

IN THE MATTER OF
INSTRUCTION SERVICE, INC., AND CHARLES J. OZMENT
TRADING AS INSTRUCTION SERVICE AND PERFECT
PENMANSHIP INSTITUTE

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

Docket 3628. Complaint, Oct. 8, 1938—Decision, Feb. 24, 1939

Where a corporation, and an individual who was president thereof and managed, controlled, and directed its policies and operations, engaged in sale and distribution of courses of study and instruction to prepare students for examinations for various civil service positions with the United States Government, and as thus engaged, in sending their courses of instruction, pamphlets, study, and question sheets, and other printed matter, written material, and equipment to purchasers in various other States and in the District of Columbia, in substantial competition with others engaged in similar sale and distribution of similar correspondence courses of study and instruction, and including many who do not in any manner misrepresent their courses of instruction and do not make any false representations in connection with sale or distribution thereof; in advertising their courses in newspapers, magazines, and other publications circulating among the various States and in said District, and in pamphlets, circulars and other printed matter circulated to members of the purchasing public as aforesaid—

- (a) Represented that men and women were constantly needed for Government positions, and that such positions were immediately available, and that anyone with only a common school education might obtain well-paying Government position, and that large numbers of prison guards, watchmen, and men for similar Government positions were needed, with no special qualifications necessary and that railway mail clerks were allowed to travel and receive allowances for expenses immediately upon appointment and were paid while off duty, facts being that men and women are not thus constantly needed, nor are such positions immediately available, many positions, in addition to high school education, require special training and experience, and there are relatively few positions available at salaries stated by them to those having only common school education, actual probable earnings available to those who may succeed in being employed after having successfully taken examination, were in many instances less than amount stated by them or available only after many years of service, no examinations were contemplated within reasonable time for prison guards, watchmen, and similar positions, in which, in addition to exacting qualifications, war veterans were given preference, and railway mail clerks were not sent out to travel immediately after being employed, but were required to serve long period of time at terminals or other stations before being allowed to travel, at least 50 percent of them received no expense allowances by reason of such circumstances or employment on short runs, and such clerks did not receive compensation when not working and were required to average 8 hours work a day for 306 days a year;

- (b) Represented that civil service examinations were held frequently or almost every week throughout the United States, and that thousands of civil service positions would be available to applicants, and that appointments were made within a few days after taking examination and that applicant's grade alone determined time of appointment, facts being majority of appointments, as thus referred to, were made from civil service registers containing names of eligible persons who had theretofore taken examinations, but many of whom had been on the register for a long period, and other vacancies were filled by transfers or promotions, and, while examinations were held throughout the United States, large number thereof were open only to residents of certain cities, districts, or States, and many others required special physical qualifications and mental training, appointments were generally made no earlier than 3 months after taking of examination, and often much later, and conditions other than grade of applicant determined time of appointment;
- (c) Represented that said individual was connected with the Civil Service Commission or was or had been recently employed by the Government, through such statements, on their letterheads used in connection with sale and distribution of their said courses of study and instruction, and in connection with name of said individual, as "Civil Service Expert," "In Postal Service 5 Years. U. S. Civil Service Office About 3 Years Giving Instructions for U. S. Gov't Examinations for 29 Years," and that said individual, thus referred to and characterized, was in charge of instruction service, facts being said individual had not been for many years employed in any capacity whatsoever by the Government, and had no connection whatever with said Commission;

With capacity and tendency to cause members of the purchasing public to have the erroneous and mistaken belief that they were in a position to give employment to persons answering their advertisements, and that thousands of Government positions requiring only a common school education were immediately available at high salaries; and

- (d) Furnished to applicants and prospective students so-called gift certificates which recited, in effect, that if such applicant or prospective student would subscribe to said courses of study within date stated on such certificate, course of penmanship would be furnished free of charge, facts being said course, conducted by said individual, did not constitute special offer or gift, but was continually and regularly offered to all applicants and prospective students and price thereof was included in that of the respective course or courses of study selected by such applicant or student;

With effect of misleading and deceiving substantial portion of purchasing public, through such false, misleading, and deceptive statements, representations and advertisements used, and disseminated as aforesaid, into the erroneous and mistaken belief that such statements, etc., were true, and of causing substantial portion of purchasing public, because of such erroneous and mistaken belief, to buy their said courses of study and instruction, and of thereby diverting trade unfairly to them from their competitors in commerce who truthfully advertise and represent their respective courses of study and instruction; to the injury of competition in commerce:

Held, That such acts and practices were all to the prejudice and injury of the public and competitors and constituted unfair methods of competition and unfair and deceptive acts and practices in commerce.

