the year 1922, and the total amount of work estimated was \$99,231.52; also that 84 9-h sheets were made out and reported, and 30 cost systems completed.

The Seattle local, in its official publication, *The Seattle Composing Stick*, publishes monthly, on its last page, a composite statement of costs of printing for the month preceding each issue.

A former secretary of the Seattle local distributed to the members of the local a set of rules to govern the local; these rules were typewritten and were in code, and matters were determined according to provisions appearing in them, such as the imposition of fines on members, etc.; these were discussed by members and in executive meetings; though the record does not show their adoption by the executive committee; the distribution to the members took place in the latter part of 1920, and the following is a copy of them:

Filing.

1. All work amounting to over \$10.00 upon which a (&) is asked must be reported into Central Office.
2. On work covered by a specific (&) in (&) list (&) may be made before calling Central Office but same must be reported as soon as possible thereafter. Report must be made even if order is place at time (&) is given.
3. When reporting work, members shall state whether previously done by them or not, and if so, when.
4. Members must renew their filings at or before the expiration of one calendar month from date of first filing; otherwise, the job will be considered as new work, and a change of (@) will be given if deemed necessary.
5. Where a member is allotted a low (&) and competing member is asked to (%) on any changed specifications, such matter must be reported to Central Office before any (&) is given.

Estimating.

1. Members may estimate jobs or not, as they prefer, but on jobs amounting to over \$250.00 the (&) must be checked by the Estimating department before (*) to customer.
2. If there is competition on such a job and member selected to have low (&) does not report his (&) within twenty-four hours' time, next low member shall be privileged to set (&).

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3. Members asked to estimate on any regularly issued work then being done by any other member shall take up the matter with Central Office before negotiating with customer.

Protections.

1. Members protected shall be protected as follows:
On \$100.00 or less, 8%.
Over \$100.00, 5%.
2. Where several are competing on the same job, those members protecting low (&) shall be given (&) in rotation of their being entitled to same.
3. Where several members are asked to (\$) on the same job and member has been selected to (%) low (&), all others asked to (\$) must put in (\$).

Old work.

Work done since August 1, 1920, shall be considered old work.

1. Work having been previously done by a member shall be protected by all other members and shall be known as "old work."
2. In case a job is reported as "old" by more than one member, such member as had done it last, before August 1, 1920, shall be awarded the job.
3. In case a job is reported as "old" by a member having done it after August 1, 1920, and also as old work by some other member having done it between August 1, 1918, and August 1, 1920, such work will revert back to member having done it last before August 1, 1920.
4. Where a question arises as to whether a job is an old job, all records must be shown about job in question by member or members claiming it as an old job.
5. Where member gives (&) on an old job, giving customer benefit of standing matter, plates, etc., protection including such allowance besides regular percentage protection shall be given member.

New work.

New work is such as has not been done by any other member since August 1, 1918.

1. Should (&) be asked on work not having been done since August 1, 1918, such work shall be considered as new work.
2. All new competitive work shall be allotted on a pro-rated basis according to dues paid. Each \$1.00 paid as dues to be considered as 1 unit.
3. Any new work on which more than one (7) is asked shall be considered competitive and allotted on regular quota basis.

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Cost plus.

1. Members shall not do work which is or has been competitive on any cost plus basis.
2. No work taken on cost plus basis shall be taken at less than cost plus 25%, such cost is shown in (&) list which is arrived at by taking selling (&) and deducting 20%.

Ethics.

1. Members shall not refer to lack of equipment or ability to do any particular kind of work of any other members.
2. Immediately after the first of each month a report shall be compiled of all work reported into the Association during the previous month which has not been let, and the Secretary-Manager shall be authorized to visit the offices of the Association to trace said work. Members shall submit their books and the records so that this investigation may be of value.
3. All members, regardless of size of plant shall be entitled to as much new competitive work in dollars and cents as any other member according to dues paid.
4. Members knowing of action of other members contrary to the rules of the Association, shall report same to the Secretary-Manager.
5. Members shall be responsible for the actions of their employees.
6. Members shall not divulge the rules of the Association to buyers of (#) nor to nonmembers of the Association.

Addition to rules.

