

IN THE MATTER OF
JOSEPH C. BRADLEY ET AL.

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

Docket 3072. Complaint, Mar. 10, 1937—Decision, Jan. 27, 1939

Where an individual engaged as owner of an electromagnetic health appliance or belt, in sale and distribution thereof from his place of residence in Toronto, Canada, through agents and subagents in the United States, and said agents, engaged as aforesaid, along with others likewise engaged in manufacture and sale or sale of various appliances made and sold for operation with ordinary house current and used in therapeutic treatment for prevention of or relief from various ailments and pathological conditions, and in competition with others engaged in manufacture, sale, and distribution of magnetic appliances or devices for treatment of various diseases; in soliciting and causing their said agents to solicit sale of said so-called Harmony Electro-Magnetic Health Appliance or Harmony Belt to members of the public through advertising jointly prepared and used by them in radio broadcasts, in newspapers and letters, and by means of circulars, booklets, and other printed matter in furtherance of their common understanding, combination, and agreement and joint efforts directed to promoting the sale of said device or belt throughout the United States—

- (a) Represented that said appliance was an effective, safe, tested, and tried and proven therapeutic agent and that electromagnetism had a thoroughly relaxing effect and strengthened vitality, assisting oxidation, increasing circulation, aiding metabolism, stimulating the nerves, and building up the body, etc., and through stimulating circulation dissolved the poisons so that they could be removed, and through removing the cause of disease permitted the body to rebuild itself;
- (b) Represented that said appliance or belt created an intensified magnetic field and that use thereof would remove acidosis and toxicosis from the system and bring quick relief from and overcome such troubles as rheumatism, stiff joints, arthritis, lumbago, neuritis, high blood pressure, strokes, eczema, old-age troubles, phlebitis, and various others, and that it equalized and built up the circulation and had shown wonderful results in various ailments above set out and indicated;
- (c) Represented that said device or belt proved effective in cases of heart trouble and other ailments and resulted in the carrying away of poisons involved through their natural channels and that it assisted kidneys and bowels in performing their normal functions and aided in removing poisons from the body;

Facts being that said device would have no effect upon health by virtue of magnetic field created nor have any effect on diseases for which it was claimed as being remedial and curative as above set forth other than such temporary alleviation as it might afford in certain cases through heat produced, such as accomplished through hot-water bottle, and it would not be of any effect with respect to the functioning of the kidneys, bowels,

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lungs, and skin in the elimination of poisons from the body, or functioning of the liver or elimination of poisons from the blood and would not be effective in such removal;

With capacity and tendency to mislead and deceive members of the public into the belief that such statements and representations were true, and into purchasing or using said device or belt in reliance thereon and with intent of deceiving, misleading, or injuring members of public and inducing purchase thereby of said device for substantial sums thereof for use in self-treatment, and with result of deceiving, misleading, and inveigling members of public into purchasing same, with great loss in money, and with resulting neglect or delay in obtaining competent medical advice and consequent likelihood of having ailments and diseases to which purchasers were subject, including such conditions as anaemia, heart trouble, and rundown condition due to many causes and for which there are many remedies by medical profession, progress from point where timely application and competent medical science or skill or proper appliances might avail to relieve or cure, to condition where those afflicted were beyond human aid, and with further effect, through such acts and practices, of causing trade to be diverted from competitors to themselves:

Held, That such acts and things done and caused to be done by them were each and all to the prejudice of the public and competitors and constituted unfair methods of competition in commerce.

Before *Mr. W. W. Sheppard*, trial examiner.

Mr. Clark Nichols for the Commission.

Mr. H. F. Fulling, of Tulsa, Okla., for William M. Ireland.

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 Joseph C. Bradley, John M. Schulz, William M. Ireland, Frieda E. Breslin, and A. R. Erbe, hereinafter referred to as respondents, have been and now are using unfair methods of competition in commerce as "commerce" is defined in said act, and it appearing to the 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. Respondent Joseph C. Bradley is an individual residing at No. 4, St. Clair Street West, in the city of Toronto, Ontario, Canada. Respondent John M. Schulz is an individual residing at No. 425 West Ferry Street, in the city of Buffalo, N. Y. Respondent William M. Ireland is an individual residing at No. 1423 South Boston Street, in the city of Tulsa, Okla. Respondent Frieda E. Breslin is an individual residing at No. 37 South Washington Street in the city of

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Wilkes-Barre, Pa., and respondent A. R. Erbe is an individual residing at No. 509 Luzerne Avenue in the city of West Pittston, Pa.

