

Complaint

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IN THE MATTER OF

A. B. CASPER COMPANY, INC.

COMPLAINT AND ORDER IN REGARD TO THE ALLEGED VIOLATION OF SEC. 5
OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914

Docket 2153. Complaint, Jan. 16, 1934—Order, Feb. 10, 1934

Consent order requiring respondent, its agents, etc., in connection with the offer or sale of potatoes in commerce among the several States and the District of Columbia, to cease and desist from representing by brands on containers, advertising, or otherwise that such potatoes were grown in and came from the Red River Valley in Minnesota or North Dakota, or from any recognized or described potato-growing section of said States, or elsewhere, when such is not the fact.

Mr. Marshall Morgan for the Commission.

COMPLAINT

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, having reason to believe that A. B. Casper Co., Inc., has been or is using unfair methods of competition in commerce as "commerce" is defined in said act, and it appearing to said Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. The respondent is a corporation organized and existing under the laws of the State of Minnesota with its principal place of business located at Gorham Building, Minneapolis, Minn., and since 1917 has been engaged in the business of buying potatoes from various points in the State of Minnesota and selling and distributing the same to jobbers, wholesalers, brokers, and commission merchants throughout the United States. In addition to its main offices in the Gorham Building, as aforesaid, the company maintains and operates storage warehouses at the following points in Minnesota, also, Alvarado and Waubun in the Red River Valley in the northwestern part of the State; at Milaca, Bock, Braham, Stanchfield, and Zimmerman in the Princeton-Cambridge district lying east of the Mississippi River and to the north and west of Minneapolis; and at Finlayson and Groningen in the Duluth district, northeast of Minneapolis, on or near Lake Superior. Said respondent causes said potatoes when sold by it to be transported from its principal place of

business or branch office shipping points in the State of Minnesota into and through the various States of the United States to the purchasers thereof.

In the course and conduct of its aforesaid business the respondent is and for several years has been in direct and substantial competition with various individuals, partnerships, and corporations engaged in the sale and distribution in interstate commerce of potatoes similar to those sold by respondent.

PAR. 2. The State of Minnesota is noted for its northern grown seed potatoes, the three sections or areas of the State mentioned in paragraph 1 hereof being particularly adapted to such purpose. The aforesaid Red River Valley district, lying in the northwestern part of the State, adjacent to the Red River, includes Clay, Marshall, Norman, Mohnowen, Red Lake, Pennington, Kittson, Becker, and Polk Counties; the Princeton-Cambridge district, east of the Mississippi River, to the north and west of the city of Minneapolis, comprises principally Mille Lacs, Sherburne, and Isanti Counties. The smaller and less important district to the northeast of the Princeton-Cambridge district and nearer to Lake Superior is known as the Duluth district. Potatoes grown in the Duluth district are not involved herein.

U.S. Grade No. 1 for potatoes means good quality of table potatoes, and potatoes grading U.S. No. 1 are frequently used for seed. U.S. Grade No. 1 allows a tolerance of not to exceed 6 percent for scab, bruise or other defects, and running a minimum diameter of $1\frac{7}{8}$ inches. Seed potatoes run up to $2\frac{1}{2}$ inches in diameter and are equally as good for table use. Seed potato buyers favor a particular variety for planting and request branded sacks.

The soil in the so-called Princeton-Cambridge district is sandy, well adapted to potato growing, and is known as the sandland district. In this district there is also a soil known as peat land, which produces in large quantities an early round white variety of Irish potato known to potato growers as the "cobbler." The stock in the peat land around Cambridge has been heavily infested with scab, as has the stock in the other sandland potatoes. Such has been the main cause for the failure of the sandland potatoes to grade U.S. No. 1. Many of the potatoes inspected in the sandland district failed to grade U.S. No. 1, during the seasons of 1931-1932 except in the case of some potatoes grown in the peat soils at Princeton.

The soil in the Red River Valley district is a loamy silt, free from rocks, smooth and level, does not clod, contains clay in places, and is

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rich in lime carbonate. Some of it is black and known as "gumbo." It is an open grass land country, running from river bottom to humid prairie in sections and provides a good seed bed.