Any effort on the part of any member of the Association to induce a customer to change stock or specifications on a job after such a job has been filed shall be construed in the light of a cut in price.

Members asked to bid on reprint work not previously done by him, shall consider same old work and make every reasonable effort to protect member to whom such work rightfully belongs.

Dating from November 15, 1920, a fine is to be imposed on any member for the violation of the rules.

Add to rule #2, report must be made same day, even if order is placed at time price is given.

Any member who quotes on a job and fails to file same, shall, if job is figured too low, upon the request of the secretary withdraw his quotation and requote the price given by Central Office, which shall be 10% above the price quoted by member filing.

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All prices quoted on City Printing are to be quoted from the Franklin Printing Price List.

The following is obviously the key for decoding:

(&) —Price	(\$) —Report
(%) —Bid	(#) —Printing
(*) —Submitting	(@) —Quotation.

There are about 23 members of the Seattle local who use the U. T. A. Standard Cost Finding System. The Seattle local uses the Porte List as well as the Standard Typothetae Guide. The Porte List is another price list published in Salt Lake City. It has no connection with the U. T. A. The Seattle membership is furnished with copies of the Typothetae Standard Guide. Some of them also have the revised Guide that was published in Portland, and some of them have the Porte List. The membership in Seattle received the *Typothetae Bulletin* and other printed matter from the national organization in Chicago.

A printer in Seattle, and a member of the local at the time, made an estimate on a job, and another printer, also a member, also made an estimate. There was some confusion about the award of the job. The first printer claimed priority rights after the job had been given to the other printer. The matter was brought to the attention of the secretary of the local and he adjusted the matter by a payment to the first printer of \$67, the amount that he claimed would have been the profit on the job. The award to the second printer was withdrawn and the job given to a third printer. The second printer, from whom the award was taken, paid a penalty, and these several transactions were managed and directed officially through the office of the secretary of the Seattle local, under the rules that were operating in the management of that body.

PAR. 10. The following extracts were taken from some of the issues of the *Bulletin*, the official publication of the United Typothetae of America:

Fargo, N. D., The Pierce Printing Co.:

Our membership in the organization is valuable to us far beyond the cost, as a backbone stiffener for asking proper prices.

We have used our membership chiefly to the extent of getting estimates on jobs that have come for question.

Holton, Kans., S. T. Osterhold:

The membership in our organization is of greatest benefit to us because of the standardizing of prices.

Lincoln, Nebr., Jacobs, North & Co.:

The greatest good that has come to our firm as the result of belonging to the organization is the raising of the cost of print-

ing to the standard cost of the organization, and still holding a goodly share of our business. This would have been impossible a few years ago.

Mitchell, S. Dak., Educator Supply Co.:

We have not taken much advantage of the National Society, and in a certain sense it has not been of great value to us. In another sense the organization of the local by your organization, in which all the printers of Mitchell have joined, has been of immense value to us, in that we have studied cost and have been free from the local cut-throat prices that have been formerly customary among the printers.

Providence, R. I., the Wm. R. Brown Co.:

We cherish our membership in the U. T. and F. C. of A. and we only hope that in the future years to come our system will be fully recognized and there will be no such thing as a cut-price printer.

Salt Lake City, the University Press:

We have been brought closer to the other firms selling printing. We have learned to place more confidence in the other fellow. On many lines we are getting better prices for our goods.

Washington, D. C., Franc E. Sheiry:

The most valuable result to me from my membership in the Typothetae is the increased profit I am making. Of course this increased profit must come from my own efforts and must come to every member from his own efforts. The simple fact that I am a member of the Typothetae pointed the way. When I first joined my anticipated benefit was hazy. The first thing that opened my eyes was the receipt of the "Standard Price List of Printing." This was a revelation to me. I immediately commenced to use it. I carried it back and forth on the street cars. The result was that I became familiar with it and I almost knew it by heart. I certainly knew how to find any information that it contained. I commenced immediately to charge \$1.60 per hour for composition. * * * I increased my profit about \$40.00 per week for the five or six weeks that I kept account of it.

Knoxville, Tenn.:

Printers have just issued a price list schedule for letter heads which is proving highly successful. It has put a stop to haggling over prices and business is just as good, with fair profits for the printer.