PAR. 2. The respondents, since on or about August 1931 to the date hereof, are and have been engaged in a common understanding, combination, and agreement, knowingly and unlawfully, to sell and to cause certain electromagnetic appliances, more particularly hereinafter described as Harmony Belts, to be sold to members of the public in the United States for use by such purchasers in self-therapeutic treatment for the purpose of the prevention, the cure, or the relief of the user of the appliance from one or more physical ailments, diseases, or pathological conditions of the human body, including those mentioned and referred to hereinafter, to which the user was subject, or to which the user thought or believed he was subject or suffering therefrom.

In accordance with and in pursuance of the said common understanding, combination, and agreement, as hereinafter set forth, the respondents have sold the Harmony Belts, among others, to members of the public in the States of Pennsylvania, New Jersey, New York, Oklahoma, and Kansas, purchasers of the appliances to whom the respondents have caused Harmony Belts, when so sold by them, to be transported in interstate commerce from Buffalo, N. Y., and in foreign commerce from Toronto, Canada, to the purchasers located in the United States including New York and said other States.

PAR. 3. During all the times herein mentioned the electromagnetic appliance, called Harmony Belt, consisted substantially of a coil containing several hundred turns of wire in layers, the separate layers of wire being insulated from each other by paper. The inside of the coil was stiffened with a piece of impregnated burlap or other material, and, thus prepared, the whole was wrapped in padding and sewed in a cover of artificial leather. Permanently attached to the cover was a metal housing provided with toggle switches marked "Off—On" and "High—Low." When assembled and ready for use the appliance somewhat resembled a horse collar in size and general appearance.

The Harmony Belt, when in use by a member of the public for the treatment of ailments, diseases, or pathological conditions of the human body, is and has been operated by connecting it with the electric current supplied to residences by public service corporations for ordinary house service. When the appliance is so connected to electric current a magnetic field is created in the space within its circumference. The strength of the magnetic field so created by the appliance measures and has measured, approximately 17 gauss at or about its center.

PAR. 4. There is iron in the blood plasms, in the red corpuscles, and in the muscles of the human system. There are traces of iron in nearly all human or animal tissues. The iron in the human or animal system, however, is nonmagnetic. It is not permanently or spontaneously magnetic.

Magnetism or electromagnetism has no effect upon bacteria, the cause of many ailments or diseases, either upon their growth, their reproduction, or their virulence, and electromagnetic fields measuring many thousands of gausses can produce no demonstrable physical or physiological effect in the human body.

The application or use of the Harmony Belt in physiotherapy (that is, treatment by mechanical appliance or apparatus, as distinguished from medical therapy) does not produce or cause, it has not produced or caused, and it cannot produce or cause any demonstrable physical or physiological change or effect in the body of any person subjected to its application or use in treatment for the prevention, the cure, or the relief of any physical ailment, disease, or pathological condition.

PAR. 5. During all the times mentioned and referred to above, other individuals, firms, and corporations, located in various States of the United States and hereinafter referred to as sellers, are and have been engaged, respectively, some of them in the business of the manufacture and sale, and others in the business of the sale of various appliances that are and have been made and sold to be operated with electric current, such as is supplied to residences for ordinary house service by public service corporations, and used in therapeutic treatment for the prevention of, or the relief from physical ailments, diseases, or pathological conditions of the human body.

Some of such appliances are and have been sold by the sellers to the public and to dealers for resale to members of the public for their use in self-therapeutic treatment, and others of such appliances are and have been sold by the sellers to physicians and others skilled in their use, for use in the therapeutic treatment by such skilled persons of physical ailments, diseases, or pathological conditions of the human body, including some of the ailments, diseases, or conditions mentioned and referred to in paragraph 7 hereof.

The sellers during said times, have sold the respective appliances above referred to and described, to dealers for resale and to members of the public, purchasers thereof, located in States other than the State of the seller or the State of origin of the shipment and the sellers, respectively, have caused the appliances, when so sold by them, to be transported from the State of the seller, or the State of origin of the shipment, to the purchasers located in said other States.

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The respondents, during all the times mentioned and referred to in paragraphs 2 and 5 hereof, are and have been in substantial competition in interstate commerce in the sale of the appliances, called Harmony Belts, with the sellers referred to above.