The stock from the Red River Valley is usually graded more carefully. Scab is not such a factor in this district. In many sections of the valley scab is rarely seen. Most of the cars inspected in the Red River Valley district graded U.S. No. 1 during the seasons of 1931-1932 and 1932-1933.

Respondent company employs three principal brands of trade names. They are respectively as follows: "Red River", "Northern Grown", and "Lake Superior White", these brands being marked on the bags or sacks in which the potatoes are shipped. The sacks which were intended to indicate potatoes grown in the Red River Valley are branded as follows:

Selected Quality
A B C Brand
GENUINE
RED RIVER POTATOES
100 lbs. net

PAR. 3. About 750 miles to the southeast of the Princeton-Cambridge potato-growing district, and between 1,050 and 1,100 miles to the southeast of the Red River Valley district lies the region about Paducah, Ky., in the great alluvial valleys of the Ohio and the Tennessee Rivers. The soil here, by reason of its depth and richness, its mellow tillable character, and freedom from clods and rocks, is particularly adapted and devoted to the growth of Irish potatoes. A number of important produce houses and commission merchants and brokers supply the trade in and about Paducah during the seed season and three-fourths of the sales are of Red River Cobblers, the consumers demanding the Red River seed in preference to all others. The so-called seed season begins in Minnesota in January. The period of largest demand for seed potatoes in the Paducah section runs from March to May. Paducah planters have found that Red River Valley seedings produce more potatoes, are more prolific, and the return of the crop is greater when this variety is used. Both growers and dealers alike in the Paducah territory prefer Red River seed cobbles.

Some 200 cars of seed potatoes are sold in the seed season in the Paducah market. Paducah is willing to pay a higher price for genuine Red River stock.

PAR. 4. The rate on potatoes moving from points in the Red River Valley district of Minnesota, to Paducah, Ky., ranges from 54 to

55½ cents per 100 pounds in carload lots. The rate from the Minneapolis district, which includes the Princeton-Cambridge sandland area, is 35½ cents per 100 pounds in carload lots, a difference of from 18½ cents to 20 cents per hundredweight in favor of the Princeton-Cambridge district.

Respondent company in making sales to the Paducah trade of alleged Red River potatoes has given quotations from 5 to 10 cents above sandland prices, and from 5 to 10 cents lower than Red River Valley quotations.

In January, 1933, respondent advised the Pennington Brokerage Co. of Paducah that respondent had "several cars of Red River in storage at our nearby stations", thus representing that Red River stock of potatoes had been moved across the State of Minnesota and was held in storage by respondent near Minneapolis, when such was not a fact. The Pennington Brokerage Co. requested quotations on Selected U.S. No. 1 Red River Cobblers and on Triumphs, "preferably Red River stock", and finally ordered a mixed car of U.S. Selected Triumphs and of U.S. No. 1 Minnesota Red River Cobblers, "all branded and tagged." In ordering these potatoes the Pennington Brokerage Co. warned respondent that the State of Kentucky had recently passed a stiff seed law applying to seed potatoes and that all varieties must be tagged and be true to type represented. Respondent confirmed this order for a mixed car of "Red River Cobblers" and "Selected Triumphs", advising that the potatoes would be packed in "new branded Red River bags", thus further indicating that Red River Valley seed potatoes would be shipped.

The car of potatoes which the Pennington Brokerage Co. received from respondent company did not contain Red River Valley potatoes and was not routed from any point in the Red River Valley, but came, on the contrary, from Milaca, Minn., in the sandland district near Minneapolis.

During the following ten weeks the Pennington Brokerage Co. sold four or five cars of these potatoes to various jobbers in Paducah, innocently representing them as Red River Cobblers. After these shipments had been distributed it was ascertained that the Cobblers which had been purchased from respondent were not genuine Red River Cobblers. The manager of the brokerage company thereupon called upon the various jobbers and firms at Paducah and advised each of them that the potatoes which had been sold them in the sacks of A. B. Casper & Co. were not from the Red River district.

PAR. 5. Respondent by such misbranding and the selling of misbranded potatoes in interstate commerce, has thereby falsely represented to the respective purchaser a certain variety of his potatoes to

be a product known to the trade and general public as Red River Cobblers, when in truth and in fact the Cobblers sold by the respondent, and branded as Genuine Red River potatoes, were sandland stock, coming from the sandland district of Minnesota, some 300 miles to the southeast of the Red River Valley.