Chicago, Ill.:

Spot This Fact—And Act. * * * Don't try to meet the other fellows' or your own former prices. You only fool yourself.

The Standard System, intelligently used, will raise selling prices.

The average increase in prices which organization and the use of the Cost System brings about is easily 20%. Can any one maintain that the cost of membership in our organization which brings about such results is an expense?

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Men in other lines have seen the vision and drawn themselves together in the spirit of friendliness and self-interest to combat the iniquitous cut-throat piracy and competition of by-gone days.

St. Louis, Mo.:

A luncheon is held every Monday, where a report is given of the past week's business; and if any revisions are made in the price, we discuss the reason. We have found the printer very broadminded in this respect—some turning over their estimate blanks to us.

Harvard, Nebr.:

I have thought it might be a good idea if I could get a copy of the Standard Price List and use it to reinforce my cost sheets when I have any trouble with the job. If I could show them that I am charging according to the prices recommended by the National Typothetae, it might help to save argument and do away with any notion that I am practicing a hold-up game.

Seattle, Wash.:

Our organization is different. Not better, perhaps, than any other local, but works different. Few frills, but more directly getting at the practical purposes of a trade association, fairer prices. We maintain estimate and credit bureaus, weekly lunches, weekly scale conferences, with an occasional session on "Who cut the price?"

Detroit, Mich.:

Prior to the Three-Year Plan each printer had his own price and there was competition that would surely undermine the trade in time, plus the loss of confidence among buyers. Now that we are working under the three-year-plan, prices are running more uniform, with larger profits. * * * Furthermore, the three-year plan is creating confidence among the printers themselves, thus encouraging them to get better prices for their work.

The hope of every printer in the country is to place his business on a non-competitive basis.

PAR. 11. The following extracts were taken from some of the Typothetae advertisements:

Standard Price List

THE PRINTER'S GUIDE AND REFERENCE BOOK OF SELLING PRICES

There is always an element of chance in figuring on a new job; but this is eliminated if the printer gets from the U. T. A. the Standard Price List. "The Book of Profits." * * * The correct selling price of a thing is quickly and safely determined from the Standard Price List.

Through the use of this book the printer may quote a profitable price on any kind of printed matter. * * * This little "Black Book" is in general use by the U. T. A. printers everywhere, making for more certain profits and more honorable competition.

One of the most important factors in bringing printers closer together is the Typothetae Standard Guide.

There is just one way to be sure always of consistent price and fair profit—Use your Typothetae Standard Guide as the basis for figuring on all kinds of printing.

A manufacturer need have no fear of a competitor if both ascertain their cost in a uniform way.

We are governed almost entirely by the Standard Price List in Billing our products.

PAR. 12. The following extracts were taken from *The Composing Stick*, the official publication of the Seattle Typothetae:

Add Ten Per Cent Until the Price List is Totally Revised.

It is incumbent upon all members to add ten per cent to all prices in the list, with the exception of U. S. Briefs.

If you were about to quote on a job bearing your competitor's imprint, what would you do? Why certainly! It's all in the "pull together."

Join the United Typothetae and you will learn that cooperation is trade. War is hell, and so is ignorant competition.

PAR. 13. Extracts from the verbatim reports of the meetings of the executive committee of the United Typothetae of America, held at Cincinnati, Ohio, September 23, 1918:

Committeeman E. H. James, Portland, Oreg., reporting from the Pacific Northwest:

One of the first things started was the universal use of the Standard Price List. The members were eager to have some definite selling list, and to-day, when you meet a Portland printer on the streets, you will find him carrying his little Black Bible with him, and they sell everything they can from this list. We are revising the list to meet local and abnormal conditions, and the members are very enthusiastic about using it.

We believe that the most important thing to be accomplished is to discourage shopping for prices, and to accomplish this we have agreed to have our Secretary-Manager estimate on all jobs amounting to over \$10. Doing this, every little job isn't estimated on by a dozen or more printers. This means that on small work amounting to less than \$50, customer gets the same price from everyone and will soon quit shopping.

We feel that in the short time our organization in Portland has been in existence we have accomplished a great deal, and are going to make some money in the printing business. We are glad to be affiliated with the National and expect to be able to report a 100% organization in a short time.

