

IN THE MATTER OF
**DISABLED AMERICAN VETERANS OF THE WORLD WAR
REHABILITATION DEPARTMENT, AND FRANK J.
MACKEY, L. C. MAIER, DANIEL C. MOORE, AND ROBERT
T. MACKEY**

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

Docket 4492. Complaint, Apr. 24, 1941—Decision, Aug. 18, 1941

Where a corporation and four individuals, who as officers thereof directed and controlled its policies and operations, engaged in publication and in competitive interstate sale and distribution of books, including an 11-volume set entitled "Progress of Nations" and a 2-volume set of history and war picture books entitled "Forward March";

Following agreement with the well-known, not-for-profit "Disabled American Veterans of the World War," established shortly thereafter, and incorporated in 1932 under Federal statute, to cooperate with the Veterans Administration and other agencies devoted to improving the conditions, health and interests of wounded or disabled veterans of the World War, with the exclusive right to use aforesaid name, and under which agreement it, in consideration of right, among others, to incorporate as the "Disabled American Veterans of the World War Rehabilitation Department" and to conduct its business in the name of said national organization, was to pay latter a royalty of 15 percent, later reduced to 10 percent, on its gross sales of said two sets of books—

- (a) Represented, through their salesmen, that they were representatives of the "Disabled American Veterans of the World War," and represented literature published and circulated by said organization, as endorsing their books; facts being they were not such representatives and literature referred to made no reference to said books, but related only to the general aims and purposes of the organization;
- (b) Represented through said salesmen, that the books were being sold only to certain selected customers, and said "Disabled American Veterans" received the entire profit derived from the sale thereof, that a purchaser was in effect making a contribution to the organization, and that funds thus derived would be used by it in defraying expenses of its activities in combating anti-American and subversive organizations and influences in the United States; frequently concealing the fact that books in question were being sold and taking advantage of said campaign against subversive activities to urge prospective purchasers to contribute thereto, and making receipt of a set of books appear as only incidental to such subscription;

When in fact said books were sold as an ordinary commercial transaction for the profit of the corporation and individuals concerned, the only profit derived by the "Disabled American Veterans" was in the royalties referred to, and such books were sold indiscriminately to the general public and not, as claimed, restricted to any group or number of persons; and

(c) Represented, through use of corporate name "Disabled American Veterans of the World War Rehabilitation Department," that corporation in question was identical with, or connected with, or a part of, said "Disabled American Veterans of the World War," and thereby accentuated also other false and misleading representations made by said salesmen;

With effect of misleading and deceiving a substantial portion of the purchasing public into the erroneous belief that such representations were true, and into the purchase of substantial quantities of their said books as a result of such belief, and of unfairly diverting trade to them from their competitors, to the substantial injury of competition in commerce:

Held, That such acts and practices, under the circumstances set forth, were all to the prejudice of the public and competitors, and constituted unfair methods of competition in commerce and unfair and deceptive acts and practices therein.

Before *Mr. John P. Bramhall*, trial examiner.

Mr. Joseph C. Fehr for the Commission.

Mr. Henry Junge, of Chicago, Ill., for respondents.

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 Disabled American Veterans of the World War Rehabilitation Department, a corporation, and Frank J. Mackey, L. C. Maier, Daniel C. Moore, and Robert T. Mackey, individually, and as officers of Disabled American Veterans of the World War Rehabilitation Department, hereinafter referred to as respondents, have violated the provisions of said act, and is 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, Disabled American Veterans of the World War Rehabilitation Department, is a corporation organized, existing, and doing business by virtue of the laws of the State of Illinois, with its office and principal place of business located at 104 South Michigan Avenue, in the city of Chicago, State of Illinois. Said corporation was formerly known as International Historical Society and was organized under that name on August 9, 1929, by the individual respondents, its name being changed on November 25, 1929, to Disabled American Veterans of the World War Rehabilitation Department.

Respondents Frank J. Mackey, L. C. Maier, Daniel C. Moore, and Robert T. Mackey are individuals and are respectively president, vice president, secretary-treasurer, and treasurer of the corporate

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respondent, with their office and principal place of business located at 104 South Michigan Avenue in the city of Chicago, State of Illinois. As such officers of the respondent corporation, they are and have been actively in charge of, and direct and control, and have directed and controlled, the policies and operations of said corporate respondent. The stock in said corporate respondent is wholly owned by respondent Frank J. Mackey.

