

## 3 WITNESSES BACK FTC IN HEARST CASE

Flavoring Extract Maker Says  
Good Housekeeping Treated  
Concern Unfairly

TELLS OF LOSING 'SEAL'

Soft Drink Concern Used  
Approval Tag Without  
Plant Inspection

Special to THE NEW YORK TIMES  
WASHINGTON, Dec. 11—Resum-  
ing hearings of its complaint that  
Hearst Magazines, Inc., through its  
Good Housekeeping Magazine, en-  
gages in "misleading and deceptive  
acts and practices," the Federal  
Trade Commission today produced  
three witnesses before a commis-  
sion examiner with evidence held  
to uphold the complaint.

The commission charged some  
months ago that the magazine's  
practice of issuing guarantees and  
seals of approval of various prod-  
ucts "and the publication in its ad-  
vertising pages of grossly exagger-  
ated and false claims for products  
advertised therein" was a violation  
of law. Three weeks of hearings on  
the complaint already have been  
held in New York City and a fourth  
week of hearings in Chicago. The  
company has yet to present its re-  
buttal testimony.

The commission witnesses heard  
today were L. B. Whitehouse, vice  
president of the Morton Manufac-  
turing Company of Lynchburg, Va.,

trading as Blair Laboratories;  
Henry M. Fowler, president of the  
Royal Crown Bottling Company of  
Washington, and Walter F. Brauns,  
an official of Tolman's Laundry,  
also of Washington. James L. Fort  
represented the commission in the  
hearing, while Hearst Magazines  
was represented by Isaac W. Digges,  
Gilbert H. Weil and Frederic B.  
Warder.

Mr. Whitehouse, whose concern  
makes flavoring extracts and cos-  
metics for house-to-house sale, tes-  
tified that he thought the publica-  
tion had not treated his firm fairly.

He said that in 1928 the firm  
sought and received from the maga-  
zine its "seal of approval" on three  
natural oil flavoring extracts and  
that in 1932 it sought and obtained  
a similar seal on its entire line. He  
said that at about this time he was  
advised by his Chicago advertising  
agency to place an advertisement  
in the magazine and did place one  
at a cost of \$500, but could not be  
sure whether this happened before  
or after the general seal privilege  
was granted. In 1933, he added,  
the magazine withdrew the seal  
privilege, first on the ground that  
the firm was distributing house-to-  
house and second because it alleg-  
edly did not have a national dis-  
tribution for its products.

Mr. Fowler said his firm obtained  
the right to use the seal because it  
was operating under a franchise  
from the Nehi company, a maker  
of a soft drink, and had used it for  
about four years. So far as he  
knew, he said, no representative of  
the magazine ever had inspected  
his plant, although he added that  
one might have gone through it  
without his knowledge.

Mr. Brauns said his concern ob-  
tained the seal because it belonged  
to the Institute for Maintaining  
Dry Cleaning Standards, and added  
that the plant had been inspected  
by the magazine institute officials.