Seattle, Wash.:

As is well known, Seattle has had for many years, members in the United Typothetae of America. To-day they have a large

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membership, both in cylinder and platen division, working under separate management, together with a division as a whole under a separate management also. They maintain offices, with a secretary-manager who does all of the estimating for the printers, with an assistant.

Spokane, Wash.:

Spokane Typothetae was organized in July of this year with 28 members, which comprise about 95% of the total volume of business in this city.

Following are extracts taken from the verbatim report of the meetings of the executive committee of the United Typothetae and Franklin Clubs of America, held at Chicago, Ill., September 17, 1917:

Committeeman Fred W. Gage, Detroit, Mich.:

I believe, all over this broad land, when good, strong cooperation is backed up with cost-finding knowledge, which they are having in Detroit—plenty of it, and plenty of guts to charge prices, because they can get them. Now that is what they are doing down there. * * *

Committeeman George H. Gardner, Cleveland, Ohio:

Printers are getting their prices there. Dull business and the work of the Typothetae seem to have instilled a lot of backbone into them, in fact, and I think they are getting better prices for their work than at any time in the war history of the business in Ohio.

Committeeman William Green, New York, N. Y.:

We find it comparatively easy to get firms to join the organization there, but absolutely impossible to get any combination or gentleman's agreement or working scheme that will tide us over a crisis. In spite of the fact that we are paying a great deal more for our labor and for our materials, excepting in the matter of paper, it is almost impossible to get them to hold up prices.

Committeeman William Pfaff, New Orleans, La.:

We at one time tried in New Orleans to solve the situation by buying out the poor, antiquated, out-of-date, old-time printer and junking his plant. We did that with five plants, but they went the Scripture a little better—they made three blades of grass grow where there was but one before. We have four, five or six different new printing offices there that don't seem to understand that printing should be paid for adequately. One very successful young man there, a Hebrew, who started in a small way and has now put in a Miehle press, tells me the cost system is not worth the time, because he is charging less than I am he has grown all the time and has now put in a cylinder press. So much for your cost system.

Committeeman Eugene Saenger, Sioux Falls, S. Dak.:

The cost system has been installed in all the offices in Mitchell and in Sioux Falls. It is a 100% affair in Sioux Falls. I am pleased to say that one of the results of the installing of the cost system in these two cities has been that all the offices refused to bid on State work. We have absolutely quit that. The State,

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of course, is a larger owner, but they have been getting their work at such ridiculous rates that anyone who has a cost system doesn't care to bid. Business in South Dakota has been very good, and with the larger prices we are getting we should all make a good deal of money; but we find that the cost of doing business, both in labor and material, is so much greater, that really the net profits are not more than they were a few years ago.

Committeeman B. F. Scribner, Pueblo, Colo.:

There is the feeling that we have in some other towns where it seems impossible to maintain a Typothetae; there is a sort of a gentleman's agreement among the three or four printers that constitute the great majority of the production of that town. One fellow will call up the other and if one of his customers is asking for a bid will say to him frankly. "This man has asked me for a quotation on this job. I don't know why. He is probably peeved, and I don't know why and care less. What shall I quote him?" And that has worked very nicely.

Our town has got along beautifully. We had about the same experience that Mr. Pfaff had in New Orleans. We tried buying up some of the plants. That did not work very well, so they went to work and advertised the fact that there were plants there for sale, and that seemed to work beautifully to scare them out, in one or two of the plants, the smaller ones that were just big enough to bother you, as you feel and appreciate in Nebraska. The bigger plants were given this treatment: They were permitted to compete on work that was non-profitable, and the other plants would put a price on it. On any work that was over the head of plants of that kind, the big plants would get together and try to make up the loss on the smaller job. It worked out until three or four of us were eliminated, and one of them is in the insane asylum, worrying over financial trouble.

I received a communication as a member of this executive committee from a gentleman in Frisco, saying they had a complaint about the printers to the East of them, with their cost systems and everything else, when they came to figure on work that was going to the West. We have the same thing in our section. Because of the notice of the high wage scale, the printers, especially, will fall in and make prices that absolutely cannot be met, and take considerable work out. The outlook is uncertain, but the shrewd employers are proceeding cautiously, being forearmed by being forewarned. It is certainly to be hoped that the success of the three-year plan will assure our entire section the benefits of aggressive work and a close co-operation with employing printers, that the business may not suffer. I really believe that the biggest argument that the Typothetae could possibly advance as to its reason for existence, not ignoring what it has done in the line of cost accounting and cost finding, would be some sort of an operation of this three-year plan through personal contact with a man that knew what he was talking about.

Following is an extract taken from the verbatim report of the minutes of the meeting of the executive council of the United Typothetae of America, held in Chicago, July 15, 16, and 17, 1920:

Chairman: * * * You folks all understand about the Baltimore situation on the School of Printing—that money that they have raised in the unions, \$30,000 to buck it. Here is a thing that we are starting in Washington that may be of interest to some of you people. The American Red Cross have asked on a number of occasions for estimates from a number of Typothetae members, and the work has been given out in all cases but one to printers outside of Washington. Our local secretary took up the question with them of who bid on it. We wrote them this letter on July 12, addressed to the general manager down there. This letter is written over the signature of our executive secretary of the Typothetae of Washington. “I endeavored to obtain from Mr. Benjamin,” etc.

Mr. Finlay: “They never used 5,000,000 in Washington, did they?”

Chairman: “Oh, no, they were used all over the country. The thought in my mind is, that if our printers would put the estimating game on a more dignified basis, there would probably be less shopping. In other words, a man will come to President Green and ask for a bid on 80-pound book, and somebody else will get a price on 70-pound book and make the bid accordingly and get the job, and Bill Green never knows anything about it. The American Society of Architects have definite rules and are very strict as to how definite competitive designs may be submitted, and it seems to me mighty good work. We have been too d—d easy in giving out estimates.

Then, also, the Standard Price List, which is proving to be an authority on the price of printing, made up from the annual cost reports, is becoming very valuable, more so than it ever has been before, and they are getting out now what is called the “square-inch basis of measure.” We understand we can have cost records on the presses and get the output on the product, but when it comes to the hand composition, everything has been guess work, and that is why there has been such a great variety or variance in the estimates made, even though they have their cost system. But by the method being devised now, it will be possible for all of the printers to estimate on a square-inch basis made from absolute records, so we will all estimate about the same way. In order to have the work go on more intensively, there is a little publication, “The Standard Typothetae Guide,” a little folder that goes out as a piece of mail, and with that goes revisions and additions to the price list gotten out the first and the 15th of every month. There are something like 10,000 of these lists in use today, and there is no question but what the standard cost system, as disclosed in its results by the annual composite reports—and, by the way, the last ones are over \$30,000,000—and from which this price list is made up—there is no question but what those things have been the

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greatest influence ever known in the printing industry for improving conditions up to this time. If you will compare them the last ten years you will notice this has that effect.

Following is an extract taken from the report of the meeting of the executive council of the United Typothetae of America, held in Chicago, Ill., April 18 and 19, 1919:

Estimating Service.

The membership is apparently realizing more and more the great value of the Estimating Department and making greater use of it month by month. The amount reported in estimates made for members during the month of March was \$122,516.96.

A very large proportion of these estimates were made at the request of members for the purpose of disposing of disputes with customers as to the proper charge for completed orders.

Price List Committee.

It was unanimously moved and carried:

That the price list committee of the United Typothetae of America be advised that it is the sense of the executive council that they proceed with their work until we put out as good a printing price list as any price list in the world, and back them up to the limit.

CONCLUSION

That the practices of said respondents, under the conditions and circumstances described in the foregoing findings as to the facts, are unfair methods of competition in interstate commerce, and constitute a violation 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."

ORDER TO CEASE AND DESIST.

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission, and the answer of the respondent, the testimony, and the evidence, and the Commission having made its findings as to the facts with its conclusion that the respondents have violated the provisions 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,"

It is now ordered, That the respondent, United Typothetae of America, its officers, as individuals and as officers of the United Typothetae of America; its members, individually and as members

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of the United Typothetae of America; its branch and affiliated local organizations including, in addition to some not known to the Commission, the following:

Capital District Typothetae, Albany, N. Y.,
Fox River Valley Typothetae, Appleton, Wis.,
Mountain Typothetae, Asheville, N. C.,
Atlanta Typothetae, Atlanta, Ga.,
Augusta Typothetae, Augusta, Ga.,
Austin Typothetae, Austin, Tex.,
Baltimore Typothetae, Baltimore, Md.,
Battle Creek Typothetae, Battle Creek, Mich.,
Bay City Typothetae, Bay City, Mich.,
Binghamton Typothetae, Binghamton, N. Y.,
Birmingham Typothetae, Birmingham, Ala.,
Bloomington Typothetae, Bloomington, Ill.,
Boston Typothetae Board of Trade, Boston, Mass.,
Bridgeport Typothetae, Bridgeport, Conn.,
Buffalo Typothetae, Buffalo, N. Y.,
West Jersey Typothetae, Camden, N. J.,
Stark County Typothetae, Canton, Ohio,
Charleston Typothetae, Charleston, S. C.,
Charlotte Typothetae, Charlotte, N. C.,
Chattanooga Typothetae, Chattanooga, Tenn.,
Franklin Typothetae of Chicago, Chicago, Ill.,
Franklin Typothetae of Cincinnati, Cincinnati, Ohio,
Graphic Arts Club of Cleveland, Cleveland, Ohio,
Columbia Typothetae, Columbia, S. C.,
Columbus Typothetae, Columbus, Ga.,
Columbus Typothetae, Columbus, Ohio,
Dallas Typothetae, Dallas, Tex.,
Franklin Typothetae of Dayton, Dayton, Ohio,
Des Moines Typothetae, Des Moines, Iowa,
Typothetae Franklin Association, Detroit, Mich.,
Duluth Typothetae, Duluth, Minn.,
Typothetae of Elmira, Elmira, N. Y.,
Erie Typothetae, Erie, Pa.,
Everett Typothetae, Everett, Wash.,
Fargo-Moorhead Typothetae, Fargo, N. Dak.,
Flint Typothetae, Flint, Mich.,
Typothetae of Fort Smith, Fort Smith, Ark.,
Fort Wayne Typothetae, Fort Wayne, Ind.,
Fort Worth Typothetae, Fort Worth, Tex.,

Grand Rapids Typothetae, Grand Rapids, Mich.,
 Greenville Typothetae, Greenville, S. C.,
 Western Ontario Typothetae, Guelph, Ontario, Canada,
 Central Pennsylvania Typothetae, Harrisburg, Pa.,
 Hartford Typothetae, Hartford, Conn.,
 Typothetae of Haverhill, Haverhill, Mass.,
 Houston-Galveston Typothetae, Houston, Tex.,
 Southwestern Typothetae of Kansas and Oklahoma, Independence, Kans.,
 Indianapolis Typothetae, Indianapolis, Ind.,
 Jackson Typothetae, Jackson, Mich.,
 Jacksonville Typothetae, Jacksonville, Fla.,
 Hudson County Typothetae, Jersey City, N. J.,
 East Tennessee Typothetae, Johnson City, Tenn.,
 Kalamazoo Typothetae, Kalamazoo, Mich.,
 Graphic Arts Organization, Kansas City, Mo.,
 Knoxville Typothetae, Knoxville, Tenn.,
 Lansing Typothetae, Lansing, Mich.,
 Lima Typothetae, Lima, Ohio,
 Lincoln Typothetae, Lincoln, Nebr.,
 Arkansas Typothetae, Little Rock, Ark.,
 Typothetae of Macon, Macon, Ga.,
 Marietta Typothetae, Marietta, Ohio,
 Memphis Typothetae, Memphis, Tenn.,
 Milwaukee Typothetae, Milwaukee, Wis.,
 Minneapolis Typothetae, Minneapolis, Minn.,
 Mobile Typothetae, Mobile, Ala.,
 Montgomery Typothetae, Montgomery, Ala.,
 Graphic Arts Section, C. M. A., Montreal, P. Q., Canada,
 Muskegon Typothetae, Muskegon, Mich.,
 Ben Franklin Typothetae of Muskogee, Muskogee, Okla.,
 Typothetae of Newark, Newark, N. J.,
 New Haven Typothetae, New Haven, Conn.,
 New Orleans Typothetae, New Orleans, La.,
 New Westminster Typothetae, New Westminster, B. C., Canada,
 New York Employing Printers' Association, New York, N. Y.,
 Tidewater Typothetae, Norfolk, Va.,
 Graphic Arts Association, Oklahoma City, Okla.,
 Ottawa Typothetae, Ottawa, Ontario, Canada,
 Pensacola Club, Pensacola, Fla.,
 Typothetae of Philadelphia, Philadelphia, Pa.,
 Typothetae of Western Pennsylvania, Pittsburgh, Pa.,
 Maine Typothetae, Portland, Me.,