Mr. William L. Pencke for the Commission.

Complaint

28 F. T. C.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and by virtue of the authority vested in it by said act, the Federal Trade Commission, having reason to believe that Instruction Service, Inc., a corporation, and Charles J. Ozment, individually, and trading as Instruction Service and Perfect Penmanship Institute, hereinafter referred to as respondents, have violated the provisions of 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 Instruction Service, Inc. is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Missouri.

Respondent Charles J. Ozment is president of said corporation, managing, controlling, and directing its policies and operations. He also does business under the firm names and styles of Instruction Service and Perfect Penmanship Institute. The office and principal place of business of said respondents is in the Arcade Building, city of St. Louis and State of Missouri. Prior to the incorporation of said Instruction Service, Inc., in January 1937, respondent Charles J. Ozment for many years operated the business hereinafter described individually under the firm name and style of Ozment's Instruction Bureau.

PAR. 2. Said respondents are now, and since on or about January 1, 1937, have been, engaged in the sale and distribution of courses of study and instruction to prepare students thereof for examinations for various civil service positions under the United States Government. Respondent Charles J. Ozment is now, and for many years last past has been, engaged in the sale and distribution of a course of instruction in penmanship. All of said courses are pursued by correspondence. Respondents, in the course and conduct of their business, cause said courses of instruction and the pamphlets, study and question sheets, and other printed matter and writing material and equipment to be transported from their said place of business in St. Louis, Mo., to, into and through States of the United States other than Missouri to the various purchasers thereof located in such other States and in the District of Columbia.

PAR 3. There is now, and has been at all times herein mentioned, a course of trade in said several courses of study and instruction so sold and distributed by said respondents in commerce between and among the various States of the United States and in the District of Columbia.

PAR. 4. In the course and conduct of their business as aforesaid, respondents are now, and during all of the time mentioned herein have been, in substantial competition with other corporation and with individuals, partnerships, and firms engaged in the sale and distribution of similar correspondence courses of study and instruction in commerce between and among the various States of the United States and in the District of Columbia.

PAR. 5. In the course and conduct of their said business and for the purpose of inducing the purchase of their said courses, respondents, by means of newspaper and magazine advertisements, pamphlets, circulars, and other printed matter circulated among the general public throughout the United States, make many representations concerning their said business and their said courses of study and instruction. Among and typical of said representations, so circulated, are the following:

Increase Your Income. Wanted Immediately—Men, women, age 18–50 qualify for government positions, start \$105–\$175 month. Thousands appointed yearly. Common education sufficient. Valuable information free. Write Instruction Service, 140–B, St. Louis, Mo., today.

It is rumored that sometime in the near future a large number of Government Positions, which are not under the classified civil service, will be classified and placed in the regular civil service and made subject to competitive civil service examinations, bringing thousands of additional positions into the classified service.

Government Watchmen and U. S. Prison Guard. Watchmen are employed in practically all Government Buildings throughout the United States and a large number are needed.

RAILWAY MAIL CLERK. * * * It is a very attractive position, regular entrance salary per month \$158, maximum is \$2450 per year, and hotel expense allowance when away from home more than ten hours. Entrance pay at rate of \$1850 yearly for time employed. On duty a few hours per day, then go to your hotel and catch your train the next day—employed four, or perhaps six days, then off duty a few days. The subjects of examination include Mail tests, i. e., sorting, routing and following instructions, and General Tests. Appointment may be made to Terminal Service to start. Those desiring stationary employment may get this. * * *

* * * it appears very clear to me that within a very reasonable time there will be almost A MILLION CIVIL SERVICE POSITIONS, and the annual turnover or number of vacancies per year should be very large. Not only this, but it is my firm belief that as general business grows better and amount of Federal revenues increase, that working hours will be shortened in Government Positions, working conditions improved, vacations lengthened, and SALARIES INCREASED BEYOND THE FONDEST DREAMS OF THOSE NOW HOLDING GOVERNMENT POSITIONS.

