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Not for release before time of delivery  
Tuesday, January 22, 1963.

STATEMENT  
ON  
FAIR ADVERTISING LANDMARKS

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Introduction

It is fitting that your meeting today celebrates the

when some of the guideposts of that basic statute became  
obscured by the events of time. as by the decision in \_\_\_\_\_

thread and textile fabrics for home use. The first  
cease-and-desist order to be reviewed by the courts  
involved misrepresentation of food products, sugar,  
coffee and tea, by one of the nation's largest retailers.

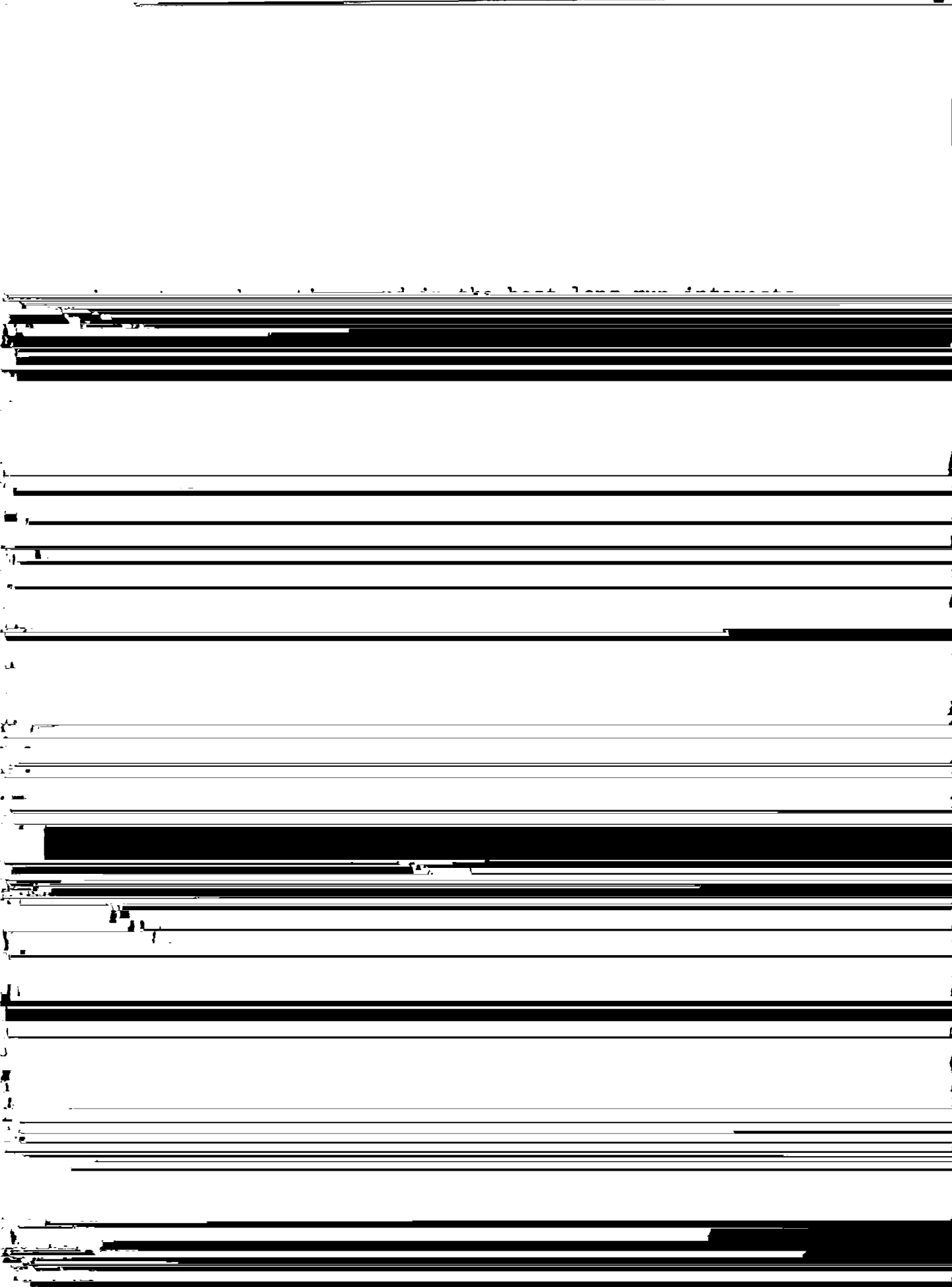
The broad responsibility of the Commission to protect the

as follows:

"The commissioners, representing the Government  
as *parens patriae*, are to exercise their common  
sense, as informed by their knowledge of the

the giving of special attention to the problem. In that year the Commission established a "special board of investigation" to conduct a continuing survey of newspaper and magazine advertising for the purpose of detect-

The Wheeler-Lea Amendments to Section 5 gave the  
Commission jurisdiction to prevent "unfair or deceptive



Civil penalties were collected under that section during fiscal year 1962 in the record amount of \$100,400.

Probably the most important consumer protection feature

of the ~~Woolen~~ ~~Law~~ ~~Amendments~~ ~~is~~ ~~the~~ ~~addition~~ ~~to~~ ~~the~~



to the dissemination of false advertising by United States mails, or in commerce by any means, or by any means likely to induce a sale in commerce.

An interesting development under the Wheeler-Lea Amendments has been the evolution of affirmative disclosure requirements in the advertising or labeling of products.

~~In one of the first and most definitive of these cases~~

Another landmark complaint issued under Section 5 charged that because of consumer preference for domestic products, failure to disclose the foreign origin of imitation pearls constituted "unfair and deceptive acts and practices in commerce", and the order required that such products not be offered for sale or sold without clearly disclosing

which the petitioners themselves were not guilty. "87

not only cease misrepresenting the nature of his business,  
but also cease distributing written materials which did  
not disclose the nature of his business.

The order as thus modified was affirmed on court  
review, the main basis being that failure of the written  
materials to contain the disclosure required by the order

Section 15, as you know, defines a false advertisement as

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Consumer protection activities of the Commission gained significant support from court affirmance of the order in the Koch case of 1953. Disclosures were not involved.

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The Commission issued a similar order in a litigated case involving such a product designated "Rybutol," noting that

which testimony showed the great majority of persons



with no conclusion as to final disposition having yet been

The jurisdiction conferred upon the Commission by the Wheeler-Lea Amendments to prevent false advertising of food, drugs, therapeutic devices and cosmetics, regardless of whether there were sales in interstate commerce, was confirmed by court

the U. S. mails. The court found that the order had been

either because of flagrancy of practice or numbers of  
the public affected. I suppose no one would argue  
that we should ignore the advertising of a mineral

charged with deceptive practices in nine proceedings pending before the Commission, one company being the subject of two pending actions. Thus the Commission has not overlooked the more important advertisers; neither has it overlooked the smaller advertiser when he was in effect stealing substantial amounts of money from the public.

Under the present organizational setup of the Commission, as adopted July 1, 1961, the investigation and litigation of initial violations occurring under the Wheeler-Lea Amendments, especially those involving food, drugs, therapeutic devices and cosmetics, is

