FEDERAL RESERVE BOARD

Sunshine Act Meeting

AGENCY HOLDING THE MEETING: Board of Governors of the Federal Reserve System.

TIME AND DATE: 11:00 a.m., Tuesday, January 21, 1997.

PLACE: Marriner S. Eccles Federal Reserve Board Building, C Street entrance between 20th and 21st Streets, N.W., Washington, D.C. 20551.

STATUS: Closed.

Matters to be Considered

1. Personnel actions (appointments, promotions, assignments, reassignments, and salary actions) involving individual Federal Reserve System employees.

2. Any items carried forward from a previously announced meeting.

CONTACT PERSON FOR MORE INFORMATION: Mr. Joseph R. Coyne, Assistant to the Board; (202) 452–3204. You may call (202) 452–3207, beginning at approximately 5 p.m. two business days before this meeting, for a recorded announcement of bank and bank holding company applications scheduled for the meeting.

Dated: January 10, 1997.

Jennifer J. Johnson,

Deputy Secretary of the Board.

[FR Doc. 97–1069 Filed 1–13–97; 10:51 am]

BILLING CODE 6210–01–P

FEDERAL TRADE COMMISSION

[File No. 962–3069]

Abbott Laboratories; Analysis to Aid Public Comment

AGENCY: Federal Trade Commission.

ACTION: Proposed consent agreement.

SUMMARY: In settlement of alleged violations of Federal law prohibiting unfair or deceptive acts or practices and unfair methods of competition, this consent agreement, accepted subject to final Commission approval, would prohibit, among other things, the Abbott Park, Illinois-based marketer of nutritional beverages from making any claim about the extent to which doctors or other professionals recommend any food or dietary or nutritional supplement, or about any other recommendation, approval, or endorsement of such products, unless it possesses competent and reliable scientific evidence to substantiate the claim. The agreement settles allegations that Abbott made false and unsubstantiated claims in an extensive national advertising campaign that promotes the company's Ensure nutritional beverages for healthy, active adults.

DATES: Comments must be received on or before March 17, 1997.

ADDRESSES: Comments should be directed to: FTC/Office of the Secretary, Room 159, 6th St. and Pa. Ave., NW., Washington, DC 20580.

FOR FURTHER INFORMATION CONTACT: Michelle K. Rusk, Federal Trade Commission, S–466, 6th and Pennsylvania Ave., NW., Washington, DC 20580. (202) 326–3148. Joel Winston, Federal Trade Commission, S–4002, 6th and Pennsylvania Ave., NW., Washington, DC 20580. (202) 326–3153.

SUPPLEMENTARY INFORMATION: Pursuant to Section 6(f) of the Federal Trade Commission Act, 38 Stat. 721, 15 U.S.C. 46, and Section 2.34 of the Commission's Rules of Practice (16 CFR 2.34) notice is hereby given that the above-captioned consent agreement containing a consent order to cease and desist, having been filed with and accepted, subject to final approval, by the Commission, has been placed on the public record for a period of sixty (60) days. The following Analysis to Aid Public Comment describes the terms of the consent agreement, and the allegations in the accompanying complaint. An electronic copy of the full text of the consent agreement package can be obtained from the Commission Actions section of the FTC Home Page (for January 2, 1997), on the World Wide Web, at ''http://www.ftc.gov/os/actions/htm.'' A paper copy can be obtained from the FTC Public Reference Room, Room H–130, Sixth Street and Pennsylvania Avenue, NW., Washington, DC 20580, either in person or by calling (202) 326–3627. Public comment is invited. Such comments or views will be considered by the Commission and will be available for inspection and copying at its principal office in accordance with Section 4.9(b)(6)(ii) of the Commission's Rules of Practice (16 FR 4.9(b)(6)(ii)).

Analysis of Proposed Consent Order To Aid Public Comment

The Federal Trade Commission has accepted an agreement to a proposed consent order from Abbott Laboratories. This matter concerns advertising for Ensure nutritional products.

The proposed consent order has been placed on the public record for sixty (60) days for reception of comments by interested persons. Comments received during this period will become part of the public record. After sixty days, the Commission will again review the agreement and the comments received and will decide whether it should withdraw from the agreement or make final the agreement's proposed order.