By putting this product, bearing a false brand, into the channels of trade, and thus passing off one variety of potato for another of different origin, respondent has placed the trade in a position where they may misrepresent to the public, even though unintentionally, the quality and variety and source of potatoes sold by them. Such acts and practices on the part of respondent, as set forth in paragraph 4 herein, are false and misleading and have had the capacity to deceive, and did and do deceive wholesalers, jobbers, brokers, and retailers alike into buying and selling that which they had not intended to buy and sell, and the ultimate purchaser into buying a product he did not intend to buy. The aforesaid practices are to the detriment and injury of growers, producers, and sellers of potatoes in the Red River Valley district, the Paducah, Ky., district, and other potato-growing sections as well, and have had the capacity and tendency to divert to respondent the trade of competitors located not only in the Red River Valley district but elsewhere, and who are engaged in selling, in interstate commerce, potatoes which are truthfully branded. The aforesaid practices of respondent further are detrimental to and tend to demoralize the entire trade and business of growing and selling potatoes.

PAR. 6. The above alleged acts and practices done by said respondent, as aforesaid, are all to the prejudice of the public and 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.

ORDER TO CEASE AND DESIST

Pursuant to the provisions of an Act of Congress approved September 26, 1914 (38 Stat. 717), the Federal Trade Commission issued and served a complaint upon the respondent, A. B. Casper Co., Inc., a corporation, charging it with the use of unfair methods of competition in interstate commerce in violation of the provisions of said act. With the complaint was served upon respondents a copy of the Commission's Rules of Practice. Said Rules of Practice with respect to answers provide, among other things, as follows:

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(2) In case respondent desires to waive hearing on the charges set forth in the complaint and not to contest the proceedings, the answer may consist of a statement that respondent refrains from contesting the proceeding or that respondent consents that the Commission may make, enter, and serve upon respondent an order to cease and desist from the violations of the law alleged in the complaint, or that the respondent admits all the allegations of the complaint to be true. Any such answer shall be deemed to be an admission of all the allegations of the complaint, to waive a hearing thereon, and to authorize the Commission, without a trial, without evidence, and without findings as to the facts or other intervening procedure, to make, enter, issue and serve upon respondents:

(a) In cases arising under Section 5 of the Act of Congress approved September 26, 1914, * * * an order to cease and desist from the violation of law charged in the complaint.

Whereupon, On January 26, 1934, the respondent company having advised the Commission that it desires to waive hearing on the charges set forth in the complaint and consents that the Commission may make, enter, and serve upon respondent an order to cease and desist from violations of the law alleged in the complaint, the Commission being fully advised in the premises,

It is now ordered, That the respondent, A. B. Casper Co., Inc., a corporation, its agents, representatives, and employees, in connection with the offering for sale or selling in commerce among the several States of the United States and in the District of Columbia of potatoes, do cease and desist:

From representing by brands or otherwise on bags or other containers for shipping potatoes, or in advertising, or in any other way, expressly or by implication, that potatoes were grown or produced in, or came from, the Red River Valley, unless such potatoes actually were grown and produced in and were shipped originally from that potato-growing section or district of the State of Minnesota or the State of North Dakota known and designated as the Red River Valley; and from representing by brands or otherwise on bags or other containers for shipping potatoes, or in advertising or in any other way, expressly or by implication, that potatoes were grown or produced in or came from any recognized or stated or described potato-growing section or district of the State of Minnesota or elsewhere, unless such potatoes actually were grown and produced in, and were shipped originally from, such potato-growing section or district.

It is further ordered, That the respondent within 60 days from and after the date of the service upon it of this order shall file with the Commission a report or reports in writing setting forth in detail the manner and form in which it has complied with the order to cease and desist hereinabove set forth.