PAR. 6. Pursuant to the common understanding, combination, and agreement above mentioned, with knowledge thereof on the part of all the respondents and in furtherance thereof, the respondents Bradley and Schulz, doing business under the name Harmony Electro Manufacturers with places of business in Buffalo and Toronto, engaged in the manufacture and sale of the Harmony Belts, sold by them and the other respondents, as follows:

The respondent Bradley appointed the other respondents, respectively, as agents, each to sell the belts within certain territory with permission on the part of the other respondents, respectively, to appoint subagents, with the knowledge and consent of respondent Bradley. When sales of the belt were made to members of the public by the respondent-agents or their subagents, the Harmony Belts to complete such sales were bought by the respondent-agents from respondents Bradley and Schulz who made the belts and caused them when made to be transported from Buffalo, N. Y., and Toronto, Canada, to the agents ordering them at their respective locations, to be delivered by them or their subagents to the purchasers and users of the belts. The respondent-agents paid to the respondent Bradley \$6 to \$9 for each of the belts manufactured and shipped to them by the respondents Bradley and Schulz. The respondent-agents charged their respective subagents approximately \$22 for each belt sold by the subagents to a member of the public, and the agents and subagents sold the belts to the members of the public, users thereof at the price of approximately \$65 to \$75 each.

PAR. 7. Pursuant to the above common understanding, combination, and agreement, and in furtherance thereof, the respondents solicited and caused their subagents to solicit the sale of the Harmony Belts to members of the public in the several States in their respective territories by means of radio broadcasts, advertisements in magazines having general circulation in the various States, in newspapers, letters, and by means of circulars, booklets, and other printed matter in which the respondents caused statements and representations to be made to the public concerning the use and effect of the use of the Harmony Belts, among others, statements and representations to the effect that science had made wonderful progress in the treatment of disease by electromagnetism; that electromagnetism had brought health and happiness to thousands and that thousands were already helped by it; that the Harmony Belts created a remarkable curative

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agent which had helped thousands of persons; that among the persons who obtained the Harmony Belts and were helped by its use were those who, with rare exceptions, were extremely discouraged with the results obtained by other means of treating their ailments or diseases; that the Harmony Belt, because of electromagnetism produced by it, tended thoroughly to eliminate toxic products from the entire system and that diseases which arose directly and indirectly from toxic poisoning had successfully responded to treatment with the Harmony Belts; and, that among such diseases were the following, and many others:

Asthma	Nervous disorder
Arthritis	Neuritis
Bronchitis	Paralysis
Constipation	Poor circulation
Dropsy	Prostatic gland
Eczema	Rheumatism
Gall bladder	Sciatica
Goiter	Sinus trouble
Hemorrhoids	Stomach trouble
High blood pressure	Tumors
Heart trouble	Ulcers
Insomnia	Varicose veins
Lumbago	

PAR. 8. The statements and representations mentioned and referred to in paragraph 7 hereof were each and all false statements and representations, and the respondents knew, or with the use of ordinary and reasonable care should have known that the said statements and representations made and caused to be made by them to the public were each and all false statements and representations.

The said statements and representations above mentioned and referred to, made and caused to be made by the respondents, each and all had the capacity and tendency to deceive and mislead members of the public into the belief that they were true, and in reliance upon that belief, into purchasing and using the Harmony Belts, and the said statements and representations were made and caused to be made by the respondents with the intent and purpose of deceiving, misleading, and inveigling members of the public (unfortunate victims, suffering from ailments and diseases, the causes and defects of which, in general, they knew little or nothing, and which were, in many instances, incurable or beyond assistance from medical science or skill) into purchasing Harmony Belts for the substantial sums of from \$65 to \$75 for use in self-treatment, and members of the public were deceived, misled and inveigled thereby into purchasing the same to their great loss in money, and in further consequence into neglect-

ing or delaying obtaining competent medical advice or assistance with the still further consequence that the physical ailments or diseases to which they were subject were likely, in many instances, to progress from a condition, where competent medical science or skill, or proper appliances used in physiotherapy, if timely applied, might avail to relieve or cure, to a condition where the afflicted persons were beyond human aid.

The respondents by means of the conspiracy above mentioned and the said statements and representations made and caused by them to be made in the sale of Harmony Belts caused trade in appliances used in physiotherapy to be diverted to them from competitors.

PAR. 9. The above acts and things done and caused to be done by the respondent were, and are, each and all to the prejudice of the public and of respondent's competitors and constitute unfair methods of competition in commerce within the meaning and intent 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.

