

IN THE MATTER OF
H. WALLACE JOHNSTON

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

Docket 5337. Complaint, June 21, 1945—Decision, Mar. 12, 1948

Where an individual engaged, through his son-in-law and daughter, in the interstate sale and distribution of the leaves of the Aloe Vera plant, represented by him as of value in the cure, mitigation, and treatment of various diseases; in advertising the same through the mails and by circulars, leaflets, and other advertising literature—

- (a) Represented that the external application of the jelly obtained from the leaf of said plant was a competent and adequate treatment for external sores, infections, swelling, and ulcers, and for sprains, bruises, burns, eczema, and other skin diseases, cuts, skin tumors, and boils;

The facts being that the value of said product in the treatment of eczema and other skin diseases was limited to its soothing effect by providing a moist, mucilaginous coating which would also keep dressing from adhering and was of some use as a skin protective, and, in the case of X-ray burns, might serve to alleviate pain; and use of the leaves had only a limited value in the treatment of burns, including X-ray and third-degree burns; and, except as above noted, and in excess of giving a soothing effect, use thereof was not a competent or effective treatment for conditions above noted; and

- (b) Represented that the juice or extract of the leaf of said plant, when taken internally, was a competent and adequate treatment for stomach ulcers, arthritis, rheumatism, gout, diabetes, colitis, constipation, chronic constipation, indigestion, dyspepsia, amenorrhea, atonic dyspepsia, and all disorders resulting from an excess of acidity or sugar, and would clear the blood of all germs and poisons;

The facts being that said juice was a laxative; its treatment of constipation was limited to its laxative effect and it might temporarily relieve dyspepsia when due to an atonic colon, though it did not constitute a treatment for any underlying condition; and otherwise it had no therapeutic value in the treatment of ailments and conditions above set-out;

With capacity and tendency to mislead a substantial portion of the purchasing public into the erroneous belief that said representations were true, and thereby induce purchase of substantial quantities of his said leaves:

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

In said proceeding in which the complaint also charged that respondent's advertisements of its said product, which was a laxative, were false in that they failed to reveal that such product might be potentially dangerous when taken as directed, or under customary conditions, the Commission was of the

opinion, after considering the record, and the nature of the remedy to be applied, that under the circumstances no warning as to potential danger should be required in the advertising of the product involved.

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

Mr. William L. Pencke for the Commission.

Mr. J. F. Gordon, of Miami, Fla., 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 H. Wallace Johnston, an individual, hereinafter referred to as respondent, has 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, H. Wallace Johnston, is an individual, trading and doing business in his own name and under the name "Palm Lodge Tropical Fruit Groves," with an office and principal place of business at Homestead, Fla.

PAR. 2. Respondent is now, and has been for more than 2 years last past, engaged in the business of raising and distributing the leaves of the aloe vera plant, which are intended for use in the cure, mitigation, and treatment of disease in man.

Respondent causes the said leaves, when sold, to be transported from his place of business in the State of Florida to purchasers thereof located in other States of the United States and in the District of Columbia. Respondent maintains, and at all times mentioned herein has maintained, a course of trade in the said leaves in commerce between and among the various States of the United States and in the District of Columbia.

PAR. 3. In the course and conduct of his aforesaid business, respondent has disseminated and is now disseminating, and has caused and is now causing the dissemination of, false advertisements concerning his said aloe leaves by the United States mails, and by various other means in commerce, as "commerce" is defined in the Federal Trade Commission Act; and respondent has also disseminated and is now disseminating, and has caused and is now causing the dissemination of, false advertisements concerning his said aloe leaves by various means, for the purpose of inducing, and which are likely to induce, directly or indirectly, the purchase of his said aloe leaves in commerce as "commerce" is defined in the Federal Trade Commission Act.

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PAR. 4. Among and typical of the false, misleading, and deceptive statements and representations contained in said false advertisements, disseminated and caused to be disseminated as aforesaid by the United States mails and by circulars and leaflets and other advertising literature, with respect to respondent's aloe leaves, are the following:

Aloe Vera has long been known as a great remedy for external use in healing open sores, relieving sprains and bruises, and in the past few years has been recognized by the medical world in the healing of X-ray burns. Its pioneers in this country knowing that Aloe Vera heals external ulcers conceived the idea of using it internally for stomach ulcers. After several such cases were relieved, it was realized that other disorders had been cleared up along with the ulcer conditions. So in a short time the fame of Aloe Vera began to spread as relief not only for external ailments and stomach ulcers but such other internal conditions as arthritis, rheumatism, diabetes, colitis, constipation, and indigestion—in fact, almost any disorder resulting from excess acidity or sugar in the system seems to show an improvement after a few weeks use of Aloe.