PAR. 2. Respondents are now, and for several years last past have been, engaged in the publication and in the sale and distribution of books, including among others, two sets of books, one entitled "Progress of Nations," consisting of an 11-volume set of history books; the other consisting of a 2-volume set of history and war picture books, entitled "Forward March." In the course and conduct of their business respondents cause their said books, when sold, to be transported from their said place of business in the State of Illinois to the purchasers thereof located in various other States of the United States and in the District of Columbia. Respondents maintain, and at all times mentioned herein have maintained, a course of trade in their said books in commerce 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, respondents are now, and at all times mentioned herein have been, in substantial competition with other corporations and individuals, and with firms and partnerships, engaged in the sale and distribution in commerce among and between the various States of the United States and in the District of Columbia of books of an encyclopedic and historical nature.

PAR. 4. Shortly after the conclusion of the Great World War, there was organized in the United States a patriotic, unincorporated society known and designated as Disabled American Veterans of the World War, to be devoted to the care, welfare, and advancement of the interests of wounded, injured, and disabled American veterans of the World War. In the year 1932, there was incorporated pursuant to Federal statute a national corporation designated as Disabled American Veterans of the World War, the incorporators thereof being members of the unincorporated organization by the same name, composed of wounded and disabled soldiers, sailors, and marines of the Great War. The purposes for which said corporation was created, as set forth in its national charter and articles of incorporation, were as follows: to uphold and maintain the constitution and laws of the United States, to realize the true American ideals and aims for which those eligible to membership had fought; to advance the interests and work for the betterment of all wounded,

injured, and disabled veterans of the World War; to cooperate with the United States Veterans Administration and all other public and private agencies devoted to the cause of improving and advancing the condition, health, and interests of wounded, injured, or disabled veterans of the World War; and to encourage in all people that spirit of understanding which will guard against future wars.

Among the corporate powers conferred upon the corporation were the establishment of State and Territorial organizations and local chapters or post organizations and the power to publish a newspaper or other publications devoted to the purposes of the corporation. The organization was to be nonpolitical and nonsectarian. The aforesaid Federal statute provides that said national organization, and its State and local subdivisions, shall have the sole and exclusive right to have and to use in carrying out its purposes the name "Disabled American Veterans of the World War," and said national corporation is required, on or before the first day of January in each year, to make a report to Congress of its proceedings for the preceding calendar year.

PAR. 5. On or about November 2, 1929, the respondent corporation, Disabled American Veterans of the World War Rehabilitation Department entered into an agreement or contract with the Disabled American Veterans of the World War under the terms of which said organization was to receive a royalty of 15 percent on all gross sales of said two sets of books by the respondent corporation, said books to be sold under the sponsorship of the said Disabled American Veterans of the World War. Subsequently, on or about January 2, 1938, this royalty was by agreement between said parties reduced to and still is 10 percent on all gross sales of said books.

PAR. 6. In the course and conduct of their said business, and for the purpose of promoting the sale of said books, respondents have made and are making many false, misleading, and deceptive statements and representations to prospective purchasers of their said books, such statements and representations being made through respondents' salesmen and representatives and by other means. Among and typical of such false, misleading, and deceptive statements and representations are the following:

That respondents' salesmen and representatives are representatives of the organization known as the Disabled American Veterans of the World War; that respondents' books are being sold only to certain selected customers; that the organization known as the Disabled American Veterans of the World War receives the entire profit derived from the sale of said books, and that one purchasing such books is in effect making a contribution to said organization; that the

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funds derived from the sale of said books will be used by said organization known as the Disabled American Veterans of the World War to defray the expense of said organization's activities and efforts in combating anti-American and subversive organizations and influences in the United States.