REPORT, FINDINGS AS TO THE FACTS, AND ORDER

Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission, on March 10, 1937, issued and served a complaint upon the respondents named in the caption, charging that on or about August 1931, respondents were, and have since been engaged in a common, understanding, combination, and agreement, knowingly and unlawfully, to sell, and to cause certain electromagnetic appliances to be sold, to members of the public, in the United States, for use by such purchasers in self-therapeutic treatment for the purpose of the prevention, the cure, or the relief of the user of the appliance from one or more physical ailments, diseases, or pathological conditions of body, in violation of the provisions of section 5 of said act. Answer was filed by respondent Joseph C. Bradley of No. 4 St. Clair Avenue West, Toronto, Canada, on March 22, 1937, said answer being in the form of an open letter addressed to the Secretary of the Commission; Attorney H. F. Fulling of Tulsa, Okla., submitted an answer dated March 22, 1937, for respondent William M. Ireland of Tulsa, Okla., and said attorney became the attorney of record for said respondent; respondent John M. Schulz filed his answer to the complaint, March 22, 1937; respondents Freida E. Breslin and A. R. Erbe filed no answer to the complaint herein. No appearances, either by attorney or in person were made at any of the hearings, subsequently set before a trial examiner of the Commission heretofore duly ap-

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pointed, except the appearance at Buffalo, N. Y., on April 1, 1938, of respondent John M. Schulz, and the appearance of respondent Freida E. Breslin and respondent A. R. Erbe, who appeared at the hearing held at Wilkes-Barre, Pa., and who were under subpoena of the Commission.

Respondents having entered their appearance and filed their answers to said complaints, hearings were had and evidence was introduced in support of the allegations of said complaint. At the conclusion of the said hearings, on behalf of the Commission, respondents were given an opportunity to submit evidence on their behalf, but no evidence or testimony was submitted or received on behalf of any of said respondents.

Thereupon this proceeding coming on for final hearing upon the record, and brief of the attorney for the Commission, respondents having failed to file briefs herein, although an opportunity was given them therefor, and the Commission having duly considered the record, and being fully advised in the premises, makes this its findings as to the facts and its conclusion drawn therefrom.

FINDINGS AS TO THE FACTS

PARAGRAPH 1. Respondent Joseph C. Bradley is an individual residing at No. 4 St. Clair Avenue West, in the city of Toronto, Ontario, Canada; respondent John M. Schulz is an individual residing at No. 345 West Ferry Street, in the city of Buffalo, State of New York; respondent William M. Ireland is an individual residing at the Albany Hotel, in the city of Tulsa, State of Oklahoma; respondent Frieda E. Breslin is an individual residing at No. 75 South Wells Street, Wilkes-Barre, Pa., and respondent A. R. Erbe is an individual residing at No. 509 Luzerne Avenue, in the city of West Pittston, Pa.

Respondent Joseph C. Bradley is an American citizen residing at No. 4 St. Clair Avenue West, in the city of Toronto, Ontario, Canada. He is the owner and distributor of the Harmony Electro-Magnetic Health Appliance, and does business as the Harmony-Electro Manufacturers, Toronto, Canada. His method of doing business, in the sale and distribution of the "Harmony Electro-Magnetic Health Appliance" is to appoint agents, said agents in the United States being respondent-agent John M. Schulz, located and residing at 245 West Ferry Street, Buffalo, N. Y.; respondent-agent William M. Ireland, residing at the Albany Hotel, Tulsa, Okla.; respondent-agent Frieda E. Breslin, residing at 75 South Wells Street, Wilkes-Barre, Pa., and respondent-agent A. R. Erbe, residing at 509 Luzerne Avenue, West Pittston, Pa. The Harmony Electro-Magnetic Health Appliance (herein-

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after called "Harmony Belt"), respondent Joseph C. Bradley has manufactured for him, under contract, by respondent-agent John M. Schulz, in Buffalo, N. Y. These respondent-agents, appointed by respondent Joseph C. Bradley, are authorized to sell respondent's "Harmony Belt" within certain territory, and appoint subagents, with the knowledge and consent of respondent Bradley. When sales of said "Harmony Belt" are made to the purchasing public by respondent-agents or their subagents, the orders obtained by said respondent-agents or subagents are forwarded to respondent Bradley at Toronto, Canada, who in turn forwards said orders to respondent John M. Schulz, at Buffalo, N. Y., who manufactures the said "Harmony Belt," and after the same is completed forwards said "Harmony Belts" to the respondent-agent, who has forwarded the original order. The "Belts," after being manufactured by said respondent-agent Schulz, upon order from respondent Joseph C. Bradley, are transported from Buffalo, N. Y., or in some instances, from Toronto, Canada, to the agents ordering them, at their respective localities, in various States of the United States, to be by them delivered to their subagents, to be delivered in turn to the purchasers thereof and users of the "Belts."