During 1930, '31, '32, and '33, thousands of Government vacancies occurred, and, on account of the depression, a large number of these vacancies have not been filled. Now as general business returns back toward normal, it stands to reason that many of these old vacancies will have to be filled.

Complaint

28 F. T. C.

Question. How soon after passing examination will I get my position? Ans. It depends upon your grade. Some are often appointed within a few days, while those who make low grades wait longer. Take our course and make a high grade.

Question. When will examination be held? Ans. Examinations of various kinds are being held at different places almost every week. When new eligibles are needed, examinations are called, and you should be ready for them.

On respondents' letterheads, used in connection with the sale and distribution of said courses of study and instruction, appears the following:

C. J. Ozment
Civil Service Expert

In Postal Service
5 Years
U. S. Civil Service Office
About 3 Years Giving
Instructions for U. S.
Gov't Examinations for
29 Years

INSTRUCTION SERVICE

C. J. OZMENT—In Charge
Arcade Building,
St. Louis, Mo.

PAR. 6. The aforesaid statements and representations appearing in respondents' newspaper and magazine advertising, and in circulars, pamphlets, and correspondence with subscribers and prospective subscribers to their said courses of instruction are false, misleading, deceptive, and grossly exaggerated in that:

Men and women are not constantly needed for Government positions immediately available. There are many positions which, in addition to high school education, require special training and experience, and there are relatively few positions available at the salaries stated in respondents' literature to persons who have only a common school education. Railway mail clerks are not sent out to travel immediately after being employed, but have to serve a long period of time at terminals or other stations before being allowed to travel. They do not receive expense allowances as represented by respondents, nor do they receive compensation when they are not working. There are no examinations being contemplated within any reasonable time for prison guards, watchmen, and similar positions, and in addition to exacting qualifications, war veterans are given preference for such positions. While there may be thousands of appointments every year the majority of them are made from civil service registers containing the names of eligible persons who have theretofore taken the examinations and many of whom have been on the register for a long time. Other vacancies are filled by transfers or promotions. While it is true

that examinations are being held throughout the United States, respondents fail to state that a large number of such examinations are open only to residents of certain cities, districts, or States, and that many others require special physical qualifications and mental training. Respondent Ozment is not now, and has not been for many years, employed in any capacity whatsoever by the United States Government and has no connection whatever with the Civil Service Commission. Said alleged free offer of a course in penmanship is a regular offer made to all applicants and prospective students of respondents, and said course is not free, but the price thereof is in fact included in the cost of the respective course of study for a civil service position for which the applicant or prospective student may subscribe.

PAR. 7. In truth and in fact, all of said representations are either false, misleading, or grossly exaggerated and not warranted by the facts for the following reasons:

(a) While thousands of persons may be appointed to Government positions yearly, they are in nearly all instances taken from the current register and are not appointed immediately after having taken examinations; the statement that men and women are wanted immediately to qualify for Government positions leads applicants into the erroneous belief that positions are available and that they may be employed immediately after having taken an examination. The actual or probable earnings available to those who may succeed in being employed by the Government after having successfully taken the civil service examination are, in many instances, less than the amounts stated by respondents, or are available only after many years of service with the Government.

(b) While a large number of Government positions may be classified and placed in the regular civil service in the near future and thus bring thousands of additional positions into the classified service, the employees now holding such positions would be blanketed into the civil service, with the result that there will not be thousands of additional positions.

(c) Examinations for guards were held in 1932 and the last examination for junior custodial officers was given in 1928. It has not been determined when another examination for guards or watchmen will be held. Moreover, the physical and mental qualifications for prison guards are very rigid and, as a general rule, war veterans are preferred for such positions. Respondents, in many instances, accept subscribers or students to their said courses of training without investigating whether such subscribers or students are fitted physically, mentally, or otherwise for appointment to certain of the positions for which they are being trained.

(d) Railway mail clerks are required to serve 4 or 5 years in a terminal station before being allowed to travel and no allowances for meals or hotels are granted during that time; at least 50 percent of all railway mail clerks receive no expense allowances for the reason that they are employed on short runs or at terminals. Railway mail clerks are required to average 8 hours work a day for 306 days a year and at least a third of the entire force of said clerks are employed at terminals or in offices for 8 hours a day with no periods of time off.

