

IN THE MATTER OF
UNITED STATES SALES CORPORATION

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF THE
TEXTILE FIBER PRODUCTS IDENTIFICATION ACT AND
THE FEDERAL TRADE COMMISSION ACT

Docket C-3313. Complaint, Nov. 21, 1990—Decision, Nov. 21, 1990

This consent order prohibits, among other things, a California mail order company from failing to disclose in future mail-order catalogs and promotional materials that the textile fiber products offered are processed or manufactured in the United States, imported, or both.

Appearances

For the Commission: *Robert E. Easton.*

For the respondent: *Daniel H. Carlin, Loeb & Loeb, New York, N.Y.*

COMPLAINT

The Federal Trade Commission, having reason to believe that United States Sales Corporation (formerly United States Sales Corp.), a corporation, hereinafter referred to as respondent, has violated the provisions of the Federal Trade Commission Act and the Textile Fiber Products Identification Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby alleges:

PARAGRAPH 1. Respondent United States Sales Corporation (formerly United States Sales Corp.) is a corporation organized, existing and doing business under and by virtue of the laws of the State of California with its office and principal place of business presently located at 8550 Balboa Boulevard, Northridge, California.

It also does business under the name of United States Purchasing Exchange.

All stock in respondent is owned by Ronald D. Goldman and Theodore J. Slavin who are officers of said corporation.

PAR. 2. Respondent is now, and for some time past has been, engaged, by means of mail order catalogs, in the advertising, offering

for sale, sale and distribution of a variety of products in commerce including textile wearing apparel and other textile fiber products.

PAR. 3. In September, 1984 Congress amended the Textile Fiber Products Identification Act (15 U.S.C. 70) (hereafter referred to as the Textile Act) to require that catalogs disclose whether textile fiber products offered for sale are imported or domestically produced or both. The amendment states:

(i) For the purpose of this Act, a textile fiber product shall be considered to be falsely or deceptively advertised in any mail order catalog or mail order promotional material which is used in the direct sale or direct offering for sale of such textile fiber product, unless such textile fiber product description states in a clear and conspicuous manner that such textile fiber product is processed or manufactured in the United States of America, or imported, or both. (15 U.S.C. 70b(i))

PAR. 4. The Commission, pursuant to authority under the Textile Act and to make such rules and regulations as may be necessary and proper for the enforcement of the Textile Act (15 U.S.C. 70e), promulgated a rule effective April 17, 1985 relating to country of origin in mail order advertising. Rule 34 states:

When a textile fiber product is advertised in any mail order catalog or mail order promotional material, the description of such product shall contain a clear and conspicuous statement that the product was either made in U.S.A., or imported, or both. Other words or phrases with the same meaning may be used. The statement of origin required by this section shall not be inconsistent with the origin labeling of the product being advertised. (16 CFR 303.34, as amended)

PAR. 5. Pursuant to Section 3(f) of the Textile Act, 15 U.S.C. 70(a), violation of that Act and the Federal Trade Commission rules issued thereunder is an unfair method of competition and an unfair and deceptive act or practice under the Federal Trade Commission Act.

PAR. 6. Respondent's aforesaid textile fiber products have been advertised or offered for sale in mail order catalogs or mail order promotional material without a clear and conspicuous statement that the products are processed or manufactured in the United States of America, or imported, or both.

PAR. 7. Respondent's sale, offering for sale and advertising of textile fiber products in commerce were, and are, in violation of the Textile Act and the Federal Trade Commission rules and regulations promulgated thereunder, and constituted, and now constitute, unfair methods of competition and unfair and deceptive acts and practices in commerce, in violation of the Federal Trade Commission Act.

Commissioner Starek not participating.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondent named in the caption hereof, and the respondent 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 respondent with violation of the Federal Trade Commission Act and the Textile Fiber Products Identification Act; and

The respondent, its attorneys, and counsel for the Commission having thereafter executed an agreement containing: a consent order, an admission by the respondent 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 respondent 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 respondent has violated the said Acts, 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, and having duly considered the comment filed thereafter by an interested person pursuant to Section 2.34 of its Rules, now in further conformity with the procedure prescribed in Section 2.34 of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings and enters the following order:

1. Respondent United States Sales Corporation (formerly United States Sales Corp.) is a corporation organized, existing and doing business under and by virtue of the laws of the State of California with its office and principal place of business presently located at 8550 Balboa Boulevard, Northridge, California.

It also does business under the name of United States Purchasing Exchange.

All stock in respondent is owned by Ronald D. Goldman and Theodore J. Slavin who are officers of said corporation.

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

ORDER

It is ordered, That respondent United States Sales Corporation (formerly United States Sales Corp.), a corporation, its successors and assigns, trading under its own name or as United States Purchasing Exchange or under any other name or names, and its officers, agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale or sale by mail order catalog or mail order promotional material of any textile fiber product (as this term is defined in the Textile Fiber Products Identification Act (15 U.S.C. 70)) do forthwith cease and desist from:

Offering for sale, selling or advertising any such textile fiber product in any mail order catalog or mail order promotional material which is used in the direct sale or direct offering for sale of any such textile fiber product, without stating in the description of such textile fiber product in a clear and conspicuous manner that such textile fiber product is processed or manufactured in the United States of America, or imported, or both.

It is further ordered, That respondent notify the Commission at least thirty (30) days prior to any proposed change in the respondent 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 respondent shall forthwith distribute a copy of this order to each of its operating divisions.

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

Commissioner Starek not participating.

IN THE MATTER OF

ATLANTIC RICHFIELD COMPANY, ET AL.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SEC. 7 OF THE CLAYTON ACT AND SEC. 5 OF THE
FEDERAL TRADE COMMISSION ACT

Docket C-3314. Complaint, Nov. 26, 1990—Decision, Nov. 26, 1990

This consent order requires, among other things, ARCO Chemical Company, a subsidiary of Atlantic Richfield Company and a producer of urethane polyether polyols and propylene glycol, to divest, within twelve months of this order, to a Commission-approved acquirer: the propylene glycol assets and businesses of Union Carbide; and the urethane polyether polyol assets and businesses in the United States and Canada which ARCO acquired from Texas Chemical Company in 1987. The consent order also requires ARCO, for ten years, to secure prior Commission approval before making certain acquisitions.

Appearances

For the Commission: *Rhett R. Krulla and Marc G. Schildkraut.*

For the respondents: *Richard Porter, Steptoe & Johnson, Washington, D.C.*

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and of the Clayton Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that Atlantic Richfield Company, a corporation, ARCO Chemical Company, a corporation, (collectively "ARCO"), have entered into an agreement with Union Carbide Corporation, a corporation, and Union Carbide Chemicals and Plastics Company Inc., a corporation, (collectively "Union Carbide"), that violates said Acts, and it appearing to the Commission that a proceeding in respect thereof would be in the public interest, hereby issues its complaint stating its charges as follows:

DEFINITIONS

PARAGRAPH 1. For purposes of this complaint, "*propylene oxide*" means the chemical intermediate product, also known as propane