Dr. C. E. Collins and his son described the efficiency of the herb in treating burns either from X-ray or fire * * *.

It increases the flow of bile.

It has been used in Europe as a remedy for gout and rheumatism.

General Directions for the Use of Aloe Vera (The African Healing Plant)

* * * To use externally for pains, ulcers, eczemas, bruises or swellings, infections or burns or any kind including X-ray or radium burns: * * *

To prepare for internal use to clear the blood of all germs and poisons * * *.

* * * used in cases of chronic constipation, amenorrhea and atonic dyspepsia.

* * * in anaemic women with amenorrhea it is given to favor the menstrual flow.

Aloe Vera is especially good to use in cases of ulcers, X-ray burns, skin diseases and third degree burns.

For cuts, bruises, skin tumors, ulcers, X-ray burns, third degree burns and boils on any part of the body, face or hands * * *.

For internal use in cases such as constipation, as a cathartic, ulcers, amenorrhea, dyspepsia, or improve the appetite and bring on the menstrual flow of women * * *.

PAR. 5. Through the use of the statements and claims hereinabove set forth, and others similar thereto not specifically set-out herein, respondent has represented, directly and by implication, that his said aloe leaves, externally applied, are a competent and adequate treatment for open external sores, external infections, external swellings, external ulcers, sprains, bruises, burns, eczema, and other skin diseases, cuts, skin tumors, and boils, and that the said leaves or aqueous extracts thereof, taken internally are a competent and adequate treatment for stomach ulcers, arthritis, rheumatism, gout, diabetes, colitis, constipation, chronic constipation, indigestion, dyspepsia, amenorrhea, atonic

dyspepsia, and all disorders resulting from an excess of acidity or sugar, will clear the blood of all germs and poisons, and will increase the flow of bile.

PAR. 6. The said representations and claims are false and misleading. In truth and in fact, the said aloe leaves will not promote the healing of bruises, sprains, external swellings, external sores or lesions, ulcers, eczema, or other skin diseases, external infections, burns, cuts, skin tumors, or boils, nor are they an adequate or competent treatment for those conditions. The leaves or aqueous extracts thereof, taken internally, do not constitute an adequate and competent treatment for stomach ulcers, arthritis, rheumatism, gout, diabetes, colitis, indigestion, dyspepsia, "atonic dyspepsia," or disorders resulting from excess acidity or sugar in the system, nor will they clear the blood of all germs and poisons. They will temporarily relieve constipation, and dyspepsia due to an atonic colon, by causing an evacuation of the bowels, but they do not constitute a competent and adequate treatment for the underlying conditions which cause constipation, chronic constipation or dyspepsia due to an atonic colon. Aloe is not effective to initiate the menstrual flow in nonpregnant women, and has no curative or remedial effect in cases of amenorrhea. Aloe will not increase the flow of bile.

PAR. 7. The said advertisements which represent aloe leaves or aqueous solutions thereof as being beneficial when taken internally constitute false advertisements for the further reason that they fail to reveal facts material in the light of such representations or material with respect to the consequences which may result from the use of said leaves or solutions under the conditions prescribed in said advertisements, or under such conditions as are customary or usual. In truth and in fact, said leaves and solutions are irritant laxatives and are potentially dangerous when taken internally by one suffering from abdominal pains, stomach ache, cramps, nausea, vomiting, or other symptoms of appendicitis, or by women who are pregnant.

PAR. 8. The use by respondent of the foregoing false, deceptive and misleading statements and representations with respect to his aloe leaves 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 said statements and representations are true, and that aloe may be taken under all conditions without ill effect, and into the purchase of substantial quantities of said aloe leaves by reason of said erroneous and mistaken belief.

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PAR. 9. The aforesaid acts and practices of respondent, as herein alleged, are all to the prejudice and injury of the public and constitute 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 June 21, 1945, issued and subsequently served its complaint in this proceeding upon the respondent, H. Wallace Johnston, charging him with the use of 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 the answer of the respondent thereto, testimony, and other evidence in support of and in opposition to the allegations of said complaint were taken before a trial examiner of the Commission theretofore duly designated by it, and said testimony and other evidence were duly recorded and filed in the office of the Commission. Thereafter, this proceeding regularly came on for final hearing before the Commission upon said complaint, answer thereto, testimony, and other evidence, report of the trial examiner upon the evidence, and briefs filed in support of the complaint and in opposition thereto (oral argument not having been requested); 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, H. Wallace Johnston, is an individual trading and doing business in his own name and under the name "Palm Lodge Tropical Fruit Groves," with an office and principal place of business at Homestead, Fla. For some time respondent has been incapacitated, and his business has been conducted by Albert R. Caves and Carrie Caves, his son-in-law and daughter, respectively, who have acted as his agents in the conduct of this business.