Ensure is a canned beverage which contains carbohydrates, protein, fat, vitamins and minerals and is formulated so that the very elderly and others who have difficulty obtaining sufficient nutrition from regular food can subsist on it, for example through tube feeding. The Ensure product line includes not only Ensure, but also Ensure High Protein, Ensure Plus, Ensure With Fiber, Ensure Pudding, and Ensure Light.

According to the Commission's complaint, Abbott advertisements made the unsubstantiated representation that many doctors recommend Ensure as a meal supplement and replacement for healthy adults, including those in their thirties and forties. The complaint explains that, among other reasons, this claim is unsubstantiated because a survey of doctors relied upon by Abbott was not designed to elicit whether many doctors actually recommend Ensure as a meal supplement or replacement for healthy adults—as opposed to adults who are ill or elderly and may have nutritional deficiencies. According to the complaint, the survey merely asked doctors to assume that they would recommend a supplement for adults who were not ill, and then to select the brand they would most recommend.

The complaint also alleges that Abbott misrepresented that one serving of Ensure provides vitamins in an amount comparable to typical multivitamin supplements. According to the complaint, while the typical multivitamin supplement provides at least 100% of the recommended daily intake (RDI) of vitamins, at the time the advertisements challenged in the complaint were first disseminated, one serving of Ensure provided 62% of the RDI of Vitamin C and between 12% and 26% of the RDIs of the other vitamins for which RDIs have been established. The complaint states that, although Ensure has been reformulated, one serving still provides only 50% of the RDI of Vitamin C and 25% of the RDIs of the other vitamins.

The proposed consent order contains provisions designed to remedy the violations charged and to prevent Abbott from engaging in similar acts and practices in the future.

Part I of the order requires Abbott not to make any claim about the extent to which doctors or other professionals recommend any food or dietary or nutritional supplement for healthy adults, or about the recommendation, approval, or endorsement of such products by anyone, unless it possesses

competent and reliable evidence, which when appropriate must be competent and reliable scientific evidence, that substantiates the claim.

Part II prohibits Abott from misrepresenting that one serving of any Ensure product, or any other product advertised, marketed or sold as a meal replacement or supplement for healthy adults, provides vitamins in an amount comparable to typical vitamin supplements. It also prohibits Abbott from misrepresenting the absolute or comparative amount of any vitamin or any other nutrient or ingredient provided by such products. Part II also requires that any representation covered by that Part that conveys a nutrient content claim defined for labeling by any regulation of the Food and Drug Administration (''FDA'') must comply with the qualifying amount set forth in that regulation.

Part III provides that representations that would be specifically permitted in food labeling, under regulations issued by the FDA pursuant to the Nutrition Labeling and Education Act of 1990, are not prohibited by the order.

The proposed order also requires Abbott to maintain materials relied upon to substantiate the claims covered by the order, to distribute copies of the order to certain current and future officers and employees, to notify the Commission of any changes in corporate structure that might affect compliance with the order, and to file one or more reports detailing compliance with the order. The order also contains a provision stating that it will terminate after twenty (20) years absent the filing in federal court, by either the United States or the FTC, of a complaint against Abbott alleging a violation of the order.

The purpose of this analysis is to facilitate public comment on the proposed order, and it is not intended to constitute an official interpretation of the agreement and proposed order, or to modify any of their terms.

Donald S. Clark,

Secretary,

[FR Doc. 97–922 Filed 1–14–97; 8:45 am]

BILLING CODE 6750–01–M

[File No. 961–0101]

General Mills, Inc.; Analysis to Aid Public Comment

AGENCY: Federal Trade Commission.

ACTION: Proposed Consent Agreement.

