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ADDRESS BY THE HON. CHARLES H. MARCH,  
MEMBER OF THE FEDERAL TRADE COMMISSION,  
IN OPENING THE TRADE PRACTICE CONFERENCE  
FOR THE BABY CHICK INDUSTRY  
AT ST. PAUL, MINNESOTA, JULY 21, 1938.

Ladies and Gentlemen:

In holding this trade practice conference in St. Paul, Minnesota, I have the pleasure and the twofold honor of welcoming you not only on behalf of the Federal Trade Commission of Washington, but also as a son of the State of Minnesota.

The fact that this is a gathering of earnest representatives from all parts of the Nation, and that you are meeting in my native State, is to me an auspicious omen that this undertaking, and what we do here today, will prove to be a great blessing to the industry, to the buying public and to everybody concerned.

Yours is a truly national industry and one of particular importance to the rural population of this country, not only giving employment to thousands of persons and adding substantially to the farm income of America, but also providing a very important part of the food supply of the people. The welfare of your industry necessarily affects our country's economic welfare, and we of the Federal Trade Commission have a very real interest in promoting this particular and general prosperity on a sound and lasting basis.

The United States Department of Agriculture reports that on January 1st of this year there were upward of 400,000,000 chickens on farms, valued at about \$300,000,000. These chickens produced in a recent year approximately 30,000,000,000 eggs of an estimated value of \$580,000,000. There were also raised on farms recently over 600,000,000 chickens of an approximate worth of \$350,000,000. These figures do not include any allied poultry products. Yours is a billion dollar industry and one that is still growing.

It is both the purpose and the function of the Commission to retain the benefit of all progress made to date and to continue to improve business individually as well as collectively. To achieve this improvement, we must frankly and courageously notice and take corrective action as to those trade practices which are harmful or which block or stifle progress, or which are unfair to industry as a whole as well as to the consuming public whose patronage and good will are vital for the existence and growth of all industry.

We must be progressive to keep abreast of the development of new devices and practices. I am happy to see, in undertaking this trade practice conference which your organization has applied for, that you are alert to this necessity of taking timely steps in the cause of fair and honest business methods; and to assist in accomplishing this end by bringing your trade practice rules of 1933 up to date.

The Federal Trade Commission is glad to assist your industry to make this work a success and to help honest competitors maintain high standards of business conduct through the elimination of unfair practices. Unfair practices not only stifle and restrain freedom and the expansion of business activity, but what is more serious they feed and foster monopoly, which is at the bottom of the perplexing economic evils of this age.

As I have said elsewhere, this question of monopoly has been the concern of liberty-loving people everywhere, and at no time in our recent history has it been more acute and more pressing for solution than at present. In its broadest aspects the monopoly question, which is one of concentration of wealth, underlies the civil war in Spain, the communist revolution in Russia, the death of democracy in other countries and the economic depressions in this country. Any general monopolization of the means of production and distribution, through unfair trade practices or otherwise, carries with it limitation of purchasing power. The inability of millions to produce, to purchase and to consume is but the reflection of such monopolization. It is well, in conferences of this kind, that we take common counsel in providing for the elimination and prevention of unfair trade practices, thereby eradicating the seeds of monopoly and striking a blow at this paralyzing monster which would overwhelm us and bring about the destruction of our economic and political freedom.

In supporting you and assisting you in this work, the Commission is carrying out the real purpose for which it was created. It is our duty and privilege to see that trade and commerce are conducted on the basis of fair play within the law; and to exercise this power in the public interest and subject to the constitutional and jurisdictional limits of the Federal law. In this work of effectuating correction of bad business practices, we prefer that it be done by friendly cooperative action rather than by resort to compulsory legal proceedings which otherwise might be necessary to bring about the correction demanded by the law and the public interest.

It is our purpose to assist to the fullest extent of the law not only your industry but all industry in maintaining business on a high plane of fair and ethical conduct, to protect the freedom and opportunity of business to develop and expand, and to protect the rights of the buying public, on which the prosperity of industry depends. It is to your interest as well as to the interest of the government that the buying power of the masses be maintained, and it is to the interest of the buying public that business be permitted to expand and develop free from the fetters and burdens of unfair competitive practices. Thus it is plain that by serving the public you serve your own best interests. With this unity of purpose we can work together in building firmly and constructively in the establishment of truly fair trade practices. We can, moreover, rightfully expect to speed progress toward this goal of fair service for the common good of all by voluntary united effort -- by friendly counsel in this cooperative undertaking -- for which purpose we are met here today.

Since last this industry met under the auspices of the Commission and established trade practice rules in 1933, Congress has strengthened the hand of the Commission by certain additional legislation. This may be utilized in the establishment of new and revised rules. In March of this year the so-called Wheeler-Lea Act was passed, whereby the Commission was

given jurisdiction not only over unfair methods of competition, but also over unfair or deceptive acts or practices. In addition, and besides covering specifically certain food and drug products, the Wheeler-Lea Act also provided that Commission cease and desist orders shall become final within 60 days and violations thereof shall be subject to penalties, in the event no appeal is taken within 60 days. These several provisions render the Commission procedure more effective and make it plain that under the law misleading or deceptive acts or practices in competition are not to be tolerated.

Moreover, since the 1933 baby chick rules were established, the Robinson-Patman Act was placed on the statute books. This act prohibits certain types of direct or indirect price discrimination, and the incorporation of its substance in new rules for the Baby Chick Industry will doubtlessly prove very beneficial to you.

The advancement of legal principles by further decisions and progress, both legislatively and administratively, makes it possible for you to take a constructive step forward in the revision and re-enactment of your rules.

The trade practice conference procedure under which this meeting is being held has been developed by the Commission to aid industries in establishing and making more effective voluntary cooperation in preventing unfair methods of competition and unfair or deceptive practices, and to raise the standards of business ethics for the protection of trade and industry as well as for the protection of the purchasing public.

This conference affords the members of the industry opportunity to assemble, to propose and to submit proposed trade practice rules for the approval of the Commission. All members of the industry are invited to take part, regardless of whether they are or are not members of any particular association or organization. The rules proposed and adopted here will be submitted to the Commission for its consideration in the course of the proceeding. After preliminary consideration by the Commission, the rules in appropriate form will be made available and all interested or affected parties will upon due public notice be afforded full opportunity to present any views, suggestions or criticisms which they may have concerning the rules proposed for the industry. Under this plan no one need fear that this conference today will be his last chance to be heard.

The Commission, as a matter of prime importance, must see that the rules as approved by it are within the law and in the public interest. No rule which sanctions or promotes any illegal act or practice can or will be approved by the Commission. This is in harmony with a reasonable and wise governmental policy of protection to honest business and to the consuming public.

It is, moreover, the Commission's purpose to see that the rules for your industry when finally promulgated neither work inequities or hardships nor give undue competitive advantage to one member or group over any other member or group. The rules must meet the test of fairness and justice. The rights of members of the industry cannot and will not be jeopardized. Under our procedure adequate means are provided for the protection of the legitimate interests of all.

The Commission's policy is to see that the competitive race is fairly run, without favoritism and without unfair obstacles. The Federal Trade Commission Act is the legislative expression of that public policy adopted by Congress which supports the competitive system, but it means a civilized competition governed by fair rules and not a brutal, unscrupulous warfare. We welcome your constructive endeavors; and you can count on the Commission as a helpful guide and friend in every effort to reach a just and equitable result.

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