PAR. 2. For several years last past, the respondent has been engaged in the business of raising and distributing the leaves of the aloe vera plant, which have been represented by him to be of value in the cure, mitigation, and treatment of various diseases and conditions.

Respondent causes said leaves, when sold, to be transported from his place of business in the State of Florida to purchasers thereof located in various other States of the United States. Respondent

maintains, and at all times mentioned herein has maintained, a course of trade in said leaves in commerce between and among the various States of the United States and in the District of Columbia.

PAR. 3. In the course and conduct of his business, the respondent and his agents have disseminated and caused to be disseminated false advertisements concerning said aloe vera leaves by United States mails and by various other means in commerce as "commerce" is defined in the Federal Trade Commission Act; and respondent and his agents have also disseminated and have caused the dissemination of false advertisements concerning said aloe vera leaves by various means for the purpose of inducing and which were likely to induce, directly or indirectly, the purchase of his said aloe vera leaves in commerce as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. Among and typical of the false, misleading, and deceptive statements and representations contained in said false advertisements disseminated and caused to be disseminated as herein described, by United States mails and by circulars, leaflets, and other advertising literature, are the following:

1. That the external application of the jelly obtained from the leaf of the aloe vera plant is a competent and adequate treatment for external sores, infections, swellings, and ulcers and also for sprains, bruises, burns, eczema, and other skin diseases, cuts, skin tumors, and boils.

2. That the juice or extract of the leaf of the aloe vera plant, when taken internally, is a competent and adequate treatment for stomach ulcers, arthritis, rheumatism, gout, diabetes, colitis, constipation, chronic constipation, indigestion, dyspepsia, amenorrhea, atonic dyspepsia, and all disorders resulting from an excess of acidity or sugar and will clear the blood of all germs and poisons.

PAR. 5. The leaves of the aloe vera plant sold and distributed by the respondent contain within such leaves a mucilaginous or jelly like substance, which is obtained by slitting and peeling the leaf. Respondent recommends the use of the jelly like substance directly upon sores, skin conditions, and burns and, in the case of internal application, recommends the preparing of an aqueous solution from such leaves.

The use of the leaves of the aloe vera plant is not a competent or effective treatment for external sores, infections, swelling, or ulcers, and neither the leaves nor the mucilaginous substance contained therein has any therapeutic value in the treatment of such conditions in excess of giving a soothing effect. This product has no therapeutic value in the treatment of sprains, bruises, cuts, or skin tumors, and

its value in the treatment of eczema and other skin diseases is limited to its soothing effect by providing a temporary, moist coating.

The use of the leaves of the aloe vera plant has only a limited value in the treatment of burns, including X-ray and third degree burns. Respondent's aloe vera leaves, in supplying a moist, mucilaginous substance, will keep dressings from adhering and are of some use as a skin protective and, in the case of X-ray burns, might serve to alleviate pain.

The juice or extract of the leaf of the aloe vera plant, when taken internally, is not a competent treatment for, and has no therapeutic value in the treatment of, stomach ulcers, arthritis, rheumatism, gout, diabetes, colitis, indigestion, or any disorders resulting from excess of acidity or sugar, and such juice or extract will not clear the blood of all germs and poisons. The juice or extract of the aloe vera leaf is a laxative, and its treatment of constipation is limited to its laxative effect. Where dyspepsia is due to an atonic colon, this preparation as a laxative may temporarily relieve the condition but does not constitute a treatment for any underlying conditions. The use of the juice or extract of the aloe vera leaf is not an effective treatment or cure for any type of amenorrhea.

PAR. 6. The complaint charges that respondent's advertisements are false in that they fail to reveal that respondent's product may be potentially dangerous when taken as directed or when taken under conditions that are customary and usual. Having given consideration to the record and the nature of the remedy to be applied, the Commission is of the opinion that under the circumstances in this case and in view of the nature and extent of the testimony adduced in this proceeding, no warning as to potential danger should be required in advertising of respondent's aloe vera leaves.

PAR. 7. The use by the respondent of the foregoing false, deceptive, and misleading statements and representations with respect to his aloe vera leaves has the capacity and tendency to mislead and deceive a substantial portion of the purchasing public into the erroneous and mistaken belief that said statements and representations are true and into the purchase of substantial quantities of said aloe vera leaves by reason of said erroneous and mistaken belief.