(e) The representation that "within a very reasonable time there will be almost a million civil service positions" when read in conjunction with other representations is calculated to convey the impression to the minds of ignorant persons and those eager for employment that there are many vacancies to be filled. While there may be improvements from time to time, it is not likely that vacations will be lengthened and salaries increased beyond the fondest dreams of Government employees.

(f) Although many vacancies may have occurred in classified civil service during the depression years because of a general policy of all Government agencies to economize, a substantial number of such vacancies have been filled; and the implication that a large number of vacancies have to be filled now, is not justified by the facts.

(g) The phraseology implies that appointments to positions are always made within a few days or soon thereafter and that the applicant's grade alone determines the time of appointment, when in fact appointments are generally made no earlier than 3 months after the taking of the examinations and often much later; and conditions other than the grade of the applicant determine the time of appointment.

(h) While large numbers of local examinations are held in various sections of the country, many of said examinations are not of a general nature but are confined only to residents of certain cities, districts, or States.

(i) The statement as to respondent Ozment's former employment with the Government together with the representation that he is "giving instructions for U. S. Gov't Examinations for 29 Years" and is a civil service expert, creates the impression and implies that said respondent is at present employed in some capacity by the United States Civil Service Commission.

(j) The many misstatements of fact, half truths, and exaggerations which appear throughout the pamphlets, circulars, letters, and other advertising matter of respondents all combine to create in the minds of the ignorant and unwary the impression that respondents are in a position to give employment to persons answering their advertise-

ments; and that thousands of Government positions requiring only a common school education are immediately available at high salaries.

PAR. 8. In the course and conduct of their business as aforesaid, respondents, as an inducement to subscribe to said courses of study, furnish to applicants and prospective students so-called gift certificates, which recite in effect that if such applicant or prospective student will subscribe to said courses of study within the date stated on said certificate a course of penmanship valued at five dollars will be furnished free of charge to said applicant or prospective student. In truth and in fact, said offer is false and misleading in that said course of penmanship does not constitute a special offer nor a gift, but is continuously and regularly offered to all applicants and prospective students and the price of said course is in fact included in the price of the respective course or courses of study selected by the applicant or prospective student.

PAR. 9. The statements and representations so made by respondents in the manner and by the means hereinabove alleged, have the tendency and capacity to, and do, mislead and deceive purchasers and prospective purchasers of said courses of study and training into the erroneous and mistaken belief that such representations are true, and to induce them to act on such belief and to purchase and pay for respondents' courses of study and instruction. Thereby trade is diverted unfairly to respondents from respondents' competitors in commerce among and between the various States of the United States and in the District of Columbia.

PAR. 10. Among the competitors of the respondents described in paragraph 4 hereof are many who do not in any manner use misrepresentations in connection with the sale and distribution of their said correspondence courses of instruction.

PAR. 11. The above alleged acts and practices of respondents are all to the prejudice of the public and of respondents' competitors, and constitute unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

REPORT, FINDINGS AS TO THE FACTS, AND ORDER

Pursuant to the provisions of the Federal Trade Commission Act, the Federal Trade Commission, on the 8th day of October 1938, issued, and on the 12th day of October 1938, served, its complaint in this proceeding upon respondents, Instruction Service, Inc., a corporation, and Charles J. Ozment, individually and trading as Instruction Service and Perfect Penmanship Institute, charging them with

Findings

28 F. T. C.

the use of unfair methods of competition and unfair and deceptive acts and practices in commerce in violation of the provisions of said act. After the issuance of said complaint and the filing of respondents' answer, the Commission, by order entered herein, granted respondents' motion for permission to withdraw said answer and to substitute therefor answer admitting all the material allegations of fact set forth in said complaint and waiving all intervening procedure and further hearing as to said facts, which substitute answer was duly filed in the office of the Commission. Thereafter, this proceeding regularly came on for final hearing before the Commission on the said complaint and the substitute answer, and the Commission, having duly considered the matter and being now fully advised in the premises, finds that this proceeding is in the interest of the public and makes this its findings as to the facts and its conclusion drawn therefrom.

FINDINGS AS TO THE FACTS

PARAGRAPH 1. Respondent, Instruction Service, Inc., is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Missouri.