Respondents, in the course and conduct of their business, in the sale and distribution of said "Harmony Belts," are in competition with other individuals, copartnerships, and corporations likewise engaged in the manufacture, sale, and distribution of electromagnetic appliances or devices sold for the treatment of various diseases affecting the physical body by electric current methods.

PAR. 2. There are numerous other individuals, firms, and corporations, located in various States of the United States who are and have been engaged, respectively, some of them in the business of manufacture and sale, and others in the business of the sale of various appliances and devices that are, and have been manufactured and sold to be operated with electric current, such as is supplied to residences for ordinary house service by public service corporations, and used in therapeutic treatment for the prevention of, or the relief from physical ailments, diseases, or pathological conditions of the human body.

PAR. 3. The "Harmony Electro-Magnetic Health Appliance" as manufactured and distributed by respondent Joseph C. Bradley, and the respondents named in paragraph 1 above, consists of about 350 turns of what appears to be No. 20 aluminum wire, wound continuously on a fiber form. This is covered with some sort of padding, all enclosed in an imitation leather covering. On the ends of the wire there is a control switch and upon the control switch there is a lamp

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cord and plug which is used to plug into an ordinary house outlet. Before the apparatus begins to operate, it is necessary to plug into an ordinary alternating current, an ordinary house current as supplied by the public utilities. The control switch has marked on it, "Off-On," and "High-Low." The device is approximately 50 centimeters in diameter (approximately 4 inches) and has an approximate width of 10 centimeters. When the current is turned on and the current flowing through the wires there is a magnetic field generated which is stronger inside the belt, and there is also a magnetic field in the general vicinity of the wind; the magnetic field is strongest at the edge, gradually getting to the smaller value at the center and terminating as the distance increases away from the center. Another part of the said "Harmony Electro-Magnetic Health Appliance," and to be used in connection with said "Appliance," is what is known as a "test coil." This part of respondent's appliance is also circular in form and has a bulb attached to it which is used by the person using the device to tell if the magnetism is coming from the said "Harmony Belt." This "test coil" is an indicator, to the user, as to whether or not the apparatus is in operation.

PAR. 4. Instructions for using accompany the "Harmony Belt" when sales thereof are made by respondent Bradley, and his respondent-agents and subagents. The ordinary current required to operate the "Harmony Belt" is 110 volts, 25 to 60 cycles. The instructions indicate that a person using the "Belt" should be relaxed as much as possible, in a comfortable position. The "Belt" is placed around the waist of the user for most ailments, although the "Harmony Belt" may be used on any part of the body where there is pain or discomfort. The "Harmony Belt" is generally used three times a day, upon awaking in the morning, before dinner, and before supper. Respondent-agents and subagents paid to respondent Bradley, \$6 to \$9 for each of the said "Harmony Belts" manufactured and shipped to them by the respondents, Bradley and Schulz. Respondent-agents charged their respective subagents approximately \$22 for each "Belt" sold by the said subagents to a member of the public, and the agents and subagents sold the "Belts" to the members of the public and users thereof at the price of approximately \$65 to \$75 each.

PAR. 5. On or about August 1931 Mr. A. R. Erbe joined with Mr. Joseph C. Bradley in selling the Harmony Belt in the United States. They worked together in preparing advertising matter and continuities for radio broadcasts telling the therapeutic value of the Harmony Belt. In the summer of 1933 Mr. A. R. Erbe knowing that respondent William M. Ireland had been connected with the sale of

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a Theronoid Belt, a similar device against which the Commission had issued an order to cease and desist on April 8, 1933,¹ brought Mr. Joseph C. Bradley and Mr. William M. Ireland together, by correspondence with them, and as a result Mr. William M. Ireland joined Mr. Joseph C. Bradley and Mr. A. R. Erbe in selling the Harmony Belt in the United States, all working together, using advertising prepared by their joint efforts in promoting the sale of the Harmony Belt. Joseph C. Bradley contracted with respondent John M. Schultz to manufacture the Harmony Belt in Buffalo, N. Y. John M. Schultz, who was also familiar with the Theronoid Belt, joined Joseph C. Bradley, A. R. Erbe, and William M. Ireland in promoting the sale of the Harmony Belt in the United States, making and shipping the belts from Buffalo, N. Y., to A. R. Erbe in Pennsylvania and William M. Ireland in Oklahoma. A. R. Erbe interested respondent Frieda E. Breslin in the venture and she operated under a separate contract with A. R. Erbe for a period, but she later became directly associated with Joseph C. Bradley and John M. Schultz in promoting the sale of and selling the Harmony Belt in the United States. Frieda E. Breslin cooperated with the other respondents herein in preparing advertising and continuities for broadcasting used jointly by all of the respondents in the promotion of the sale and sale of the Harmony Belt in the different States of the United States. The association of these respondents as above set forth continued until about the time the complaint in this case was served on them, at which time A. R. Erbe and William M. Ireland ceased their operations, but Joseph C. Bradley, Frieda E. Breslin, and John M. Schultz continued their business relations as above set forth until about the time the hearings were conducted in this case. By reason of these facts the Commission finds that the respondents, Joseph C. Bradley, John M. Schultz, William M. Ireland, Frieda E. Breslin, and A. R. Erbe, are and have been engaged in a common understanding, combination, and agreement, and in furtherance thereof, the respondents solicited and caused their subagents to solicit the sale of the said Harmony Belts to members of the public in several States of the United States by means of radio broadcasts, advertisements in magazines having a general circulation in the various States, in newspapers and letters, and by means of circulars, booklets, and other printed matter, in which the respondents caused statements and representations to be made to the public concerning the use, and the effect of the use, of the Harmony Belts, and among such statements and representations are the following:

¹ 17 F. T. C. 298.

"Electro Magnetism—FREE OFFER!"—"Prove Our Statements."

FOR YOUR INFORMATION

The Harmony Electro Magnetic Health Appliance is the easiest, most effective, safest, tested, tried and proven therapeutic agent, that has ever been introduced to the public.

* * * * *

Electro Magnetism thoroughly relaxes, strengthens vitality, assists oxidation, increases circulation, aids metabolism, stimulates the nerves, builds up the body, repelling the blood, thus stimulating circulation, dissolving the poisons, placing them in a position to be removed. Thus removing the cause of disease, the body is permitted to rebuild itself.

* * * * *

The action of Electro Magnetism on the blood, is that the blood resists magnetism. It is diamagnetic. This resistance produces friction. Friction produces electricity in the tissues by electrolysis. Oxygen and hydrogen are set free. Oxygen set free increases oxidation, hydrogen set free unites with chlorin, fluorin and sulphur. This is used by the body chemistry to dissolve calcium, oxylate poisonous crystals in the blood, preparing them for elimination.

* * * * *

The Harmony Electro Magnetic Health Appliance is operated by electricity, creating an intensified magnetic field and is placed around the patient, over the regular clothing. Thus the patient is in a magnetic field.

* * * * *

An over amount of waste matter in the system, causes acidosis and toxicosis, in the healthy part of the body, causing diseases which are given many Latin names, congestion, inflammation, lowered resistance, low vitality, pathological tissues, germ action, atrophy, pus, neuritis, rheumatism, high blood pressure, kidney and bladder trouble and all disorders resulting from poor metabolism and lowered function.

* * * * *

These troubles respond quickly and are overcome when Electro Magnetism is used, putting new life into the body. Electro Magnetism equalizes and builds up the circulation.

* * * * *

The use of Electro Magnetism has shown wonderful results in ailments such as rheumatism, stiff joints, arthritis, lumbago, neuritis, headaches, sore eyes, high blood pressure, paralysis, strokes, eczema, phlebitis, catarrh, anaemic condition, hay fever, asthma, bronchitis, indigestion, constipation, ulcers, acidosis, old age troubles, kidney and bladder trouble, and many other ailments too numerous to mention here.

In a folder entitled "Instructions," and which folder is furnished to all purchasers of respondent's "Harmony Belt" by respondent Joseph C. Bradley, and his associate respondent-agents and subagents, appears the following:

Important regarding results.

Some cases respond with the first treatment, and others do not respond for months. This depends on the condition of the ailments. We have had different

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cases of heart troubles, arthritis, neuritis, varicose veins, pains in the body, which have responded promptly to the use of Harmony. The poisons begin to be carried away through their natural channels. If immediate results are not obtained the person using Harmony should not be discouraged. Others have been built up, and the use of Electro Magnetism cannot help but give strength and new energy, and be beneficial. Regularity, intelligence, and persistence must always be used.

