§ 225.6 Limitation on total value of trade agreements.

* * * * *

(b) $20,000 in the aggregate each year for airlines having gross transport operating revenues less than $2 million in the prior year and $50,000 in the aggregate each year for airlines having gross transport operating revenues of $2 million or more in the prior year, for the airlines identified under § 225.1(a)(4).

* * * * *

(Secs. 204(a), 403, 404, 416, Federal Aviation Act of 1958, as amended, 72 Stat. 743, 758, 760, 771; 49 U.S.C. 1324, 1373, 1374, 1386)

By the Civil Aeronautics Board.[1]

[SEAL] MABEL MCCART, *Acting Secretary.*

[F.R. Doc. 69-7881; Filed, July 2, 1969; 8:49 a.m.]

Title 16—COMMERCIAL PRACTICES

Chapter I—Federal Trade Commission

SUBCHAPTER A—PROCEDURES AND RULES OF PRACTICE

PART 15—ADMINISTRATIVE OPINIONS AND RULINGS

Use of Symbols and Names Having Fur-Bearing Animal Connotations in Labeling Textile Fiber Products

§ 15.351 Use of symbols and names having fur-bearing animal connotations in labeling textile fiber products.

(a) The Commission was requested to render an opinion with respect to the labeling of textile fiber products manufactured so as to simulate a fur or fur product.

(b) The requesting party proposed to use a word closely resembling the name of a fur-bearing animal, the fur from which is commonly used in the manufacture of garments, in association with a fabric simulating that fur.

(c) In the Commission's view, the use of the proposed term to describe such a fabric would probably violate the Textile Fiber Products Identification Act and/or that part of section 5 of the Federal Trade Commission Act which makes deceptive acts or practices in commerce unlawful.

(38 Stat. 717, as amended; 15 U.S.C. 41-58; 72 Stat. 1717; 15 U.S.C. 70)

Issued: July 2, 1969.

By direction of the Commission.

[SEAL] JOSEPH W. SHEA, *Secretary.*

[F.R. Doc. 69-7809; Filed, July 2, 1969; 8:45 a.m.]

[1] Vice Chairman Murphy dissented.

PART 15—ADMINISTRATIVE OPINIONS AND RULINGS

Stereo Tape Cartridge Club; Consumer Credit Regulations Will Apply

§ 15.352 Stereo tape cartridge club; consumer credit regulations will apply.

(a) The Commission issued an advisory opinion in response to an application from a businessman who proposed to organize a stereo tape cartridge club.

(b) The Commission wrote the applicant:

(1) "You state that the idea of the club is to allow club members to exchange ten tape cartridges per month. A membership will cost $480, to be paid in 30 monthly installments of $16 each. That meets the definition of consumer credit which is credit offered or extended to a person primarily for personal, family, household, or agricultural purposes and for which a finance charge is imposed or which is repayable in more than four installments.

(2) "Enclosed for your guidance is a copy of the Federal Reserve press release of February 7, 1969, containing Regulation Z issued under the Truth In Lending Act. With some exceptions, the Federal Trade Commission has the principal enforcement duties. The Commission points out that all relevant provisions must be complied with by anyone extending or arranging for consumer credit. A potential club member in your program is entitled to full disclosure of all financial arrangements, including the fact that a third party may hold the promissory note for collection.

(3) "In addition to your straight retail memberships, you contemplate a 'cooperative' membership to be offered in return for certain promotional cooperation. The Commission invites your attention to the enclosed copy of the Commission's Guides Against Deceptive Pricing, effective since January 8, 1964. You will note that it might be an actionable deceptive practice prohibited by law to identify a commodity as having a certain retail value unless that is a price at which identical commodities have in fact been sold in substantial quantities. No conclusion of legality or illegality is possible in the instant matter on the basis of the brief information you have submitted.

(4) "Further, you are advised that it might also be an actionable deceptive practice prohibited by law to fail to fully inform a potential club member not only about all financial arrangements and the accurate retail value of the cartridge player but also about the nature and function of the player; e.g., is the player a self-contained playing machine or does it need an amplifier and speakers to render performance?

(5) "For postal regulations, you should consult your local postmaster."

(38 Stat. 717, as amended; 15 U.S.C. 41-58)

Issued: July 2, 1969.

By direction of the Commission.

[SEAL] JOSEPH W. SHEA, *Secretary.*

[F.R. Doc. 69-7808; Filed, July 2, 1969; 8:45 a.m.]

SUBCHAPTER E—RULES, REGULATIONS, STATEMENTS OF GENERAL POLICY OR INTERPRETATION, AND EXEMPTIONS UNDER THE FAIR PACKAGING AND LABELING ACT

PART 503—STATEMENTS OF GENERAL POLICY OR INTERPRETATION

Manufacturer of Consumer Commodities

The Federal Trade Commission promulgated an interpretation relevant to § 500.5 of the Fair Packaging and Labeling Act regulations on March 7, 1969. This interpretation appeared as § 503.3 of the regulations, in the FEDERAL REGISTER, Volume 34, No. 45. Subsequent to publication, a new question was submitted on behalf of an industrial firm, which requires further interpretation of § 500.5.

Basically, the question is whether, in the case of a parent corporation which wholly owns a subsidiary corporation, each of which has separate corporate identity, the requirement of § 500.5 of the regulations is met when the consumer commodities manufactured by the subsidiary are labeled to reflect the parent corporation as the manufacturer.

Since this question may have significance to industry in general, the Commission feels it appropriate to promulgate its interpretation of § 500.5 as it relates to the status of a parent corporation which wholly owns a manufacturing subsidiary retaining its own corporate identity.

Accordingly, pursuant to the provisions of the Fair Packaging and Labeling Act (sections 4, 6, 10, 80 Stat. 1297, 1299, 1300, 1301; 15 U.S.C. 1453, 1455, 1456) Subchapter E, Part 503 is amended by adding to § 503.3 a new paragraph (d) as follows:

§ 503.3 Name and place of business of manufacturer, packer, or distributor.

* * * * *

(d) A corporation which wholly owns a manufacturing subsidiary which retains its separate corporate identity, is not the manufacturer of the consumer commodities manufactured by the wholly owned subsidiary, but must qualify its name if it elects to use its name on the label. Such qualification may be "Manufactured for _____", "Distributed by _____", or "Manufactured by _____ (XYZ, Inc., City, State, Zip Code, a subsidiary of ABC, Inc.)".

Issued: June 30, 1969.

By direction of the Commission.

[SEAL] JOSEPH W. SHEA, *Secretary.*

[F.R. Doc. 69-7896; Filed, July 2, 1969; 8:51 a.m.]