Respondent, Charles J. Ozment, is the president of said corporation and manages, controls, and directs the policies and operations of said corporation with respect to the acts and practices hereinafter set forth. Respondent Ozment also does business under the names and styles of Instruction Service and Perfect Penmanship Institute.

The office and principal place of business of said respondents is in the Arcade Building, city of St. Louis, State of Missouri. Prior to the incorporation in January 1937 of said respondent Instruction Service, Inc., respondent Ozment for many years operated the business hereinafter described, individually, under the firm name and style of Ozment's Instruction Bureau.

PAR. 2. The respondents are now, and since on or about January 1, 1937, have been, engaged in the sale and distribution of courses of study and instruction to prepare students thereof for examinations for various civil service positions in the United States Government. Respondent Ozment is now, and for many years last past has been, engaged in the sale and distribution of a course of instruction in penmanship. All of said courses are pursued by correspondence. In the course and conduct of their business, as aforesaid, the respondents cause said courses of instruction and the pamphlets, study and question sheets and other printed matter, writing material, and equipment, when sold by them, to be transported from their aforesaid place of business in the State of Missouri to the purchasers thereof at their

respective points of location in various States of the United States other than the State of Missouri and in the District of Columbia. Respondents maintain, and at all times mentioned herein have maintained, a course of trade in commerce in said courses of study and instruction among and between the various States of the United States and in the District of Columbia.

PAR. 3. In the course and conduct of their business, as aforesaid, the respondents are now, and during all the times mentioned herein have been, in substantial competition in commerce among and between the various States of the United States and in the District of Columbia with other corporations and individuals and with partnerships and firms engaged in the sale and distribution of similar correspondence courses of study and instruction. Among such competitors in said commerce are many who do not in any manner misrepresent their correspondence courses of study and instruction and who do not make any false representations in connection with the sale and distribution of their respective correspondence courses of study and instruction.

PAR. 4. In the course and conduct of their business as aforesaid, and for the purpose of inducing the purchase of their said courses, the respondents have caused statements and representations to be published in newspapers, magazines, and other publications having a circulation among and between the various States of the United States and in the District of Columbia, and in pamphlets, circulars and other printed matter circulated to members of the purchasing public situated in various States of the United States and in the District of Columbia. Among and typical of the statements and representations so used and disseminated as aforesaid are the following:

Increase Your Income. Wanted Immediately—Men, women, age 18-50 qualify for government positions, start \$105-\$175 month. Thousands appointed yearly. Common education sufficient. Valuable information free. Write Instruction Service, 140-B, St. Louis, Mo., today.

It is rumored that sometime in the near future a large number of Government Positions, which are not under the classified Civil Service, will be classified and placed in the regular Civil Service and made subject to competitive Civil Service examinations—bringing thousands of additional positions into the classified service.

Government Watchmen and U. S. Prison Guard. Watchmen are employed in practically all Government Buildings throughout the United States and a large number are needed.

RAILWAY MAIL CLERK. * * * It is a very attractive position, regular entrance salary per month \$158, maximum is \$2450 per year, and hotel expense allowance when away from home more than ten hours. Entrance pay at rate of \$1850 yearly for time employed. On duty a few hours per day, then go to your hotel and catch your train the next day—employed four, or perhaps six

Findings

28 F. T. C.

days, then off duty a few days. The subjects of examination include Mail Tests, i. e., sorting, routing and following instructions, and General Tests. Appointment may be made to Terminal Service to start. Those desiring stationary employment may get this. * * *

* * * It appears very clear to me that within a very reasonable time there will be almost A MILLION CIVIL SERVICE POSITIONS, and the annual turnover or number of vacancies per year should be very large. Not only this, but it is my firm belief that as general business grows better and amount of Federal revenues increase, that working hours will be shortened in Government Positions, working conditions improved, vacations lengthened, and SALARIES INCREASED BEYOND THE FONDEST DREAMS OF THOSE NOW HOLDING GOVERNMENT POSITIONS.

During 1930, '31, '32, and '33, thousands of Government vacancies occurred, and, on account of the depression, a large number of these vacancies have not been filled. Now as general business returns back toward normal, it stands to reason that many of these old vacancies will have to be filled.