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Portland Typothetae, Portland, Oreg.,
Typothetae of Rhode Island, Providence, R. I.,
Quebec Typothetae, Quebec, P. Q., Canada,
Gem City Typothetae, Quincy, Ill.,
Racine-Kenosha Typothetae, Racine, Wis.,
Central North Carolina Typothetae, Raleigh, N. C.,
Richmond Typothetae, Richmond, Va.,
Rochester Typothetae, Rochester, N. Y.,
Rockford Typothetae, Rockford, Ill.,
Tri-City Manufacturing Printers' Association, Rock Island, Ill.,
Saginaw Typothetae, Saginaw, Mich.,
Employing Printers' Educational Association, San Antonio,
Tex.,
Typothetae of Savannah, Savannah, Ga.,
Ben Franklin Club of St. Louis, St. Louis, Mo.,
St. Paul Typothetae, St. Paul, Minn.,
Anthracite Typothetae, Scranton, Pa.,
Seattle Division, U. T. A., Seattle, Wash.,
St. Joseph Valley Typothetae, South Bend, Ind.,
Spokane Typothetae, Spokane, Wash.,
Springfield Typothetae, Springfield, Mass.,
Springfield Typothetae, Springfield, Ohio,
Okanagan Press Guild, Summerland, B. C., Canada,
Syracuse Typothetae, Syracuse, N. Y.,
Tacoma Typothetae, Tacoma, Wash.,
Florida West Coast Typothetae, Tampa, Fla.,
Terre Haute Typothetae, Terre Haute, Ind.,
Toledo Typothetae, Toledo, Ohio,
Topeka Typothetae, Topeka, Kans.,
Toronto Typothetae, Toronto, Ontario, Canada,
Trenton Typothetae, Trenton, N. J.,
Typothetae of Tulsa, Tulsa, Okla.,
Typothetae of Utica, and Vicinity, Utica, N. Y.,
Vancouver Typothetae, Vancouver, British Columbia, Canada,
Waco Typothetae, Waco, Tex.,
Typothetae of Washington, D. C., Washington, District of
Columbia,
Ben Franklin Typothetae of Wichita, Wichita, Kans.,
Williamsport Typothetae, Williamsport, Pa.,
Wilmington Typothetae, Wilmington, Del.,
Ben Franklin Typothetae, Wilmington, N. C.,
Triangle Typothetae, Winston-Salem, N. C.,

Winnipeg Typothetae, Winnipeg, Manitoba, Canada,

Worcester Typothetae, Worcester, Mass.,

cease and desist, directly or indirectly,

1. From conducting its system of education in principles and methods of cost accounting in such way as to suggest any uniform percentage to be included in selling price as profit or otherwise by members or others using such system of cost accounting.

2. From requiring or receiving from members and others using respondent's uniform cost accounting system, identified and itemized statements of production costs for the purpose of calculating average, normal or standard costs of production and from publishing them to members and the trade generally as a "Standard Price List" or "Standard Guide" or association cost or price list under any other name.

3. From compiling and publishing for use by members and others in the same trade, average, normal or standard production costs with instructions or suggestions for the translation of such standard costs into selling prices under the name of "Standard Price List" or "Standard Guide" or any other name.

It is further ordered, that the respondents shall within sixty (60) days after service upon them of a copy of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with the order to cease and desist hereinbefore set forth.

Complaint.

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FEDERAL TRADE COMMISSION

*v.*EDWARD FROHLICH, TRADING UNDER THE NAME AND
STYLE OF FROHLICH GLASS CO., AND E. A. BENEDICT.