SUMMARY: In settlement of alleged violations of federal law prohibiting unfair or deceptive acts or practices and unfair methods of competition, this consent agreement, accepted subject to final Commission approval, would require, among other things, the Minneapolis-based producer of ready-to-eat cereals to permit New Ralcorp Holdings, Inc. to transfer to any successor party, without any authorization or approval from General Mills, the right to manufacture and sell cereals identical to the Chex brand products. The order also bars General Mills from delaying production of the private label Chex rivals. The agreement settles allegations that General Mills' acquisition of Ralcorp's branded cold cereal business, including the Chex line of cereals, would boost General Mills' share of the U.S. ready-to-eat cereals market to 31 percent and that it would have restricted the entry of new private label cereal products to compete with the General Mills brands. The Commission had alleged that the acquisition could have resulted in higher prices for Chex brand cereals.

DATES: Comments must be received on or before March 17, 1997.

ADDRESSES: Comments should be directed to: FTC/Office of the Secretary, Room 159, 6th St. and Pa. Ave., N.W., Washington, D.C. 20580.

FOR FURTHER INFORMATION CONTACT: William J. Baer, Federal Trade Commission, H–374, 6th St. and Pa. Ave., N.W., Washington, D.C. 20580. (202) 326–2932.

George S. Cary, Federal Trade Commission, H–374, 6th St. and Pa. Ave., N.W., Washington, D.C. 20580. (202) 326–3741.

Phillip L. Broyles, Federal Trade Commission, S–2105, 6th St. and Pa. Ave., N.W., Washington, D.C. 20580. (202) 326–2805.

SUPPLEMENTARY INFORMATION: Pursuant to Section 6(f) of the Federal Trade Commission Act, 38 Stat. 721, 15 U.S.C. 46, and Section 2.34 of the Commission's Rules of Practice (16 CFR 2.34), notice is hereby given that the above-captioned consent agreement containing a consent order to cease and desist, having been filed with and accepted, subject to final approval, by the Commission, has been placed on the public record for a period of sixty (60) days. The following Analysis to Aid Public Comment describes the terms of the consent agreement, and the allegations in the accompanying complaint. An electronic copy of the full text of the consent agreement package can be obtained from the Commission Actions section of the FTC Home Page (for December 26, 1996), on the World Wide Web, at ''http://www.ftc.gov/os/actions/htm.'' A paper copy can be obtained from the FTC Public Reference Room, Room H–130, Sixth Street and Pennsylvania Avenue, N.W., Washington, D.C. 20580, either in person or by calling (202) 326–3627. Public comment is invited. Such comments or views will be considered by the Commission and will be available for inspection and copying at its principal office in accordance with Section 4.9(b)(6)(ii) of the Commission's Rules of Practice (16 CFR 4.9(b)(6)(ii)).

Analysis to Aid Public Comment on the Provisionally Accepted Consent Order

The Federal Trade Commission has accepted for public comment from General Mills, Inc. (''General Mills''), an agreement containing a consent order. The Commission designed the agreement to remedy any anticompetitive effects stemming from General Mills's acquisition of the branded ready-to-eat (''RTE'') cereal business from Ralcorp Holdings, Inc. (''Ralcorp'').

This agreement has been placed on the public record for sixty (60) days for reception of comments from interested persons. Comments received during this period will become part of the public record. After sixty (60) days, the Commission will again review the agreement and the comments received. The Commission will then decide whether it should withdraw from the agreement or make final the order contained in the agreement.

The Commission's Complaint charges that on or about August 13, 1996, General Mills agreed to acquire the branded RTE cereal and snack-mix businesses owned by Ralcorp. Among the cereals that General Mills agreed to acquire are Corn CHEX, Rice CHEX, and Wheat CHEX. The Commission has reason to believe that the acquisition and the agreement to acquire Ralcorp may have anticompetitive effects and be in violation of Section 7 of the Clayton Act and Section 5 of the Federal Trade Commission Act.

According to the Commission's Complaint, General Mills is the second largest producer of RTE cereals and Ralcorp is the fifth largest producer of branded RTE cereals. Ralcorp is also the largest producer of private label RTE cereals. In 1994, the Ralston Purina Company created Ralcorp by distributing shares of Ralcorp to Ralston's Purina's shareholders. General Mills will not acquire Ralcorp's private label RTE cereal business. Ralcorp will form a new entity, New Ralcorp Holdings, Inc. (''New Ralcorp''), which will continue producing RTE cereals.

The Commission's investigation of this matter found potential anticompetitive problems arising from