IN THE MATTER OF
STANDARD HISTORICAL SOCIETY, INC., H. F. MCGEE,
INDIVIDUALLY AND AS PRESIDENT THEREOF, R. R.
HARDIN, INDIVIDUALLY AND AS VICE PRESIDENT
THEREOF, AND I. SCHULMAN, INDIVIDUALLY AND AS
SECRETARY-TREASURER THEREOF

COMPLAINT AND ORDER IN REGARD TO THE ALLEGED VIOLATION OF SEC. 5
OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914

Docket 1886. Complaint, Dec. 15, 1930—Order, Feb. 20, 1934

Consent order requiring respondent corporation, and respondent individuals, in their individual capacity and as officers of said corporation, and their agents, etc., in connection with offer for sale of any books, set of books or publications, in commerce among the several States or in the District of Columbia, to cease and desist from—

- (1) Advertising or representing falsely in any manner that—
 - (a) Any books offered and sold by them have been reserved, to be or will be given free of cost to a purchaser or prospective purchaser or any selected person or persons, as a means of advertising, or for any other purpose;
 - (b) Purchasers of the history are only paying for the loose-leaf extension service, intended to keep the set up to date;
 - (c) Such service is sold separately to others at a price of \$10 per year or at any other price;
 - (d) The history is regularly sold or will be sold later, at a price of \$120, or at any other price greatly in excess of that at which it is being sold or offered and all purchasers will be required to pay said price;
 - (e) The loose-leaf service can be paid for at the rate of \$6.95 a year or any other annual sum;
 - (f) The contributions made or work done, were by any authors, contributors to, or revisers of, any history, other book or set of books, or that any authors, historians or educators were consulted or quoted from in any history or other set of books sold by them;
 - (g) They maintain an editorial staff which digests and records the happenings of the world for said loose-leaf service; and further to cease and desist from—
- (2) Using contract forms, order blanks, or any advertising literature which have printed thereon prices for said history and service in excess of the prices at which they are intended to be, and are customarily sold;
- (3) Using a corporate name which includes the word "society" therein, unless qualified by words clearly indicating that the corporation is not a cooperative society, but one organized for profit; and
- (4) Listing or describing owners of books sold by them as "cooperative members" or nationally known members, and representing respondent as a cooperative society.

Mr. G. Ed. Rowland for the Commission.

Mr. Edward A. McDermott, of Chicago, Ill., for respondents.

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 the corporation and individuals mentioned in the caption hereof, and more particularly hereinafter described and referred to as respondents, have been and now are using unfair methods of competition in interstate 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, Standard Historical Society, Inc., is a corporation organized under the laws of the State of Ohio on or about March, 1928, having its office and principal place of business at 518-524 Walnut Street, in the city of Cincinnati, State of Ohio.

Respondents, H. F. McGee, R. R. Hardin, and I. Schulman, were the incorporators of respondent, Standard Historical Society, Inc., and are and have been respectively the president, vice president, and secretary-treasurer thereof since its organization.

PAR. 2. The respondents are and have been, since March, 1928, engaged in the sale and distribution in interstate commerce of a certain set of books called "Standard History of the World", in 10 volumes, by the subscription method of sale, to persons located at points in the various States of the United States. Upon making such sales, respondents cause and have caused the said books, or publication, to be transported from the city of Cincinnati, State of Ohio, through and into other States of the United States and the District of Columbia, to the purchasers thereof at their respective points of location.

In the course and conduct of their said business respondents are in direct and active competition with other persons, firms, and corporations similarly engaged in the sale and transportation of subscription books and publications in interstate commerce.

PAR. 3. In or about the year 1906, and for a number of years thereafter, there was published and sold throughout the United States a publication called "Standard History of the World", under copyright registered in the Library of Congress. Respondent H. F. McGee, in the year 1927, purchased the plates used in printing the various editions of the work published prior to 1927 and began the sale and distribution of said publication. From on or about November 1, 1927, to March, 1928, respondents H. F. McGee and I. Schulman published, sold, and distributed the said "Standard History of the World" as a partnership, doing business under the trade name and style of Standard Historical Society. Some time in March, 1928,

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respondent Standard Historical Society, Inc., was incorporated by respondents H. F. McGee, R. R. Hardin, and I. Schulman, said respondents becoming officers therein, and since that time said set of books, or publication, has been published, sold, and distributed in interstate commerce by said respondent corporation and said individual respondents.

