

IN THE MATTER OF
MORTON-NORWICH PRODUCTS, INC., ET AL.
CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
THE FEDERAL TRADE COMMISSION ACT

Docket C-2707. Complaint, July 21, 1975—Decision, July 21, 1975

Consent order requiring a Chicago, Ill., salt manufacturer and its advertising agency, among other things to cease failing to disclose in all advertisements for Morton Lite Salt that the product is not to be used by persons on sodium or potassium restricted diets, and misrepresenting that there is a connection between sodium intake and water retention or high blood pressure or that a reduction in sodium intake will promote or maintain good health.

Appearances

For the Commission: *Walter B. Fisherow.*

For the respondents: *McBride, Baker, Wienke & Schlosser*, Chicago, Ill. *Pepper, Hamilton & Scheetz*, Wash., D.C., and *Davis, Gilbert, Levine & Schwartz*, New York City.

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 Morton-Norwich Products, Inc., a corporation, and Needham, Harper & Steers Advertising, Inc., a corporation, hereinafter sometimes referred to as respondents, have violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent Morton-Norwich Products, Inc. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its principal office and place of business located at 110 N. Wacker Drive, Chicago, Ill.

PAR. 2. Respondent Needham, Harper & Steers Advertising, Inc. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware with its principal office and place of business located at 401 N. Michigan Ave., Chicago, Ill.

PAR. 3. Respondent Morton-Norwich Products, Inc. is now, and for some time last past has been, engaged in the manufacture, advertising, offering for sale, sale and distribution of Morton Lite Salt, a food product consisting of equal parts of sodium chloride and potassium chloride.

PAR. 4. Respondent Needham, Harper & Steers Advertising, Inc. is now, and for some time last past has been an advertising agency for respondent Morton-Norwich Products, Inc. and has prepared and caused to be disseminated advertising material relating to Morton Lite Salt, including but not limited to the advertisements referred to herein.

PAR. 5. Respondent Morton-Norwich Products, Inc. causes Morton Lite Salt, when sold, to be transported from the place of its manufacture to purchasers located in various States of the United States. Respondent Morton-Norwich Products, Inc. maintains, and at all times mentioned herein has maintained, a course of trade in said product in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 6. In the course and conduct of their said businesses, respondents have disseminated, and caused the dissemination of, certain advertisements concerning Morton Lite Salt by various means in commerce, as "commerce" is defined in the Federal Trade Commission Act, including but not limited to advertisements inserted in magazines and newspapers and by means of television broadcasts transmitted by television stations located in various States of the United States having sufficient power to carry such broadcasts across State lines, for the purpose of inducing, and which were likely to induce, directly or indirectly, the purchase of said product; and respondents have disseminated, and caused the dissemination of, advertisements concerning said product by various means, including but not limited to the aforesaid media, for the purpose of inducing, and which were likely to induce, directly or indirectly, the purchase of said product in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 7. Typically, such advertisements included the statement that Morton Lite Salt contains one half the amount of sodium of regular salt, and certain of such advertisements included the statement that said product was for use by persons who desire to or should reduce their intake of sodium. Such advertisements did not contain a warning that Morton Lite Salt should not be used by persons who are on a sodium or potassium restricted diet without the approval of a physician.

PAR. 8. Because Morton Lite Salt does contain a substantial amount of sodium (one half the amount of sodium that is contained in regular table salt), the product should not be used by persons on a sodium restricted diet unless such use is approved by a physician. Similarly, since Morton Lite Salt contains a substantial amount of potassium chloride, said product should not be used by persons on a potassium restricted diet unless approved by a physician. Therefore, a warning statement, to the effect that said product should not be used by persons

on sodium or potassium restricted diets unless approved by a physician, should have been included in all such advertisements. Such a warning statement constituted a material statement, the omission of which made such advertisements false and misleading.

PAR. 9. At least one of such advertisements contained a representation to the effect that doctors and medical researchers have established a connection between sodium intake and high blood pressure or water retention and have established that, in effect, a reduction of the level of sodium intake will promote or maintain good health.

PAR. 10. In truth and in fact, while some medical authorities have suggested that there is data which apparently supports such a representation, it has not been established that there is a causal connection between sodium intake and high blood pressure or water retention, or that a reduction in the level of sodium intake will promote or maintain good health. Therefore, the representations set forth in Paragraph Nine are and were false and misleading.

PAR. 11. The aforesaid acts and practices of respondents, as herein alleged, were and are all to the prejudice and injury to the public and constituted, and now constitute, unfair and deceptive acts and practices in commerce in violation of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Bureau of Consumer Protection proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have violated the said Act, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for

a period of sixty (60) days, now in further conformity with the procedure prescribed in Section 2.34 (b) of its rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent Morton-Norwich Products, Inc. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at 110 N. Wacker Drive, Chicago, Ill.

Respondent Needham, Harper & Steers Advertising, Inc. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business located at 401 N. Michigan Ave., Chicago, Ill.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

IT IS ORDERED, That respondent Morton-Norwich Products, Inc., a corporation, and respondent Needham, Harper & Steers Advertising, Inc., a corporation, their successors and assigns, either jointly or individually, and respondents' officers, agents, representatives, and employees, directly or through any corporation, subsidiary, division or other device, in connection with the advertising, offering for sale, sale or distribution in or affecting commerce as "commerce" is defined in the Federal Trade Commission Act, of Morton Lite Salt, or any product of similar composition, do forthwith cease and desist from disseminating any advertisement which:

1. Fails to clearly and conspicuously disclose, in the following words or in words of similar import, that such product is "Not To Be Used By Persons On Sodium Or Potassium Restricted Diets Unless Approved By A Physician;" or

2. makes any representation, directly or indirectly, that medical researchers or doctors have established (a) a connection between sodium intake and high blood pressure or water retention, or (b) that a reduction in the level of sodium intake will promote or maintain good health.

Nothing in this order shall be construed to prohibit respondents from disseminating any advertisement of Morton Lite Salt which:

A. Indicates that Morton Lite Salt contains one-half the sodium of regular salt; or

B. indicates that Morton Lite Salt is intended for persons (not including those on sodium or potassium restricted diets) who desire to reduce their intake of salt or sodium.

IT IS FURTHER ORDERED, That respondents shall forthwith distribute a copy of this order to each officer or employee having direct responsibility for either the marketing or advertising of Morton Lite Salt.

IT IS FURTHER ORDERED, That respondents notify the Commission at least thirty (30) days prior to any proposed change in the corporate respondents, such as dissolution, assignment, or sale resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries, or any other change in the corporation which may affect compliance obligations arising out of the order.

IT IS FURTHER ORDERED, That each respondent shall, within sixty (60) days after the effective date of the order served upon it, file with the Commission a report, in writing, signed by respondents, setting forth in detail the manner and form of their compliance with the order to cease and desist contained herein.
