# FEDERAL TRADE COMMISSION

*v.*

# GUARANTEE VETERINARY CO. AND GEORGE L. OWENS.

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

Docket 843—June 8, 1921.

SYLLABUS.

Where a concern and an individual, engaged in the sale of salt blocks for live stock under the brand name "Sal-Tonik,"

(*a*) Falsely advertised the ingredients of said product; and

(*b*) Advertised "U. S. GOVERNMENT ADOPTS SAL-TONIK—the Quartermaster's Department of the U. S. Army has ADOPTED SAL-TONIK and purchased our entire Southern output for use in the U. S. Cavalry. * * *," reproducing a letter, falsely alleged to have been written by the "Assistant Veterinarian of the U. S. Army at Camp Johnston," indorsing such product and the results of its use at said camp; the facts being that only one purchase thereof was made by the Government, and that in other respects the advertising was false and misleading:

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

## COMPLAINT.

The Federal Trade Commission, having reason to believe from a preliminary investigation made by it, that the Guarantee Veterinary Co. and George L. Owens, hereinafter referred to as respondents, have been and are using unfair methods of competition in interstate commerce in violation of the provisions of section 5 of an act of Congress approved September 26, 1914, entitled, "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes," and it appearing that a proceeding by it in respect thereof would be to the interest of the public, issues this complaint, stating its charges in that respect on information and belief as follows:

PARAGRAPH 1. That the respondent, the Guarantee Veterinary Co., is an association in the form of a trust, having its principal office and place of business in the city of Chicago, State of Illinois, of which the respondent George L. Owens is the controlling and managing trustee, and that the respondents are now and for more than a year last past have been engaged in the sale of salt in the form of blocks for the use of live stock under the brand name of "Sal-Tonik" in and among the several States of the United States and the District

of Columbia, in direct competition with other persons, copartnerships, and corporations also engaged in the sale of block salt for the use of live stock.

PAR. 2. That in connection with the sale of said "Sal-Tonik" blocks in interstate commerce as aforesaid, the respondents are now and for more than a year last past have been publishing and distributing in and among the several States of the United States and the District of Columbia, advertising matter containing false and misleading statements, among which are representations and implications to the effect that the said "Sal-Tonik" blocks contain certain medicinal ingredients; that the respondents operate a number of factories in various parts of the United States, the total product of one of which was purchased and thereby indorsed by the Quartermaster Department of the United States Army; and that the repondents own and operate certain large and expensive machinery necessary for the manufacture of said "Sal-Tonik" blocks, all of which was designed to and does mislead the purchasing public into the belief that respondents' product possesses certain unique and beneficial characteristics and tends to secure for it an undue preference over the product of competitors.

## 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, the Guarantee Veterinary Co. and George L. Owens, charging them with the use of unfair methods of competition in commerce, in violation of the provisions of said act.

The respondents having entered their appearance by their attorneys and filed their answer herein, hearings were had, and evidence was thereupon introduced in support of the allegations of said complaint and on behalf of the respondents before an examiner of the Federal Trade Commission theretofore duly appointed, and thereupon this proceeding came on for final hearing, the Commission and respondents having, through their respective attorneys, filed briefs, and the Commission having heard the argument of counsel on the merits of the case and having duly considered the same and the record and being now duly advised in the premises, makes this its findings as to the facts and conclusions.

### FINDINGS AS TO THE FACTS.

PARAGRAPH 1. That the respondent, the Guarantee Veterinary Co., is an association in the form of a trust, having its principal office and

place of business in the city of Chicago, State of Illinois, of which the respondent, George L. Owens, is the controlling and managing trustee, and that the respondents are now and for more than two years last past have been engaged in the sale of salt in the form of blocks, for the use of live stock, under the brand name "Sal-Tonik," in and among the several States of the United States and the District of Columbia, in direct competition with other persons, copartnerships, and corporations also engaged in the sale of block salt for the use of live stock.

PAR. 2. That during the years 1918 and 1919 the respondents printed and caused to be circulated in and throughout the various States of the United States, a circular in which it stated that its product, Sal-Tonik, contained the following ingredients: Sulphate of iron (re-dried), carbonized peat, charcoal, tobacco, quassia, sulphur, gentian, pure salt, chloride of magnesia, Epsom salts, Glauber's salts, bicarbonate of soda, oxide of iron, mineralized humoides, American worm seed, Levant worm seed, capsicum (red pepper); when in truth and in fact, respondent's product, Sal-Tonik, did not contain all of said ingredients, and did not contain carbonized peat, charcoal, tobacco, quassia, sulphur, gentian, mineralized humoides, American worm seed, Levant worm seed, or capsicum (red pepper).