In numerous instances, the fact that books are being sold by respondents is concealed from customers and prospective customers, respondents' proposition as presented by their salesmen and representatives taking the form of a patriotic and emotional appeal addressed to said customers and prospective customers. The Disabled American Veterans of the World War is represented as having launched a great legislative and educational campaign against subversive influences and activities in the United States, and prospective purchasers of respondents' books are urged to participate in and contribute to such campaign. Those subscribing to such purported campaign are finally advised that they will receive a set of books, the books being made to appear as incidental, however, to the subscription to such campaign fund.

PAR. 7. The foregoing representations made by and on behalf of respondents are grossly exaggerated, false, and misleading. In truth and in fact, respondents' salesmen and representatives are not representatives of the organization known as the Disabled American Veterans of the World War. Said organization does not receive the entire profit derived from the sale of said books, nor does the profit from the sale of said books constitute a contribution to said organization or to any campaign conducted by it. Said books, on the contrary, are sold by respondents as an ordinary commercial transaction for profit to respondents, and the only profit derived by the organization known as the Disabled American Veterans of the World War from the sale of such books is and has been the respective royalties hereinabove mentioned. The sale of said books is not restricted to any group or number of persons, but said books are sold indiscriminately to the general public.

PAR. 8. A further deceptive and misleading practice employed by respondents in promoting the sale of said books consists of the wrongful use by respondents of literature published and circulated by the organization known as the Disabled American Veterans of the World War. Said literature is represented by the respondents as endorsing said books, when in truth and in fact said literature has no reference to said books, but relates only to the general aims and purposes of said organization.

PAR. 9. The organization known as the Disabled American Veterans of the World War is now and for many years last past has

been identified in the public mind as a nonprofit organization devoted to the rehabilitation and general welfare of its members, all of whom are disabled veterans of the World War. The use by respondent corporation of the corporate name Disabled American Veterans of the World War Rehabilitation Department constitutes within itself a false and misleading representation that said respondent is identical with or is connected with or is a part of the Disabled American Veterans of the World War. The use of said name by respondent corporation serves also to accentuate the other false and misleading representations made by respondents in the sale of their said books.

PAR. 10. The use by the respondents of the false and misleading statements and representations in connection with the sale of their said books, as hereinabove set out, has the tendency and capacity to, and does, mislead and deceive a substantial portion of the purchasing public into the erroneous and mistaken belief that such statements and representations are true, and into the purchase of substantial quantities of respondents' said books as a result of such belief. Thereby trade has been diverted unfairly to the respondents from their competitors, many of whom do not make false or misleading representations with respect to their products, and in consequence thereof substantial injury has been done, 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.

PAR. 11. The aforesaid acts and practices of respondents as herein alleged are all to the prejudice and injury 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 24th day of April 1941, issued and thereafter served its complaint in this proceeding upon respondents Disabled American Veterans of the World War Rehabilitation Department, a corporation, and Frank J. Mackey, L. C. Maier, Daniel C. Moore, and Robert T. Mackey, individually, and as officers of Disabled American Veterans of the World War Rehabilitation Department, charging them with the use of unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce in violation of the provisions of said act. On May 26, 1941, the respondents filed their answer to this proceeding. Thereafter, at a hearing held in Chicago, Ill., on June 30, 1941, before John P. Bram-

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hall, a duly appointed trial examiner of the Commission, theretofore duly designated by it, to serve in this proceeding, evidence was received and a stipulation was entered into between counsel for the respondents and counsel for the Commission whereby it was stipulated and agreed that, subject to the approval of the Commission, a statement of fact read into the record might be taken as the facts in this proceeding and in lieu of testimony in support of the charges stated in the complaint, or in opposition thereto, and that the Commission might proceed upon such statements of facts and the inferences drawn therefrom to make its report, stating its findings as to the facts and its conclusion based thereon and issue its order disposing of this proceeding without the presentation of argument or the filing of briefs. Respondents expressly waived the filing of the trial examiner's report upon the evidence. Thereafter, this proceeding came on for final hearing before the Commission on said complaint, answer, evidence and stipulation as to the facts, said stipulation having been approved by the Commission, and the Commission having duly considered the same and being now fully advised in the premises, finds that this proceeding is in the interest of the public and makes its findings as to the facts and its conclusion drawn therefrom.