PAR. 6. The United States Bureau of Standards, in October 1937, made an examination of respondent's "Harmony Belt," to determine its structural features and its electrical and magnetic characteristics. It appears from said report that when the appliance was connected through suitable measuring instruments to a 110-volt, 60-cycle source of alternating current, the following values of current and power were observed:

	Switch position		
	High	Low	High—Low
A. C. volts applied.....	110	110	110
Current in amperes.....	0.84	0.74	0.70
Power in watts.....	47	32	53
Impedance in ohms.....	172	149	157
Reactance in ohms.....	128	115	114
Effective A. C. resistance in ohms.....	115	95	108
D. C. resistance in ohms.....	90.0	83.3	83.1

The Bureau of Standards report shows that the heat produced by the coil under normal conditions of operation is approximately equal to that produced by an ordinary 50-watt lamp. The report further shows that the apparatus is essentially a low-frequency coreless solenoid constructed of nonmagnetic materials and producing a magnetic field of the same frequency as that of the circuit to which it is attached. The report further shows that the values of the field strengths in oersteds are given in the following table:

Switch position	Field strength	
	Center	Edge
High.....	11.5	28.1
Low.....	12.2	30.1
Low—High.....	11.6	28.5

An oersted is defined as a unit of magnetic force, and may be conceived as the same thing as a gauss. One oersted is the same as one gauss, the term "gauss," in electrical parlance is described as being a unit which is one line of force per square centimeter. It appears that the word "gauss," and the word "oersted" (used in the tabulation above) are now considered by scientists to be used interchangeably.

PAR. 7. The Commission finds that the use of respondent's "Harmony Belt" would heat the surface of the body of a user if kept on long enough; that heating can, and does have no effect on the diseases mentioned in respondent's advertising except possibly a slight alleviation, temporary alleviation of pain in the case of sciatica or lumbago; that it will have no effect on skin diseases, ulcers, tumors, stomach trouble, or rheumatism; that the effect on a user of respondent's "Harmony Belt" would be similar to the use of a hot-water bottle, simply heating the surface of a tender area and furnishing only temporary relief; that it is well known to the medical profession that alternating currents passing through a conductor set up a magnetic field surrounding these conductors, and such magnetic fields have been tested for the action on living human beings, and upon the tissues of living humans, and have been found to have no effect whatsoever; that it still is an open question, among the medical profession whether magnetic fields of tremendous intensity have any effect, either curative or noncurative; that a device that generates 12.2 oersteds would have no effect upon a person's health; that these lower magnetic fields have been tested so abundantly through the years, and have been found to be without effect in the treatment of diseases.

The Commission finds further, in reference to respondent's claim that the "Harmony Belt" is helpful in cases of anemia, heart trouble, and a run-down condition, that it is a serious thing to mislead the sick and thus delay real diagnosis and possible aid; that the medical profession now has many reliefs for anemia and heart troubles, and run-down condition, and that said troubles may be due to a great many causes, many of them dietary; that in reference to respondent's claim that poisons can be carried away through natural channels by and because of the use of the "Harmony Belt"; that respondent's "Harmony Belt" would not be effective in the removal of poisons from the body of human beings; that poisons in the body are carried away by the kidneys, by the bowels, and to much minor degree by the lungs and by the skin, and that respondent's device could have no effect upon these organs that do eliminate poisons from the human being; that one of the important organs for removing poisons in the body, poisons that are in the blood, is the liver, which changes them, destroys them, and that respondent's device could have no effect on this removal whatsoever; that the only truth in respondent's claims for its "Harmony Belt" is that some relief to a sufferer would be caused by heating the surface of the body, or a sore joint or a sore muscle, and that by the use of respondent's device, temporary alleviation of pain in such cases may be obtained, very much in the same manner as by the use of a hot-water bottle.

Order

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PAR. 8. The Commission further finds that the statements and representations made and caused to be made by the respondents, each and all had the capacity and tendency to deceive and mislead members of the public into the belief that said statements and representations were true, and in reliance upon that belief, into purchasing and using respondent's "Harmony Belt," and the said statements and representations were made, and caused to be made by respondents with the intent and purpose of deceiving, misleading, and injuring members of the public, and to induce the purchase by the public of respondent's "Harmony Belt" for the substantial sums of \$65 to \$75 for use in self-treatment, and members of the public were deceived, misled, and inveigled thereby into purchasing the same, to their great loss in money, and in further consequence, into neglecting or delaying obtaining competent medical advice, with the consequence that the physical ailments or diseases to which said purchasers were subject were likely, in many instances to progress from a condition, where, if competent medical science or skill, or proper appliances in psychotherapy were used, and timely applied, might avail to relieve or cure, to a condition where the afflicted persons were beyond human aid. The respondents, by means of the conspiracies above mentioned, and the said statements and representations set forth above, made and caused by them to be made, in the sale of "Harmony Belts," caused trade in appliances used in psychotherapy to be diverted to them from competitors.