Question. How soon after passing examinations will I get my position?
Ans. It depends upon your grade. Some are often appointed within a few days, while those who make low grades wait longer. Take our course and make a high grade.

Question. When will examination be held? Ans. Examinations of various kinds are being held at different places almost every week. When new eligibles are needed, examinations are called, and you should be ready for them.

On respondents' letterheads, used in connection with the sale and distribution of said courses of study and instructions, appears the following:

C. J. Ozment
Civil Service Expert

In Postal Service
5 Years
U. S. Civil Service Office
About 3 Years Giving In-
structions for U. S. Gov't
Examinations for 29 Years

INSTRUCTION SERVICE

C. J. Ozment . . . In Charge
Arcade Building,
St. Louis, Mo.

PAR. 5. The aforesaid statements and representations, used and disseminated by the respondents as aforesaid, are false, misleading, deceptive, and grossly exaggerated.

In truth and in fact, men and women are not constantly needed for Government positions, and such positions are not immediately available. There are many positions which, in addition to high school education, require special training and experience, and there are relatively few positions available at the salaries stated in respondents' literature to persons who have only a common school education. The actual probable earnings available to those who may succeed in be-

ing employed by the Government after having successfully taken the civil service examination are in many instances less than the amounts stated by respondents or are available only after many years of service with the Government. Railway mail clerks are not sent out to travel immediately after being employed, but are required to serve a long period of time at terminals or other stations before being allowed to travel. At least 50 percent of such clerks receive no expense allowances for the reason that they are employed on short runs or at terminals. Such clerks do not receive compensation when they are not working and they are required to average eight hours work a day for 306 days a year.

There are no examinations being contemplated within a reasonable time for prison guards, watchmen, and similar positions and, in addition to exacting qualifications, war veterans are given preference for such positions. There may be thousands of appointments each year in the civil service, but the majority of such appointments are made from civil service registers containing the names of eligible persons who have theretofore taken the examinations, and many of whom have been on the register for a long period of time. Other vacancies are filled by transfers or promotions. Examinations for the civil service are being held throughout the United States, but respondents fail to state that a large number of such examinations are open only to residents of certain cities, districts, or States, and that many other of such examinations require special physical qualifications and mental training.

The respondents represent, in the advertisements disseminated as aforesaid, that appointments to positions in the civil service are always made within a few days after the taking of the examination by the applicant or soon thereafter, and that the applicant's grade alone determines the time of appointment. In truth and in fact, appointments are generally made no earlier than 3 months after the taking of examinations and often much later, and conditions other than the grade of the applicant determine the time of the appointment.

The statement used and disseminated by the respondents as aforesaid relative to respondent Ozment's former employment by the Government, together with the representation that he has been "giving instructions for U. S. Gov't. Examinations for 29 years" and is a civil service expert, has the tendency and capacity to cause members of the purchasing public to have the erroneous and mistaken belief that said respondent is at present employed in some capacity by the United States Civil Service Commission. In truth and in fact, respondent Ozment is not now and has not been for many years em-

ployed in any capacity whatsoever by the United States Government and has no connection whatever with the Civil Service Commission.

The statements and representations, disseminated by the respondents as aforesaid, have the capacity and tendency to cause members of the purchasing public to have the erroneous and mistaken belief that respondents are in a position to give employment to persons answering their advertisements and that thousands of Government positions requiring only a common school education are immediately available at high salaries.

PAR. 6. In the course and conduct of their business, as aforesaid, respondents, as an inducement to subscribe to said courses of study, furnish to applicants and prospective students so-called gift certificates, which recite in effect that if such applicant or prospective student will subscribe to said courses of study within the date stated on said certificate a course of penmanship valued at five dollars will be furnished free of charge to said applicant or prospective student. In truth and in fact, said offer is false and misleading in that said course of penmanship does not constitute a special offer nor a gift, but is continuously and regularly offered to all applicants and prospective students and the price of said course is in fact included in the price of the respective course or courses of study selected by the applicant or prospective student.

