

STEEL FIRMS FIGHT BARING OF RECORDS

Charge Federal Trade Commis- sion With Effort to Reveal Trade Secrets.

CLAIM IMMUNITY UNDER LAW

Eastern Corporations Tell Court Purpose of Injunction Already Granted Would Be Defeated.

Special to The New York Times.

WASHINGTON, Nov. 29.—Charges that the Federal Trade Commission, in its efforts to compel them to answer questionnaires pertaining to the iron, steel, coke and by-products industries, had endeavored to lay bare trade secrets and processes and expose their private affairs to the public were made today in the District of Columbia Supreme Court by twenty-two Eastern steel corporations, whose capital and turnover runs into billions of dollars yearly.

The charges were made in reply to the motion of the commission to have the court order these corporations to produce their books, records, papers, accounts, balance sheets, &c., and to allow the commission to examine them, for use in cross-examining witnesses for the corporation who are expected to testify at the final hearing on the petition of the corporations for a permanent injunction against the commission, the object of which is to prevent the latter from getting answers to these questionnaires.

The answer of the corporations virtually asserts that the commission is trying to obtain beforehand the very information which the corporations are trying to withhold with the aid of the court.

The commission, in asking that the corporations be compelled to produce the documents, maintained the purpose was to enable it to refute charges made by the corporations that it had abused its authority in demanding answers to the questionnaires. The corporations contend that if the commission now gets an order requiring them to produce these records the order will defeat the preliminary injunction forbidding such action and expose their trade secrets and processes.

The court proceedings began originally when A. Mitchell Palmer, as Attorney General, proceeded against certain of the steel corporations in Pennsylvania and New Jersey courts. The proceedings were stopped when the corporations appealed to the local courts to pass on the authority of the commission to demand answers to the questionnaires.

The concerns involved are the Claire Furnace Company, the Ella Furnace Company, the Reliance Coke Company, the Westmoreland-Connellsville Coal and Coke Company, the Wierton Steel Company, the Edgewater Steel Company, the La Belle Iron Works, the Donner Steel Company, the Steel and Tube Company of America, the Midvale Steel and Ordnance Company, the Cambria Steel Company, the Republic Iron and Steel Company, the McKeessport Tinsplate Com-

pany, the N. and G. Taylor Company, the Inland Steel Company, the Trumbull Steel Company, the Bethlehem Steel Company, the Youngstown Sheet and Tube Company, the Brier Hill Steel Company, the West Penn Steel Company, the Wheeling Iron and Steel Company and the Sharon Steel Hoop Company.

In their answer the corporations contend that their business is intrastate and not interstate, and that they have the right to privacy as to their books of account, papers, contracts and transactions, "over which Congress and the Federal Trade Commission had no control."

The corporations contend that there is no law which warrants the making of the order requested by the trade commission and that "it is not even alleged, nor is it true," that the documents "are necessary to enable the Federal Trade Commission to establish their cause."