CONCLUSION

The above acts and things done and caused to be done by the respondents, were, and are, each and all to the prejudice of the public, and of respondents' competitors, and constitute unfair methods of competition in commerce within the meaning and intent 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

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission, the answer of the respondents, testimony and other evidence taken before William W. Sheppard, an examiner of the Commission theretofore duly designated by it, in support of the allegations of said complaint, and in opposition thereto, brief filed herein by Clark Nichols, counsel for the Commission, and the Commission having made its findings as

to the facts and its conclusion that said respondents have violated the provisions of the Federal Trade Commission Act.

It is ordered, That the respondents, Joseph C. Bradley, John M. Schulz, William M. Ireland, Frieda E. Breslin, and A. R. Erbe, acting jointly under a common understanding, combination, and agreement, or acting separately as individuals, and their representatives, agents, and employees, directly or through any corporate or other device, in connection with the manufacture, offering for sale, sale, and distribution of an electromagnetic belt, known as the "Harmony Electro Magnetic Health Appliance," whether sold under that name or any other name, in interstate commerce or in the District of Columbia, do forthwith cease and desist from representing:

1. That the Harmony Electro Magnetic Health Appliance is an effective, safe, tested, tried, and proven therapeutic agent.

2. That electromagnetism thoroughly relaxes, strengthens vitality, assists oxidation, increases or builds up circulation, aids metabolism, stimulates the nerves, builds up the body, repels the blood, stimulates circulation, dissolves poisons in the system, sets oxygen and hydrogen free.

3. That the use of said electromagnetic belt will remove acidosis or toxicosis from the system, or in any manner aid metabolism in the body, or will put new life in the body.

4. That the use of said electromagnetic belt, identical with or similar to the Harmony Electro Magnetic Health Appliance, has any therapeutic value in treating rheumatism, stiff joints, arthritis, lumbago, neuritis, headaches, sore eyes, high blood pressure, paralysis, strokes, eczema, phlebitis, catarrh, anemic condition, high fever, asthma, bronchitis, indigestion, constipation, ulcers, acidosis, old-age troubles, kidney and bladder trouble, or any other ailment of the human body.

5. That the magnetic field created by the operation of an electromagnetic belt has any effect whatever on the iron in the blood of the human body.

6. That the use of an electromagnetic belt identical with or similar to the "Harmony Belt" is any aid whatever in removing poisons from the body, by assisting the kidneys and bowels in performing their normal functions.

It is further ordered, That the respondents shall, within 60 days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with this order.

IN THE MATTER OF
PHILIP MORRIS & CO., LTD., INC.

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

Docket 3398. Complaint, May 4, 1938—Decision, Jan. 31, 1939

Where a corporation engaged in manufacture of cigarettes, and in sale and distribution thereof to dealers in the various States and in the District of Columbia, and in selling certain assortments thereof which were so packed and assembled as to involve use of lottery scheme when sold and distributed to consumers thereof, and which (1) were composed of number of packages of cigarettes and number of tins thereof, together with 12-section punchboard, for sale under a plan, and in accordance with said board's explanatory legend, pursuant to which (a) purchaser received for penny paid two tins, or one tin, or package of cigarettes, or nothing other than privilege of punch, in accordance with success or failure in securing one of numbers thus announced, and (b) purchaser of last punch in each of board's sections received package, or which (2) involved plans or methods varying in detail from that described aforesaid, but of principle of which plan or method above described was illustrative, and under which it furnished various punchboards and push cards with its various assortments for use in sale and distribution of its said product—

Sold to dealers, for distribution and resale to purchasing public by retailer-dealer purchasers thereof in accordance with such plan, said assortments, and thereby supplied to and placed in the hands of others means of conducting lotteries in the sale of its said product in accordance with sales plan above set forth, contrary to public policy as long recognized in the common law and criminal statutes, and to an established public policy of the United States Government, and in competition with many who are unwilling to offer or sell cigarettes so packed and assembled as above described, or otherwise arranged and packed for sale to purchasing public so as to involve game of chance or any other method of sale contrary to public policy, and refrain therefrom;

With tendency and capacity to induce purchasers of cigarettes to buy its said product in preference to those and tobaccos offered and sold by its competitors, and with result that many dealers in and ultimate purchasers of cigarettes were attracted by its said method and manner of packing same and by element of chance involved in sale thereof as above described, and were thereby induced to purchase substantial quantities of such cigarettes thus packed and sold by it, in preference to those offered and sold by said competitors who do not use same or equivalent methods, and with tendency and capacity, because of said game of chance, unfairly to divert to it trade and custom from its competitors aforesaid, to exclude from said cigarette trade all competitors who are unwilling to and do not use such or equivalent methods as unlawful, to lessen competition in said trade and create a monopoly thereof in it and in such other distributors of cigarettes as do use same or equivalent methods, to deprive purchasing