FINDINGS AS TO THE FACTS

PARAGRAPH 1. Respondent, Disabled American Veterans of the World War Rehabilitation Department, is a corporation organized, existing and doing business by virtue of the laws of the State of Illinois, with its office and principal place of business located at 104 South Michigan Avenue, in the city of Chicago, State of Illinois. Said corporation was formerly known as International Historical Society and was organized under that name on August 9, 1929, by the individual respondents, its name being changed on November 25, 1929, to Disabled American Veterans of the World War Rehabilitation Department.

Respondents Frank J. Mackey, L. C. Maier, Daniel C. Moore, and Robert T. Mackey are individuals and are respectively president, vice president, secretary-treasurer, and treasurer of the corporate respondent, with their office and principal place of business located at 104 South Michigan Avenue, in the city of Chicago, State of Illinois. As such officers of the respondent corporation, they are and have been actively in charge of, and direct and control, and have directed and controlled, the policies and operations of said corporate respondent. The stock in said corporate respondent is wholly owned by respondent Frank J. Mackey.

PAR. 2. Respondents are now, and for several years last past have been, engaged in the publication and in the sale and distribution of books, including among others, two sets of books, one entitled "Progress of Nations," consisting of an 11-volume set of history books; the other consisting of a 2-volume set of history and war picture books, entitled "Forward March." In the course and conduct of their business respondents cause their said books, when sold, to be transported from their said place of business in the State of Illinois to the purchasers thereof located in various other States of the United States and in the District of Columbia. Respondents maintain, and at all times mentioned herein have maintained, a course of trade in their said books in commerce 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, respondents are now, and at all times mentioned herein have been, in substantial competition with other corporations and individuals, and with firms and partnerships, engaged in the sale and distribution in commerce among and between the various States of the United States and in the District of Columbia, of books of an encyclopedic and historical nature.

PAR. 4. Shortly after the conclusion of the Great World War, there was organized in the United States a patriotic, unincorporated society known and designated as Disabled American Veterans of the World War, to be devoted to the care, welfare, and advancement of the interests of wounded, injured, and disabled American veterans of the World War. In the year 1932, there was incorporated pursuant to Federal statute a national corporation designated as Disabled American Veterans of the World War, the incorporators thereof being members of the unincorporated organization by the same name, composed of wounded and disabled soldiers, sailors, and marines of the Great War. The purposes for which said corporation was created, as set forth in its national charter and articles of incorporation, were as follows: to uphold and maintain the constitution and laws of the United States, to realize the true American ideals and aims for which those eligible to membership had fought; to advance the interests and work for the betterment of all wounded, injured and disabled veterans of the World War; to cooperate with the United States Veterans Administration and all other public and private agencies devoted to the cause of improving and advancing the condition, health, and interests of wounded, injured, or disabled veterans of the World War; and to encourage in all people that spirit of understanding which will guard against future wars.

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Among the corporate powers conferred upon the corporation were the establishment of State and Territorial organizations and local chapters or post organizations and the power to publish a newspaper or other publications devoted to the purposes of the corporation. The organization was to be nonpolitical and nonsectarian. The afore-said Federal statute provides that said national organization, and its State and local subdivisions, shall have the sole and exclusive right to have and to use in carrying out its purposes the name "Disabled American Veterans of the World War," and said national corporation is required, on or before the first day of January in each year, to make a report to Congress of its proceedings for the preceding calendar year.

PAR. 5. On or about November 2, 1929, the respondent corporation, Disabled American Veterans of the World War Rehabilitation Department, entered into an agreement or contract with the Disabled American Veterans of the World War under the terms of which the respondent corporation was granted the right to organize and incorporate as the Disabled American Veterans of the World War Rehabilitation Department and the right to use the seal of the Disabled American Veterans of the World War, the signature of said organization's National Commander, and to conduct its business in the name of said national organization. In consideration of this arrangement the said national organization was to receive royalty of 15 percent on all gross sales of said two sets of books by the respondent corporation, said books to be sold under the sponsorship of the said Disabled American Veterans of the World War. Subsequently, on or about January 2, 1938, this royalty was by agreement between said parties reduced to and still is 10 percent on all gross sales of said books.

PAR. 6. In the course and conduct of their said business and for the purpose of promoting the sale of said books, respondent's salesmen have made statements and representations to prospective purchasers of respondents' said books. Among and typical of such statements and representations were the following:

That respondents' said salesmen and representatives were representatives of the organization known as the Disabled American Veterans of the World War; that respondents' books were being sold only to certain selected customers; that the organization known as the Disabled American Veterans of the World War received the entire profit derived from the sale of said books, and that one purchasing such books was in effect making a contribution to said organization; that the funds derived from the sale of said books would be used by said organization known as the Disabled American Veterans of the

World War to defray the expense of said organization's activities and efforts in combating anti-American and subversive organizations and influences in the United States.

In numerous instances, the fact that books were being sold by respondents was concealed from customers and prospective customers, respondents' proposition as presented by their salesmen and representatives taking the form of a patriotic and emotional appeal addressed to said customers and prospective customers. Some of respondents' salesmen taking advantage of the fact that the Disabled American Veterans of the World War had launched a great legislative and educational campaign against subversive influences and activities in the United States, urged prospective purchasers of respondents' books to participate in and contribute to such campaign. Those subscribing to such purported campaign were advised that they would receive a set of books, but the receipt by such subscribers of said books was made to appear as only incidental to the subscription to such purported campaign fund.

PAR. 7. The statements and representations thus made by respondents' said salesmen and representatives, as set out in paragraph 6 hereof, were grossly exaggerated, false, and misleading. In truth and in fact, respondents' salesmen and representatives were not representatives of the organization known as the Disabled American Veterans of the World War. Said organization did not and does not receive the entire profit derived from the sale of respondents' said books, nor has the profit from the sale of said books ever constituted a contribution to said organization or to any campaign conducted by it. Said books, on the contrary, were sold by respondents' said salesmen and representatives as an ordinary commercial transaction for profit to respondents, and the only profit derived by the organization known as the Disabled American Veterans of the World War from the sale of such books was and has been the respective royalties hereinabove mentioned. The sale of said books was not restricted to any group or number of persons, but said books were sold indiscriminately to the general public.

PAR. 8. A further deceptive and misleading practice employed by respondents' salesmen and representatives in promoting the sale of respondents' said books consisted of the wrongful use by them of literature published and circulated by the organization known as the Disabled American Veterans of the World War. Said literature was represented by respondents' salesmen and representatives as endorsing said books, when in truth and in fact said literature had no reference to said books, but related only to the general aims and purposes of said organization.

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PAR. 9. The organization known as the Disabled American Veterans of the World War is now and for many years last past has been identified in the public mind as a nonprofit organization devoted to the rehabilitation and general welfare of its members, all of whom are disabled veterans of the World War. The use by respondent corporation of the corporate name Disabled American Veterans of the World War Rehabilitation Department constitutes within itself a false and misleading representation that said respondent is identical with or is connected with or is a part of the Disabled American Veterans of the World War. The use of said name by respondent corporation serves also to accentuate the other false and misleading representations made by respondents' salesmen and representatives in connection with the sale of respondents' aforesaid books.

PAR. 10. The use by the respondents of the false and misleading statements and representations in connection with the sale of their said books, as hereinabove set out, has the tendency and capacity to, and does, mislead and deceive a substantial portion of the purchasing public into the erroneous and mistaken belief that such statements and representations are true, and into the purchase of substantial quantities of respondents' said books as a result of such belief. Thereby trade has been diverted unfairly to the respondents from their competitors, and in consequence thereof substantial injury has been done, and is now being done 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, Disabled American Veterans of the World War, Rehabilitation Department, a corporation, and Frank J. Mackey, L. C. Maier, Daniel C. Moore, and Robert T. Mackey, individually, and as officers of Disabled American Veterans of the World War Rehabilitation Department, as herein found 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.

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, evidence and stipulation as to the facts entered into which provides, among other things, that without further evidence

or other intervening procedure the Commission may issue and serve upon the respondents herein findings as to the facts and conclusion based thereon and an order disposing of the proceeding, and the Commission having made its findings as to the facts and conclusion that respondents have violated the provisions of the Federal Trade Commission Act.

It is ordered, That the respondents, Disabled American Veterans of the World War Rehabilitation Department, a corporation, its directors, officers, representatives, agents, and employees, and Frank J. Mackey, L. C. Maier, Daniel C. Moore, and Robert T. Mackey, individually, and as officers of Disabled American Veterans of the World War Rehabilitation Department, and their representatives, agents, and employees, jointly or severally, directly or through any corporate or other device, in connection with the offering for sale, sale, or distribution of books known as "Progress of Nations" and "Forward March," or any other books of similar kind or nature whether sold under these names or under and other name or names, in commerce, as commerce is defined in the Federal Trade Commission Act, do forthwith cease and desist, directly or indirectly from:

1. Representing, through the display and use of literature published by the organization known as the Disabled American Veterans of the World War, or by any other means, that respondents' salesmen and representatives are representatives or agents of said organization.

2. Representing that any books or sets of books offered for sale and sold by respondents, or any of them, are being offered for sale or sold to selected persons only, when such is not the fact.

3. Representing that the organization known as the Disabled American Veterans of the World War receives the entire profit derived from the sale of respondents' said books or sets of books, or any profit in excess of that actually paid by respondents to said organization.

4. Representing that any customer purchasing any of respondents' books or sets of books is, in effect, making a direct contribution to the organization known as the Disabled American Veterans of the World War.

5. Representing that the funds derived from the sale of said books or sets of books will be used by the Disabled American Veterans of the World War to defray the expense of said organization's activities and efforts in combating anti-American and subversive organizations and influences in the United States.

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6. Using the corporate name "Disabled American Veterans of the World War Rehabilitation Department," or representing in any manner that the corporate respondent is identical to, identified with, or is a constituent part of the organization known as the Disabled American Veterans of the World War.

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.

Syllabus

IN THE MATTER OF
SOAP LAKE PRODUCTS CORPORATION¹COMPLAINT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION
OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914*Docket 2823. Complaint, May 27, 1936—Decision, Aug. 19, 1941*

Where a corporation engaged in preparation and competitive interstate sale and distribution of packaged mineral salts obtained from Soap Lake, Washington, which (1) were composed of about 20 percent sodium sulphate or Glauber's salts, 54 percent sodium carbonate or washing soda, and 25 percent sodium chloride and potassium chloride or ordinary table salt; and (2) included (a) "Mother Nature Soap Lake Salts" consisting of the unadulterated residue of the natural lake water after evaporation, (b) "Mother Nature Soap Lake Spirit" consisting of the liquid concentrate bottled before evaporation was complete, and (c) "Mother Nature Soap Lake Seltzer," consisting of 60 percent "Salts" and 40 percent citric and tartaric acid salts, added for effervescence and palatability;

In advertising its said packaged mineral salts through booklets, folders, pamphlets, and other advertising literature distributed to members of the purchasing public in the various States and furnished to customers for distribution to members of said public, and through newspapers and magazines of general interstate circulation, and radio broadcasts, in all of which it featured its corporate name—

Falsely represented, directly or by implication, that said various products would prevent and cure and were beneficial in the treatment of many of the diseases, ailments, and conditions of the body, including rheumatism, arthritis, neuritis, eczema, athlete's foot, ulcers of the stomach, poison oak and ivy, gangrene, body and scalp sores, Buerger's disease, hyperacidity, lumbago, trench mouth, and pyorrhea;

Facts being the therapeutic benefits, if any, obtained from use of said products, were limited to those resulting from the laxative diuretic, and cleansing properties of their ingredients and the products did not accomplish the results claimed in the diseases and conditions set forth;

With tendency and capacity to mislead and deceive a substantial portion of purchasing public into the erroneous belief that said representations were true, and with result, as direct consequence of such beliefs, that a number of the consuming public purchased a substantial volume of said products and trade in commerce was unfairly diverted to it from its competitors, many of whom truthfully represent the effectiveness of their respective products, to the injury of competition in commerce:

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

Before *Mr. Henry M. White, Mr. Charles P. Vicini, and Mr. Miles J. Furnas*, trial examiners.

Mr. R. A. McOuat for the Commission.

¹ For original findings and order in this matter, set aside by the Commission on Aug. 5, 1939, by order reopening the proceeding, *see* 28 F. T. C. 1377.