

PERTINENT CASE IN COURT.: Federal Power to Obtain Reports to Be Determined.

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WASHINGTON, D. C., Aug. 27.—A case now pending in the United States Supreme Court, upon which a decision may come soon after that tribunal reconvenes in October, may have an important bearing in determining the extent of the powers of the Federal Trade Commission, in which Professor William Z. Ripley has aroused keen interest.

The case arose out of efforts of the commission to obtain information from the Claire Furnace Company and others several years ago. The various

parties have argued the points at length, all centering around the nature of the authority conferred by Congress upon the commission with respect to the power to examine books.

Periodical statements were required from the corporations involved. On blanks provided for the purpose the commission sought details of assets, liabilities, monthly incomes, profits, depreciation, administrative and selling expenses, orders, capacity of operating plants, sales, prices and costs.

The commission argued that it had full authority to require the information to be furnished, for the protection of the public, and that it was not an unreasonable invasion of privacy "to require," as stated in one of the briefs, "from these corporations reports of their interstate business."

"The right of privacy," it was contended, "is not an absolute one and must give way wherever the public interest reasonably requires it. In the present case the main contention advanced by the appellee is that Congress has not the power to require corporations engaged in interstate commerce to file periodical reports of their interstate business because the information is not for use in any pending legal proceeding involving a specific charge of violation of law nor for immediate use in connection with some concrete proposal for legislation pending in Congress."

The commission furthermore contended that the act which created it gave it such broad authority as would permit it "to require information respecting these companies which is not interstate commerce, where the accounts are commingled or where the facts have a direct bearing on their interstate commerce business."

The defendants contended that the act of Congress applied to interstate movements of corporations only and did not intend to give the commission power to investigate economic conditions or require information concerning matters which it had no authority to regulate.