CONCLUSION

The acts and practices of the respondent as herein found are all to the prejudice and injury of the public and constitute 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, answer of respondent, testimony, and other evidence in support of the complaint and in opposition thereto taken before a trial examiner of the Commission theretofore duly designated by it, report of the trial examiner upon the evidence, and briefs filed in support of the complaint and in opposition thereto; and the Commission having made its findings as to the facts and its conclusion that the respondent has violated the provisions of the Federal Trade Commission Act:

It is ordered, That the respondent, H. Wallace Johnston, individually and trading as Palm Lodge Tropical Fruit Groves, and his agents, representatives, and employees, directly or through any corporate or other device in connection with the offering for sale, sale, or distribution of the leaves of the aloe vera plant or any other product of substantially similar properties, do forthwith cease and desist from directly or indirectly:

1. Disseminating, or causing to be disseminated, any advertisement by means of the United States mails or by any means in commerce as "commerce" is defined in the Federal Trade Commission Act, which advertisement represents, directly or through inference—

(a) That the external application of the jelly obtained from the leaf of the aloe vera plant is a competent or effective treatment for infections, external sores, swellings, ulcers, sprains, bruises, eczema, or other skin diseases, or that such application has any therapeutic value in the treatment of such skin conditions in excess of affording a soothing effect by providing a temporary, moist coating.

(b) That the use of the leaves of the aloe vera plant has any therapeutic value in the treatment of burns, including X-ray and third-degree burns, in excess of supplying a moist, mucilaginous substance which will keep dressings from adhering, serve as a skin protective, and, in some cases, serve to alleviate pain.

(c) That the juice or extract of the leaf of the aloe vera plant has any therapeutic value other than that afforded by a laxative.

(d) That the juice or extract of the leaf of the aloe vera plant has any therapeutic value in the treatment of stomach ulcers, arthritis, rheumatism, gout, diabetes, colitis, indigestion, or any disorders resulting from excess acidity or sugar.

(e) That the juice or extract of the leaf of the aloe vera plant will clear the blood of all germs and poisons.

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(f) That the juice or extract of the leaf of the aloe vera plant has any value in the treatment of amenorrhea.

2. Disseminating, or causing to be disseminated, any advertisement by any means for the purpose of inducing or which is likely to induce, directly or indirectly, the purchase of respondent's aloe vera leaves in commerce as "commerce" is defined in the Federal Trade Commission Act which advertisement contains any of the representations prohibited in paragraph 1 hereof and the subdivisions thereof.

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

Complaint

IN THE MATTER OF

**HARRY BANK AND HENRY BANK, DOING BUSINESS AS
HARRY BANK & SON, AND BEN BANK, DOING BUSINESS
AS BANKO CLOTHES**

COMPLAINT, FINDINGS, AND ORDER IN REGARD TO THE ALLEGED VIOLATION
OF SEC. 5 OF AN ACT OF CONGRESS APPROVED SEPT. 26, 1914, AND OF AN ACT
OF CONGRESS APPROVED OCT. 14, 1940

Docket 5510. Complaint, Sept. 3, 1947—Decision, Mar. 12, 1948

Where two individuals respectively engaged in the manufacture for introduction, and the introduction, into commerce, of men's trousers composed in whole or in part of reprocessed wool or reused wool as defined in the Wool Products Labeling Act of 1939 and, as such, subject to the provisions of said act and to the rules and regulations promulgated thereunder—

Sold substantial quantities of the aforesaid wool products which were misbranded in violation of the aforesaid act and rules and regulations, in that they did not have on or affixed thereto the required stamp, tag, label, or other means of identification showing the percentage of the total fiber weight of wool, reprocessed wool, reused wool, and wool fiber, and aggregate thereof, including filler or adulterating matter, and proper identification of the manufacturer or seller:

Held, That such acts and practices were in violation of the provisions of said Wool Products Labeling Act and the rules and regulations thereunder, and were all to the prejudice and injury of the public, and constituted unfair and deceptive acts and practices in commerce within the intent and meaning of the Federal Trade Commission Act.

Mr. J. W. Brookfield, Jr. for the Commission.

Mr. Nathan L. Posner, of Philadelphia, Pa., for Harry Bank and Henry Bank.

Mr. Herman Berlin, of Baltimore, Md., for Ben Bank.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and the Wool Products Labeling Act of 1939, and by virtue of the authority vested in it by said acts, the Federal Trade Commission, having reason to believe that Harry Bank and Henry Bank, individuals doing business as Harry Bank & Son, and Ben Bank, an individual doing business as Banko Clothes, hereinafter referred to as respondents, have violated the provisions of said acts and the rules and regulations promulgated under the Wool Products Labeling Act of 1939, 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: