

It is further ordered, That respondents, Trans-Continental Clearing House, Inc., William G. Dudley and William Bodemer, shall, within sixty (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 the order to cease and desist contained herein.

IN THE MATTER OF
FINEST WOOL BATTING CORP. ET AL.

ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE FEDERAL
TRADE COMMISSION AND THE WOOL PRODUCTS LABELING ACTS

Docket 7128. Complaint, Apr. 22, 1958—Decision, Oct. 21, 1959

Order requiring a Brooklyn, N.Y., manufacturer to cease violating the Wool Products Labeling Act by labeling as "100% reprocessed wool" and "80% reused wool, 20% other fibers," wool battings which, respectively, contained substantial quantities of non-woolen fibers, and less than 80% reused wool; and failing to comply in other respects with the provisions of the Act.

Mr. Kent P. Kratz for the Commission.

Mr. Alex Akerman, Jr., for *Shipley, Akerman & Pickett*, of Washington, D.C., for respondents.

INITIAL DECISION BY LOREN H. LAUGHLIN, HEARING EXAMINER

This proceeding is brought pursuant to the provisions of the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, hereinafter for brevity referred to as the Wool Act. The complaint alleges, in substance, violation of the provisions of the said Acts and the Rules and Regulations of the Commission promulgated under the Wool Act. The charges, in substance, are (1) misbranding under §4(a)(1) of the Wool Act and the Commission's corresponding Rules and Regulations, in that respondents' wool products were falsely labeled or tagged with respect to the character and amount of the constituent fibers contained therein; and (2) misbranding in violation of §4(a)(2) of the Wool Act and the Commission's corresponding Rules and Regulations, in that respondents' wool products were not stamped, tagged, or labeled as required. The amended answer denies the alleged violations as charged in the complaint.

The case has been submitted for decision upon stipulated facts upon which the hearing examiner has found that the respondents have violated the law in the particulars alleged in the complaint.

The history of the litigation is brief. Complaint was filed April 22, 1958, and duly served upon respondents who filed answer thereto on June 16, 1958. The parties filed a "Stipulation of Fact" dated October 17, 1958, which was rejected by the hearing examiner on January 30, 1959, for reasons fully set forth in the order, but basically because the "Stipulation of Fact" included opposing legal contentions and conclusions of the parties, including the issue of constitutionality of the Wool Act. The Commission in a number of decisions has precluded the consideration of the constitutionality of any legislation it is charged with administering. See *The Blanton Company*, Docket No. 6197, Opinion of Commission dated December 26, 1956, and *Ben Cohen, etc.*, Docket No. 6501, Opinion of the Commission dated August 23, 1957. In such cases the Commission held, however, that it had authority to determine whether the statute under consideration was properly interpreted and applied.

After the rejection of such "Stipulation of Fact," respondents, pursuant to authority granted, filed an amended answer on February 25, 1959, sharpening the issues for decision, and on June 8, 1959, the parties submitted a new "Stipulation of Fact" which was accepted by the examiner, on June 9, 1959, as a stipulation of all of the facts in the proceeding and a waiver of the presentation of any evidence by the parties. On July 1, 1959, the parties submitted their proposed conclusions of law and orders together with supporting briefs.

The said "Stipulation of Fact," dated May 18, 1959, and submitted June 8, 1959, constitutes the findings of fact to be made herein and is, therefore, now set forth in full. Inferences of fact fairly and reasonably arising therefrom are subsequently set forth in connection with these findings and as a part thereof.

The parties have specifically stipulated the following facts:

1. Respondent Finest Wool Batting Corp. is a corporation organized and existing under and by virtue of the laws of the State of New York with its place of business located at 395 Van Sinderen Avenue, Brooklyn, New York. Respondent Sid L. August is president and respondent Joseph Shlonkowitz is secretary-treasurer of said corporation. These individuals formulate, direct, and control the policies, acts, and practices of said corporation. Their address is the same as that of the corporate respondent.

2. Subsequent to the effective date of the Wool Products Labeling Act of 1939 and more especially since January 1, 1956, respondents

have manufactured and sold wool batting which is a wool product as "wool product" is defined therein. All of respondents' customers are located in the State of New York. Respondents do not make sales outside of that state. Their gross sales amount to about \$60,000 to \$100,000 each year.

3. There are approximately 30 wool batting manufacturers in the United States. There are, however, several hundred customers of these manufacturers, who purchase and use wool batting in the manufacture of other products, such as quilted interlining, which in turn are sold to manufacturers of jackets and coats, and to others requiring such products.

4. During the latter part of 1956 and early 1957, a Federal Trade Commission investigator obtained representative samples of wool batting sold by respondents to two different customers. For the purposes of this stipulation, these samples will be designated samples A, B, C, and D.

Sample A was taken from stock sold by Finest Wool Batting Corp., the respondent corporation, to Marvel Quilting Co., 3621 13th Avenue, Brooklyn, New York, by invoice No. 5244, dated November 8, 1956. Said stock had been labeled and invoiced by Finest as 100% reprocessed wool. This sample was tested by the Better Fabrics Testing Bureau of New York, a qualified wool tester, who in this instance, and all others mentioned below, performed a proper, complete and accurate test which showed that sample A contained only 86.6% wool and 13.4% other fibers.

Sample B was taken from stock sold by Finest to Marvel by Finest invoice No. 5273, dated December 6, 1956. Said stock had been labeled and invoiced by Finest as 70% reprocessed wool, 30% man-made fibers. This sample was tested, also by the Better Fabrics Testing Bureau, and found, according to said test, to contain only 51.5% wool, 9.6% Acetate, and 38.9% other fibers.

5. The wool batting from which samples A and B were taken was subsequently used by Marvel Quilting Co. for making quilted interlining which was sold to Murray Olewitz, 1200 Broadway, New York; but shipped by Marvel directly to Sol Hartnig & Son, Bridgeport, Connecticut; and to Billy Boy Co., 1140 Broadway, New York, New York, but shipped by Marvel directly to Kinston, Alabama.

6. Sample C was taken from stock sold by Finest Wool Batting Corp., to Ace Quilting Co., 4 Church Avenue, Brooklyn, New York, by invoice No. 5268, dated December 3, 1956. Said stock had been labeled and invoiced by Finest as 80% reused wool and 20% other fibers. This sample was also tested by the Better Fabrics Testing

Bureau, and found, according to said test, to contain only 38.9% wool, 24.1% Acetate, and 37% other fibers.

Sample D was taken from stock sold by Finest Wool Batting Corp. to Ace Quilting Co., by invoice No. 5279 dated December 11, 1956. Said stock had been labeled and invoiced by Finest as 100% reprocessed wool. This sample was also tested by the Better Fabrics Testing Bureau, and found, according to said test, to contain only 82.5% wool, 2.4% Acetate, and 15.1% other fibers.

7. The wool batting from which samples C and D were taken was subsequently made by the Ace Quilting Co., into quilted interlining, which was sold to Arthur Seiden Corp., 601 Grand Avenue, Brooklyn, New York, and to J. M. S. Manufacturing Co., One Bond Street, New York, both of which are jacket manufacturers. On these sales Ace's invoices showed the same wool content as did Finest's invoices, namely, 80% reused wool and 100% reprocessed wool.

The quilted interlining mentioned above and sold to Seiden Corp. was used by it as interlining for certain jackets it had manufactured which were later sold to Belk Stores, Charlotte, North Carolina.

The quilted interlining mentioned above and sold to J. M. S. Manufacturing Co. was used by it as interlining for certain jackets it had manufactured which were later sold to customers in St. Louis, Missouri; Paterson, New Jersey; Reading, Pennsylvania; Philadelphia, Pennsylvania; Baltimore, Maryland; Cleveland, Ohio; Springfield, Ohio; New Haven, Connecticut; and Pittsburgh, Pennsylvania.

During 1956 and 1957, Ace Quilting Co. sold its quilted interlining to customers located both inside and outside the State of New York. During the same period, Ace purchased all of its wool batting exclusively from respondent Finest Wool Batting Corp.

8. In addition to the above, and at about the same time, this Federal Trade Commission investigator, in examining fiber content tags on respondents' wool batting which was ready for sale and shipment at their place of business, and also on respondents' wool batting which had been sold and shipped to the Marvel Quilting Co., Ace Quilting Co. and other customers of respondents, discovered that the fiber content of respondents' batting was set forth in abbreviated form. These tags were placed on the batting in question by respondents.

9. Ace and Marvel use the wool batting which they purchase from respondents primarily in the manufacture of quilted interlining, which is used in the manufacture, among other things, of coats and jackets. A substantial proportion of such coats and jackets find their way into interstate commerce.

The primary contention of respondents is that they did not introduce or manufacture for introduction into commerce wool products which violated the Wool Act. A subordinate issue raised by respondents is that in no event should a cease and desist order issue against the individual respondents in their individual capacities as distinguished from their official capacities. This argument as made upon the doctrine enunciated by the Commission in *Kay Jewelry Stores, Inc.*, Docket No. 6445, wherein it was held that, except for the admission in the answer that the individual respondents were officers and directors of respondent corporations and formulated, directed, and controlled the policies, acts and practices of such corporate respondents, the record was devoid of any other evidence or showing of circumstances supporting individual liability. The case at bar is quite distinguishable inasmuch as the "Stipulation of Fact," hereinabove quoted in full, not only states that the individuals formulate, direct and control the policies, etc., of respondent corporation but also repeatedly states that it is the "respondents" who have performed the acts which are involved herein, such as "respondents have manufactured and sold," "sold by respondents," "respondents have knowledge," "Respondents also have knowledge," and "Respondents know." In any construction of the stipulation the individual respondents herein are not in any way divorced from the acts of the corporation. Since the findings on the merits are against all respondents, the order issued herein also incorporates the individual respondents both in their individual and official capacities.

The material issue in the case for decision herein, therefore, is whether the local sales admittedly made by respondents of misbranded wool products brings them within the provisions of the Wool Act. Respondents contend that before they can be found to have "manufactured for introduction into commerce" or "manufactured or delivered for shipment * * * in commerce" there must be established either that respondents had an intent to so manufacture or ship in commerce or at the very least they had positive pre-knowledge that the goods in question so manufactured and misbranded by them were in fact to be shipped in commerce. It is their contention that the general knowledge of respondents as to practices in the wool industry, which the stipulation concedes respondents had, is not sufficient to establish the specific intent or knowledge above referred to. It is stated in the stipulation specifically that respondents do not know to what use their batting is put by their customers.

Counsel supporting the complaint contends (1) that the language of the Wool Act, "manufactured for introduction into commerce"

is clear and unambiguous; (2) that there is no distinction in the Act between manufacturers who actually sell wool in commerce and those who are several steps removed from the actual transmission of the product in commerce; and (3) that in any event the stipulated facts warrant a finding that respondents had reasonable expectations and belief that their wool batting "would move in, or affect, interstate commerce"; but that since the wool batting in question herein actually moved in commerce it is immaterial whether such knowledge or hope ever existed on the part of respondents.

Any reasonable construction of the Wool Act upon the face of that Act itself, without resort to extraneous aids to construction, indicates that it was the intent of Congress that the wool industry should be treated as an entirety and that the individual component parts thereof, such as the manufacturers in the course of the production of the ultimate product which reached the consumer, would not be held as separable and distinct industries in and of themselves to escape liability under the Act. It is clear that if the original manufacturer who initially injected shoddy woolen goods into the stream of interstate commerce could escape liability by claiming that he only sold intrastate and did not know or had no interest in where the product went from there in the further processes of manufacture and distribution, that the Act would be entirely unenforceable except as against those whom the Commission could establish actually transmitted the goods across state lines. The same thing is true with respect to specific knowledge of the ultimate disposition of the goods being required of the original or intermediate manufacturer of woolen products. There is no expression in the Wool Act that knowledge or intent are prerequisites to a finding of guilt on the part of one who violates any provision of the Act. In cases under the Federal Trade Commission Act, it has been universally held many times that the Act being in the public interest it was unnecessary to show an intent to defraud or any other mental condition on the part of the respondents. Certainly the Wool Act, which adopts the Federal Trade Commission Act procedures by its terms, did not intend that the Commission was required to prove a specific knowledge or intent on the part of any wool manufacturer before he could be held to have violated any provision of the Act. This is particularly true since the criminal penalty provided by Section 10 of the Act expressly requires that one must "wilfully" violate the Act in order to be guilty, and in §5 of the Act the removal or mutilation of any stamp, tag, or label is not an unfair method of competition or an unfair or deceptive act or practice unless the one who does so commits the act "with intent to violate

the provisions of this Act." The present proceeding is not a criminal proceeding or a removal or mutilation of any stamp, tag, or label.

Section 3 of the Wool Act sets forth a number of specific acts which are unlawful and which constitute unfair methods of competition and unfair or deceptive acts and practices in commerce. These are (1) "the introduction * * * into commerce," or (2) "the manufacture for introduction into commerce," or (3) "the sale * * * in commerce," (4) "transportation in commerce," or (5) "distribution, in commerce" of any wool product which is misbranded. The Commission is not obliged to prove all of these acts to establish the commission of one. In the case at bar the stipulation forecloses any finding that respondents actually sold, transported, or distributed their goods in interstate commerce, but it is clear that they did manufacture for introduction into commerce the woolen goods in question herein. Section 3 further provides that "any person who shall manufacture * * * any wool product which is misbranded" is guilty of an unfair method of competition, etc. The Section further sets forth express exceptions to which it shall not apply: (a) common or contract carriers in the ordinary course of their business, and (b) manufacture for export from the United States. There is no exception for one manufacturing for initial sale or delivery intrastate.

Section 5 of the Wool Act requires "any person manufacturing for introduction * * * into commerce a wool product shall affix thereto the stamp, tag, label," etc., setting forth the information required under §4 which prescribes when a wool product shall be considered to be misbranded. Section 6(b) of the Act provides that "every manufacturer of wool products shall maintain proper records showing the fiber content as required by this Act of all wool products made by him, and shall preserve such records for at least three years." Section 7 of the Act provides a condemnation proceeding against "any wool products * * * if the Commission has reasonable cause to believe such wool products are being manufactured * * * in commerce in violation of the provisions of this Act * * *." Section 9 relates to guaranties and relieves from liability those who require a guarantee in good faith "of the person residing in the United States by whom the wool product guaranteed was manufactured * * * that said wool product is not misbranded under the provisions of this Act." Reference to the requirement of wilfulness in criminal prosecutions as provided by Section 10 has already been made herein.

The Wool Act liberally construed in its entirety according to the plain language thereof clearly shows that Congress did not intend that anyone in the chain of events leading from the initial manufacture to the ultimate consumer should escape liability for his violations of the Act. Every statute must be interpreted in the light of reason and common understanding to reach the results which were intended by the legislature. See *Rathbone v. U.S.*, 355 U.S. 107, rehearing denied 355 U.S. 925. To consider the manufacture of wool batting by respondents and their intrastate sale thereof as separate transactions entirely independent of and disconnected from the entire stream of commerce into which such batting must necessarily flow and be an inseparable part in the ordinary course of business from initial manufacturer to the ultimate consumer is a technical hair-splitting which this examiner cannot accept either as true in fact or as good law. In *Standard Oil Co. v. F.T.C.* (C.A. 7, 1949), 173 F. 2d 210, 214, affirmed 340 U.S. 231 (and recently reapproved by the Seventh Circuit in *Holland Furnace Co. v. F.T.C.*, Order of June 16, 1959, Case No. 12,451), the Court said:

We decline, as the Supreme Court did in *Stafford v. Wallace* [258 U.S. 495] * * *, p. 519, " * * * to defeat this purpose in respect of such a stream and take it out of complete national regulation by a nice and technical inquiry into the noninterstate character of some of its necessary incidents and facilities when considered alone and without reference to their association with the movement of which they were an essential but subordinate part." After all, as Justice Holmes said in *Swift and Company v. United States*, 196 U.S. 375, 398, 25 S. Ct. 276, 49 L. Ed. 518, " * * * commerce among the states is not a technical legal conception, but a practical one, drawn from the course of business." The modern concept of commerce is one which gives full sweep to the commerce clause of the Constitution within the limits of the implementing statute, a liberal view of the congressional purpose as expressed in the statute, and a realistic view of what business is doing as it moves across state lines to accomplish its purpose. * * * [Emphasis added.]

The Court said in *F.T.C. v. Mandel Brothers, Inc.*, May 4, 1959, 359 U.S. 385:

* * * The Title of the Act which, though not limiting the plain meaning of the text, is nonetheless a useful aid in resolving an ambiguity (see *Maguire v. Commissioner*, 313 U.S. 1, 9) * * *

The title of the Wool Products Labeling Act is "AN ACT to protect producers, manufacturers, distributors, and consumers from the unrevealed presence of substitutes and mixtures in spun, woven, knitted, felted, or otherwise manufactured wool products, and for other purposes." This is very similar to the title to the Fur Products Labeling Act which was under consideration in the *Mandel* case. This title was referred to in the several Committee Reports and

at various places throughout the Congressional debates which preceded the adoption of the Wool Act. While counsel supporting the complaint has quoted some of the legislative history relating to this Act, in view of the conclusions hereinbefore reached that the Act itself is clear, this initial decision will not be burdened by an extensive consideration of the matters discussed by the proponents of the bill in the Congressional Committee Reports and subsequent debates. Suffice it to say, in brief, that the Members of Congress repeatedly stated that the regulatory processes governing the wool industry should begin with the manufacturer and that his labels should tell the truth as to what the fabric contained in order that the ultimate consumer might be fully protected.

While respondents contend that they are not under the terms of the Wool Act because they have not manufactured wool products for introduction into commerce or introduced the same into commerce, there are stipulated facts from which quite a contrary inference may be drawn. A number of illustrations of sales made by respondents to different customers are set forth in paragraphs 4 to 7, inclusive, of the stipulation hereinabove quoted. In each of these situations the stock sold by respondents had been labeled by them and invoiced as well under a designation of fiber content which was false. It must be inferred that this labelling and invoicing was done pursuant to the provisions of the Wool Act. Therefore, the respondents have taken advantage of the Wool Act to obtain business. Without labels on their original wool products, it must be inferred that they could not sell one cent's worth of their product to any manufacturer who expected to use it in commerce. These respondents cannot take advantage of the Wool Act to build a substantial business with gross sales amounting to about \$60,000 to \$100,000 each year from the sale of wool batting and then deny that the Act applies to them. It would be a wholly incongruous interpretation of the Wool Act to construe it so that it might be made a definite instrument of fraud upon other manufacturers and the public by ruling that false labels could be used to obtain business but that respondents, after receiving the benefits of the Act, were in no manner subject to its liabilities. In this connection the respondents' position reminds the examiner of the leading case of *Scott v. Shepherd*, W.B1. 892, 96 Reprint 525, 3 Wils. 403, 95 Reprint 1124, the famous "squib" case which is a basic case in the law of negligence. In that case the defendant threw a lighted squib into a crowd of people, one after another of whom, in self-defense, threw the squib away from him until it finally struck the plaintiff in his face and exploded, causing him to lose an eye. The defendant con-

tended that he never intended that the explosive should ever be handled by the particular victim of it. Nevertheless it was held and is a basic rule of law today that the defendant was liable for the plaintiff's injury because it was the natural and probable effect that anyone who was struck by the squib would pass it on from himself, and its ultimate explosion at the end of the line must have been reasonably anticipated by the one who threw it. In the case at bar respondents say they do not know who ultimately got their shoddy products and since they did not know who was going to get them they are not liable because they only placed them in local intrastate commerce in the first place. To state the proposition is to answer it. The respondents can raise no such defense. In the very nature of the wool business in America today, every wool manufacturer must know that it is the natural and probable consequence of his selling his product that it will flow into the stream of interstate commerce and eventually be purchased by some consumer far away in another state, who can rely only upon the protection afforded by the Wool Act and compliance therewith by the several manufacturers involved in the making of the ultimate wool product which he receives. As counsel supporting the complaint aptly urges, the wool batting of respondents in question here was manufactured for introduction into commerce because it was actually later introduced into commerce. The Act does not require a finding that any such specific intent or knowledge existed on the part of the original manufacturer, or for that matter on the part of any manufacturer in the line of production of a garment made of wool fabric. The fact of the actual transmittal of the product in interstate commerce, as admitted in the stipulation herein, establishes the fact of its having been manufactured for such purpose in the legal contemplation of the Wool Act. To require proof of specific knowledge on the part of any respondent as to the course of his product would take in the stream of interstate commerce, would render ineffectual, if not practically impossible, any enforcement of the Wool Act insofar as the Commission's cease and desist orders are concerned. That is all that we have before us in this case.

Counsel supporting the complaint urges that while the precise meaning of the words "manufacture for introduction into commerce" as used in the Wool Act has not been defined, either by the Commission or by the courts, a similar provision "production of goods for commerce" in the Fair Labor Standards Act, 29 U.S.C.A. §§201-211, has received judicial construction in a number of cases, which hold, in substance, that it is sufficient that from the circumstances of production the trier of facts may reasonably infer that the producer

has grounds to anticipate that his products will move in interstate commerce. Like counsel supporting the complaint, however, I believe it is unnecessary to resort to such interpretation of the Act.

All proposals of the parties which have not been incorporated in this initial decision are rejected.

From the evidentiary facts stipulated and fairly inferred therefrom, the hearing examiner finds that the ultimate undisputed facts in this case are as follows: Respondents are engaged in the manufacture of wool batting for introduction into commerce; that said wool batting was misbranded in the several particulars charged when it was sold by respondents to other manufacturers; that respondents' wool batting in more finished commodities moved in interstate commerce from New York State into many States of the Union.

From all of the foregoing facts, the hearing examiner has reached the following conclusions of law:

1. Respondents have misbranded wool products within the intent and meaning of §4(a)(1) of the Wool Products Labeling Act of 1939 and the Rules and Regulations of the Commission promulgated thereunder; respondents further have misbranded their wool products in that they were not stamped, tagged or labeled as required under the provisions of §4(a)(2) of the Wool Products Labeling Act of 1939 and the provisions of the Commission's Rules and Regulations promulgated thereunder.

2. The acts and practices of respondents hereinabove found to violate the Wool Products Labeling Act of 1939 and the provisions of the Commission's Rules and Regulations promulgated thereunder are all to the prejudice and injury of the public and constitute unfair and deceptive acts or practices in commerce within the intent and meaning of the Federal Trade Commission Act. It is not charged in the complaint that they constitute unfair methods of competition in commerce.

3. The Federal Trade Commission has jurisdiction over all of the respondents' acts and practices which have been hereinabove found to be violative of the Wool Products Labeling Act of 1939 and the Federal Trade Commission Act.

4. The public interest in the proceeding is clear, specific, and substantial.

Upon the foregoing findings of fact and conclusions of law, the following order is hereby entered:

It is ordered, That respondent, Finest Wool Batting Corp., a corporation, and its officers, and Sid L. August and Joseph Shlonkowitz, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any cor-

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Order

porate or other device, in connection with the introduction or manufacture for introduction into commerce, or the offering for sale, sale, transportation, or distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, of wool batting or other "wool products," as such products are defined in and subject to the Wool Products Labeling Act of 1939, which products contain, purport to contain, or in any way are represented as containing "wool," "reprocessed wool," or "reused wool," do forthwith cease and desist from misbranding such products by:

1. Falsely or deceptively stamping, tagging, labeling or otherwise identifying such products as to the character or amount of the constituent fibers included therein.
2. Failing to affix labels to such products showing each element of information required to be disclosed by Section 4(a)(2) of the Wool Products Labeling Act of 1939.

FINAL ORDER

By its order of September 3, 1959, the Commission extended until further order the date on which the initial decision of the hearing examiner herein would become the decision of the Commission; and

The Commission having concluded that said initial decision should be modified in certain respects as hereinafter indicated:

It is ordered, in view of the Commission's decision in the matter of *United Felt Company, et al.*, Docket No. 7132, entered this day, that there be deleted from page 11 of the initial decision contained in the official public record of the instant case the following language:

"* * * Respondents urge that the hearing examiner's decision in *United Felt Co., et al.*, Docket No. 7132, is persuasive authority in this case for a dismissal. This examiner is not prepared to pass on the merits of that decision but from the stated facts therein it has no application to the case at bar. As the examiner there held:

"* * * (T)here is no evidence that the battings ever found their way into commerce at all, that is, that they were used in the quilting of fabrics which moved in commerce. * * *"

It is further ordered, That the order contained in the initial decision be, and it hereby is, modified to, read as follows:

"It is ordered, That respondent, Finest Wool Batting Corp., a corporation, and its officers, and Sid L. August and Joseph Shlonkowitz, individually and as officers of said corporation, and respond-

ents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction or manufacture for introduction into commerce, or the offering for sale, sale, transportation, or distribution in commerce, as 'commerce' is defined in the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, of wool batting or other 'wool products,' as such products are defined in and subject to the Wool Products Labeling Act of 1939, which products contain, purport to contain, or in any way are represented as containing 'wool,' 'reprocessed wool,' or 'reused wool,' do forthwith cease and desist from misbranding such products by:

1. Falsely or deceptively stamping, tagging, labeling or otherwise identifying such products as to the character or amount of the constituent fibers included therein.

2. Failing to affix labels to such products showing each element of information required to be disclosed by Section 4(a)(2) of the Wool Products Labeling Act of 1939."

It is further ordered. That the initial decision as so modified be, and it hereby is, adopted as the decision of the Commission.

It is further ordered. That respondents shall, within sixty (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 the order to cease and desist contained in the initial decision as modified.