PAR. 3. That during the years 1918 and 1919 respondents advertised in the Cooperative Manager and Farmer (Commission's Exhibit No. 10), a magazine published at Minneapolis, Minn., which had a general circulation through the medium of the mails and other distributing agencies in and throughout various States and Territories of the United States and the District of Columbia, and also by circulars prepared and printed by respondents, which they caused to be circulated throughout various States and Territories of the United States and District of Columbia, the following:

U. S. GOVERNMENT ADOPTS SAL-TONIK.—The Quartermaster's Department of the U. S. Army has ADOPTED SAL-TONIK and purchased our entire southern output for use in the U. S. Cavalry. * * *

The U. S. Army used Sal-Tonik, as is shown by a letter which appears below, written by the Assistant Veterinarian of the U. S. Army at Camp Johnston. * * *

CAMP JOSEPH E. JOHNSTON, FLA.,
*January 25, 1919.*

GUARANTEE VETERINARY COMPANY,
*Chicago, Illinois.*

*To whom it may concern:*

While acting as 2d Lt., Vet., U. S. A., Auxiliary Remount Depot No. 333, Camp Joseph E. Johnston, Florida, I had the opportunity of recognizing the value of SAL-TONIK. Large numbers of animals were kept in corrals in this camp and naturally much sickness would be expected; however, I noticed that where

the animals had access to SAL-TONIK they improved in flesh and vitality. There was a very small percentage of digestive disturbances such as indigestion, colic, impactions, and diseases of systemic origin.

Having recognized the value of SAL-TONIK I highly recommend it as an efficient medicinal salt of superior quality.

(Signed) J. F. SWAIN,
*2d Lt., Vet., U. S. A., Auxiliary Remount Depot 333,*
*Camp Joseph E. Johnston.*

That the Palestine Salt & Coal Co., of Palestine, Tex., made salt blocks for respondents, the respondents furnishing the medical ingredients and the Palestine Salt & Coal Co. furnishing the labor and salt. That the Quartermaster Department of the United States Army purchased in the month of December, 1917, 1,200 blocks of Sal-Tonik at Palestine, Tex., from the Palestine Salt & Coal Co., who were agents for the respondents, and that this one purchase was the only one made by the United States Government.

That the United States Government did not adopt Sal-Tonik.

That Mr. J. F. Swain was not assistant veterinarian of the United States Army at Camp Johnston and at the time the above letter was written, he was not a second lieutenant in the United States Army, nor was he located at Camp Joseph E. Johnston, Fla.

## CONCLUSIONS.

That the methods of competition set forth in the foregoing findings as to the facts are, under the circumstances set forth, unfair methods of competition in violation of the provisions of section 5 of the act of Congress, approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes."

## ORDER TO CEASE AND DESIST.

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission, the answer of the respondents, the testimony and the evidence, and the Commission having made its findings as to the facts, with its conclusions that the respondents had 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 ordered*, That the respondents, Guarantee Veterinary Co. and George L. Owens, their officers, agents, servants, and representatives do cease and desist, directly or indirectly:

From publishing or causing to be published or circulated throughout the various States of the United States, the Territories thereof, the District of Columbia, and foreign countries, advertisements, circular letters, or other printed matter whatsoever wherein it is falsely stated, set forth, or held out to the general public that the respondents' product, Sal-Tonik, contains carbonized peat, charcoal, tobacco, quassia, sulphur, gentian, mineralized humoides, American worm seed, Levant worm seed, or capsicum (red pepper), or any other ingredients, medical or otherwise, if said Sal-Tonik does not then, in fact, contain each and all of the ingredients which are stated in the advertisement to enter into its composition;

From publishing and circulating, or causing to be published and circulated, throughout the various States of the United States, the Territories thereof, the District of Columbia, and foreign countries, advertisements, circulars, folders, letters or any other printed or written matter whatsoever, wherein it is falsely stated, set forth, or held out to the public:

(1) That the United States Government, or any department, branch, or agency thereof, has adopted respondents' product, Sal-Tonik;

(2) That respondents have sold their entire southern output to the United States Government, or to any department, branch, or agency thereof;

From using as an advertisement of their product, Sal-Tonik, a certain letter, dated January 25, 1919, and signed by J. F. Swain, purported to be at the time of signature, a second lieutenant in the United States Army at Camp Joseph E. Johnston, Fla.

*It is further ordered*, That the respondents, the Guarantee Veterinary Co. and George L. Owens, shall, within 60 days after the 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 it has complied with the order to cease and desist hereinbefore set forth.