PAR. 7. The use by the respondents of the foregoing false, misleading, and deceptive statements, representations, and advertisements used and disseminated as aforesaid with respect to said courses of study and instruction has had, and now has, the capacity and tendency to, and does, mislead and deceive a substantial portion of the purchasing public into the erroneous and mistaken belief that such false, misleading, and deceptive statements, representations, and advertisements are true, and causes a substantial portion of the purchasing public because of said erroneous and mistaken belief to purchase respondents' courses of study and instruction. As a result trade has been diverted unfairly to the respondents from their competitors in said commerce who truthfully advertise and represent their respective courses of study and instruction. In consequence thereof, injury has been, and is now being, done by respondents to competition in commerce among and between the various States of the United States and in the District of Columbia.

CONCLUSION

The aforesaid acts and practices of the respondents, as herein found, are all to the prejudice and injury of the public and of respondents' competitors and constitute unfair methods of competition

756

Order

in commerce and unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission, and the answer of the respondents, in which answer respondents admit all the material allegations of fact set forth in said complaint and state that they waive all intervening procedure and further hearing as to said facts, and the Commission having made its findings as to the facts and conclusion that said respondents have violated the provisions of the Federal Trade Commission Act.

It is ordered, That the respondents, Instruction Service, Inc., a corporation, and its officers, and Charles J. Ozment, individually and trading as Instruction Service and Perfect Penmanship Institute, or under any other name, their respective representatives, agents, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale, and distribution of correspondence courses of study and instruction for Civil Service positions and in penmanship, in commerce, as commerce is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing directly or indirectly that:

1. Men and women are constantly needed for Government positions and that such positions are immediately available.

2. Any person having only a common school education may obtain a well-paying Government position.

3. Railway mail clerks are allowed to travel and receive allowances for expenses immediately upon appointment and are paid while off duty.

4. Large numbers of prison guards, watchmen, and men for similar Government positions are needed and that no special qualifications are necessary for such positions.

5. Various civil service examinations are held frequently or almost every week throughout the United States, without stating that a large number of such examinations are restricted to residents in certain localities.

6. Thousands of civil service positions will be available to applicants, unless the true facts are disclosed with respect to the method under which the majority of such positions are filled.

7. Appointments to civil service positions are made within a few days after the taking of an examination or soon thereafter; and that the applicant's grade alone without any other consideration determines the time of appointment.

8. Respondent Ozment has any connection with the United States Civil Service Commission or is now or within recent years has been employed by the United States Government in any capacity.

9. The course in penmanship is furnished free or without cost with the purchase of any of respondents' courses of instruction in civil service training, when said course in penmanship is a regular offer made by respondents to all applicants and prospective students and the price thereof is in fact included in the cost of the respective course of study for which an applicant may subscribe.

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.

Complaint

IN THE MATTER OF
W. S. LIBBEY COMPANYCOMPLAINT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION
OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914*Docket 3638. Complaint, Oct. 27, 1938—Decision, Feb. 24, 1939*

Where a corporation engaged in manufacture of blankets, and in sale and distribution thereof under trade name "Golden Fleece," to purchasers in other States and in the District of Columbia, in substantial competition with others engaged in manufacture, sale, and distribution, as aforesaid, of such blankets, and including those who do not, through use of labels, falsely represent that the material from which their blankets are made is composed chiefly, or entirely, of wool, when such is not the fact—

Represented, through use of "fleece" in its trade name and on labels attached to its said blankets, to members of the purchasing public, that such products were made from material composed entirely of wool, or that chief constituent thereof was wool, facts being they were made chiefly, if not entirely, of cotton, and wool content thereof was negligible;

With effect of misleading substantial portion of purchasing public into erroneous and mistaken belief that composition thereof was chiefly, if not entirely, wool, and with result that substantial portion of such public, acting upon such erroneous and mistaken belief and by reason of preference for such blankets made from wool rather than those made from materials containing other products, purchased substantial volume of said goods, and trade was unfairly diverted to it from competitors:

Held, That such acts and practices were all to the prejudice and injury of the public and competitors and constituted unfair methods of competition and unfair and deceptive acts and practices in commerce.

Mr. Alden S. Bradley for the Commission.

Skelton & Mahon, of Lewiston, Maine, for respondent.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said act, the Federal Trade Commission having reason to believe that W. S. Libbey Co., a corporation, hereinafter referred to as respondent, has violated the provisions of the 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, W. S. Libbey Co., is a corporation existing under and by virtue of the laws of the State of Maine, and has its principal office and place of business in the city of Lewiston, in the State of Maine. Respondent now is, and for many years last