PAR. 4. Respondents sell said Standard History of the World by agents, representatives, and salesmen, who travel from place to place throughout the United States, calling upon members of the public and soliciting the purchase of the publication. Said agents, representatives, and salesmen are paid a commission by respondents for each sale they make. Their method of sale is to require the purchaser to sign a contract form for said Standard History of the World, and certain semiannual supplements, making a down payment to the agent, with the balance to be paid in monthly installments until the complete amount has been paid. The contract and down payment are sent by the agents, representatives, and salesmen to the main office of respondents in Cincinnati, and the set of books is thereupon shipped by respondents to the purchasers thereof at their respective points of location. A duplicate of the said contract is left with the purchaser by the agent, representative, or salesman.

PAR. 5. In the course and conduct of their said business, respondents through their aforesaid agents, representatives, and salesmen, have employed, in the sale of their said set of books, or publication, sales talks to be made by said agents, representatives, and salesmen to prospective purchasers, which said sales talks contain many false, deceptive, and misleading statements and representations regarding said Standard History of the World, and the way and manner in which it is sold. Said respondents H. F. McGee and I. Schulman, and certain other employees of respondent Standard Historical Society, Inc., supply written copies of said sales talks to agents, representatives, and salesmen employed by said respondents, or personally teach them the said sales talks and said agents, representatives, and salesmen are expected to, and do, learn the said sales talks and repeat them to prospective purchasers when soliciting sales of the said set of books, or publication.

PAR. 6. Respondents, through their agents, representatives, and salesmen, represent that they will present a set of the said "Standard History of the World" free of charge to the prospective customer, upon condition that said prospective customer will furnish respondents with a letter giving his opinion of the said set of books. As a condition precedent to availing themselves of the free offer such prospective customers are required to subscribe to a so-called loose-leaf extension service, which service respondents by their agents,

representatives, and salesmen, represent that they will furnish twice each year for a period of 10 years to the owners of the said "Standard History of the World", and that said extension service contains all the current historical events of the world, thereby keeping the history sold by respondents up-to-date. Respondents, through their agents, representatives, and salesmen, represent that the purchaser pays only for the extension service at the rate of \$5.95, \$6.95, or \$7.90 per year for 10 years, or a total of \$59.50, \$69.50, or \$79, which sums pay for the said service for a period of 10 years.

The aforesaid representations made by respondents, through their agents, representatives, and salesmen, are false and misleading in that respondents do not present their said set of books, or publication, to the purchaser free, because the price of \$59.50, \$69.50, or \$79 for the loose-leaf extension service is greatly in excess of the price at which respondents can furnish such service to bona fide purchasers and is sufficient to compensate said respondents for the set of books, or publication, so delivered to the purchasers thereof, together with the accompanying extension service, and respondents do not allow purchasers to pay for said extension service at the rate of \$5.95, \$6.95, or \$7.90 a year for 10 years, but require that the total sum of \$59.50, \$69.50, or \$79 be paid within one year after the date of the transaction in monthly installments. In subscribing to the extension service in the manner set forth above the purchaser is in truth and in fact purchasing the said set of books, or publication, and the extension service for the sum of \$59.50, \$69.50, or \$79, as the case may be, under the mistaken belief that he is receiving the said set of books, or publication, free of charge, and is paying only for the extension service.

PAR. 7. Respondents, through their agents, representatives, or salesmen, represent to prospective purchasers in various communities that in said communities a limited number of persons will be sold the set of books, or publication, at a special, reduced price, and respondents, through their agents, representatives, and salesmen, represent that the regular price of said set of books, or publication, is \$120, and the regular price of said extension service is \$10 per year for 10 years, a total of \$220, but that such limited number of persons can obtain the same at the specially reduced price of \$59.50, \$69.50, or \$79, and said respondents further represent that the said prices of \$59.50, \$69.50, or \$79 are not available to the general public, but are special prices made for advertising purposes in advance of a sales campaign to be had a few months in the future, when purchasers will have to pay the regular price of \$220 for the set of books, or publication. The fact is that said statements and repre-

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sentations are false, deceptive and misleading because respondents have never sold the above-described set of books, or publication, and the extension service, for the sum of \$220, nor has it ever sold or offered for sale such set of books and extension service for a greater sum than \$59.50, \$69.50, or \$79, which is the usual and customary price at which respondents have sold and now sell the set of books and extension service to all persons who can be induced to purchase same, and there is no sales campaign a few months in the future, as the sales made by the agents, representatives, and salesmen of respondents at the prices of \$59.50, \$69.50, and \$79, are its customary methods of selling and the regular and usual prices charged by said respondents for said set of books, or publication.

PAR. 8. Respondents, in the conduct of their business, and for the purpose of inducing prospective purchasers to buy their Standard History of the World, have in advertising matter, and otherwise, represented that eleven prominent educators, specializing in the teaching of history, were and are special contributors to said set of books, or publication, and wrote articles contained in, or revised, said set of books, and print the names of said prominent educators in said set of books, and advertising literature pertaining thereto, under the heading "Special Contributors." Respondents also print in their advertising literature a list of names of prominent authors, historians and educators, both of the past and present, as being a partial list of authorities consulted and quoted in said Standard History of the World, and further represent that they maintain an editorial staff which digests and records the historical happenings of the world for the aforesaid loose-leaf extension service. The aforesaid representations are false, deceptive, and misleading because in truth and in fact said prominent educators are not special contributors and did not contribute any articles, or revise, said set of books, but only wrote introductions to each of the separate volumes of said set of books; there are no quoted articles from the list of authors, historians, and educators contained in the set of books, and no references to the writings of any of said persons, or signed articles by them, contained therein; respondents do not maintain any editorial staff to prepare the extension service.

PAR. 9. Respondents, in the course and conduct of their business, use the name "Standard Historical Society", as the corporate name under which they do business and said name appears on all letterheads, billheads, contract forms, advertising, and other literature used by said respondents. On certain advertising material used by respondents, there appears the phrases "cooperative members" and "nationally known members", in prominent type, printed in red. The use by respondents of the corporate name Standard

Historical Society, Inc., and the aforesaid phrases is for the purpose of leading the public and prospective purchasers to believe that respondent Standard Historical Society, Inc., is in fact a society of persons interested in the subject of history engaged in publishing the "Standard History of the World", and that by buying respondents' said set of books, or publications, a purchaser will become a member of said society. In truth and in fact, respondent Standard Historical Society is not a society, in the ordinary meaning of that term, but is a corporation, and respondents H. F. McGee, R. R. Hardin, and I. Schulman adopted that name for the purpose of misleading and deceiving the public and prospective purchasers into buying the publications of respondent in the belief that by so doing they would become members of a historical society.

PAR. 10. Respondents, their agents, representatives, and salesmen, by means of the false, deceptive, and misleading representations and statements set forth above, have sold and are selling its said set of books, or publication, "Standard History of the World", including the extension service, to members of the public throughout the United States, who are thereby induced to purchase said publication because of aforesaid false, deceptive, and misleading statements and representations.

PAR. 11. The above alleged acts, things and practices of respondents are each and all of them to the prejudice of the public and respondents' competitors, and constitute unfair methods of competition in interstate commerce within the intent and meaning 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."

ORDER TO CEASE AND DESIST

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" (38 Stat. 717), the Federal Trade Commission issued and served its complaint upon the respondents above named, charging them with the use of unfair methods of competition in commerce in violation of the provisions of said act.

The respondents entered their appearances and filed answers to said complaint. On January 31, 1934, respondents filed an amended answer herein, wherein they make certain admissions of fact and state that they do not desire to contest the proceeding, and consent that the Commission may make, enter, and serve upon them an order to cease and desist from the violations of law alleged in the complaint, in accordance with Section 2, Rule III, of the Rules of

Practice of the Commission, and the Commission having accepted said consent and the amended answer in lieu of the former answer theretofore filed, and being fully advised in the premises,

It is now ordered, That the respondents Standard Historical Society, Inc., H. F. McGee, individually, and as president of Standard Historical Society, Inc., R. R. Hardin, individually, and as vice president of Standard Historical Society, Inc., and I. Schulman, individually, and as secretary-treasurer of Standard Historical Society, Inc., and each of them, their officers, agents, representatives, and employees, in connection with the offering for sale of any books, set of books, or publications, in commerce among the several States of the United States, or in the District of Columbia, cease and desist from:

(1) Advertising or representing in any manner to purchasers or prospective purchasers that any books or set of books offered for sale and sold by them have been reserved to be, or will be, given free of cost to said purchaser or prospective purchaser, or to any selected person or persons, as a means of advertising, or for any other purpose, when such is not the fact.

(2) Advertising or representing in any manner that purchasers or prospective purchasers of the history sold by them are only buying or paying for loose-leaf extension service intended to keep the set of books up-to-date, when such is not the fact.

(3) Advertising or representing in any manner that the semi-annual loose-leaf extension service is sold separately to others than purchasers of the history sold by them at a price of \$10 per year, or at any other price, when such is not the fact.

(4) Advertising or representing in any manner to purchasers and prospective purchasers that the history sold by them is regularly sold at a price of \$120, or will be put on sale at a later date at such price or any other price greatly in excess of the price at which said history is then being sold or offered for sale, and that all purchasers of it will be required to pay said price, when such is not the fact.

(5) Using contract forms, order blanks, or any advertising literature, which have printed thereon prices for the history and loose-leaf extension service which are in excess of the prices at which said history and service are intended to be, and are customarily sold.

(6) Representing in any manner that the semiannual loose-leaf extension service can be paid for at a rate of \$6.95 a year, or any other annual sum, when such is not the fact.

(7) Misrepresenting in any manner in any advertising or other literature the contribution made, or the work done, by any authors,

contributors to, or revisers of, any history, or other book, or set of books.

(8) Advertising or representing in any manner that any authors, historians, or educators were consulted and quoted from in any history, or other set of books, sold by them, when such is not the fact.

(9) Advertising or representing in any manner that they maintain an editorial staff which digests and records the historical happenings of the world for the loose-leaf extension service, when such is not the fact.

(10) Using a corporate name which includes the word "society" therein, unless qualified by words clearly indicating that the corporation is not a cooperative society, but is a corporation organized for profit, or words to a similar effect.

(11) Listing or describing owners of books sold by them as "co-operative members" or "nationally known members"; and from representing that the respondents is a cooperative society.

It is further ordered, That respondents shall within 60 days from the date of the service upon them of the order herein, file with the Commission a report in writing setting forth in detail the manner and form in which this order has been complied with and conformed to.

IN THE MATTER OF
LINDSAY LIGHT COMPANY

COMPLAINT AND ORDER IN REGARD TO THE ALLEGED VIOLATION OF SEC. 5
OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914

Docket 2142. Complaint, Dec. 22, 1933—Order, Mar. 5, 1934.

Consent order requiring respondent, its officers, agents, employees, and representatives to cease and desist from—

Carrying out and enforcing a certain agreement entered into by it with certain foreign companies in which said companies agreed with it not to export thorium or any derivative product of monazite sand, except ferrocerium, to the United States or Canada, in consideration of its agreement to sell thorium nitrate, thorium and other monazite sand derivatives only to gas mantle manufacturers in said two countries, and only upon their agreements not to resell said products, and in which certain agreement it undertook not to sell any such derivative products except to consumers thereof in said two countries, and upon the required condition that such consumer purchasers agree not to export the same, and in which certain agreement a German concern undertook to bind and induce monazite sand producers in India to deliver same in Austria and Germany only to such German concern, in France and England only to French and English concerns involved as contracting parties, and in United States only to it;

Entering into any other agreement of like tenor or substance, or into any agreement with any producer of thorium or of other products derived from said sand, by which agreements said thorium or other products shall not be imported into or exported from the United States;

Agreeing with any manufacturer of thorium to sell said substance only in the United States and Canada, or in any other restricted territory, to gas mantle manufacturers and/or with a condition that such manufacturers shall not resell such substance;

Agreeing with any producer, seller, or manufacturer of thorium or other products derived as aforesaid, not to sell such products except to consumers thereof in the United States and Canada, or in any other restricted territory, and/or with the provision that said products must not be exported by such purchasers;

Entering into any agreement with any manufacturer of products derived from said sand, by which such manufacturers endeavor to bind producers of such sand to deliver same only to specified parties;

Entering into any agreement for the purchase of such sand by which the seller thereof agrees not to offer or sell the same to any individual, in the United States, other than it, and/or by which the seller agrees to prevent any of said customers from shipping the same into United States;

Enforcing certain provisions of an agreement entered into with a certain foreign concern by which said concern agreed not to offer or sell monazite sand to any individual or company other than it, said respondent, and to lend its best efforts to prevent any of said concern's foreign customers from shipping such sand into the United States;