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ADDRESS BY HON. CHARLES H. MARCH,
MEMBER OF THE FEDERAL TRADE COMMISSION,
AT TRADE PRACTICE CONFERENCE FOR THE
FUR INDUSTRY
HELD AT THE HOTEL NEW YORKER, NEW YORK CITY,
DECEMBER 29, 1937.

Ladies and Gentlemen:

It is a happy privilege to preside at this gathering of the Fur Industry. I assure you that I shall be as helpful as possible.

We are met here today on a voluntary and friendly basis to work out a program which should bring much good to the industry and the public. The desirable results to be achieved lie mainly within yourselves and in the effort and spirit all are willing to give for the common good.

The Federal Trade Commission will help to the limit of its authority and power to make the job a success, and to assist the forces for good in the industry to cooperate in maintaining fair competitive conditions.

It may be well at the outset to acquaint you briefly with the extent of the Commission's authority and to give you some idea of our power to support and enforce such of your aims as may be embodied in trade practice rules proposed here today and as may be approved by the Commission.

The Federal Trade Commission is an administrative agency, exercising quasi-judicial functions. Its purpose, as outlined by President Wilson in approving the Federal Trade Commission Act in 1914, was to set up -

"A means of inquiry and of accommodation in the field of commerce which ought to both coordinate the enterprises of our traders and manufacturers and to remove the barriers of misunderstanding and of a too technical interpretation of the law."

While the Commission has certain other powers and duties, its primary function is to prevent unfair methods of competition in commerce.

The objective of the Commission is the protection of honest business and the consuming public from harmful or unfair practices.

In line with this duty 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 among their members for the elimination of unfair methods of competition and the elevation of standards of business ethics to serve their interests as well as the interest of the purchasing and consuming public.

Trade practice rules presented here will be submitted to the Commission for its consideration. Thereafter, in the course of the procedure, the rules, in appropriate form, will be made available to all interested or affected parties. Public notice will be issued to afford them opportunity to present their views, suggestions or criticisms, if any, and to have such taken into consideration by the Commission. Under this plan no one need fear that this conference today will be his last chance to be heard. All will upon public notice of the Commission, have further opportunity to present their views before the rules are finally put into effect.

In passing upon the rules, the Commission, as a matter of prime importance, is careful to see that, as approved, they are within the law and in the public interest. In other words, no rule which sanctions or promotes an illegal act or practice can or will be sanctioned by the Commission. This is in harmony with a reasonable and wise governmental policy which affords protection to honest business.

Moreover, it is the Commission's purpose to see that rules, when finally put into effect, work no inequities or undue competitive advantage for one member or group over another member or group. All rules must meet the test of fairness and justice. Thus, in a trade practice conference, the rights of the members of the industry cannot be jeopardized. Under our procedure, adequate means are provided for the protection of the legitimate opportunities of all.

Unfair trade practices generally fall into two broad classes - those which involve an element of fraud or dishonesty, and, second, those not inherently dishonest, but which are restrictive of fair competition.

No honest business man ever feared fair competition. When unfair practices in an industry are eliminated, every honest member of that industry is benefited and this procedure which we are following here today makes it possible to force unscrupulous interests to keep within the law.

In cooperating under good rules, all members of the industry are on the same fair competitive basis, and are given the protection of the Commission's authority as a disinterested and impartial umpire to see that the game of competition is played fairly and within the requirements of the law.

The unfair and dishonest practices which may be prevalent throughout an entire industry, frequently the result of inexorable forces of competition rather than deliberate design or unscrupulous scheming, are often corrected at a single stroke - by a single conference such as we are beginning today. Where otherwise it might be necessary to take action against each individual offender, involving the institution of innumerable proceedings, the trade practice conference affords a means of eliminating at one step existing bad practices or preventing their inception.

Not only does the Commission's trade practice conference procedure usually lead to prompt abandonment of unfair practices in the industry concerned, but the industry itself gets into the habit of self-discipline. Its

honest members, who always constitute a large majority, cooperate in bringing about enforcement of the law for the benefit of the whole industry and the consuming public. A common sense of right is a powerful and effective weapon.

Our 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 in which the powerful can wantonly destroy the weak.

Many industries have availed themselves of the trade practice conference plan for self-regulation and self-discipline. Our experience has shown that obtaining compliance with the rules established is not a difficult problem. Business men usually respect their agreements. But compulsory statutory processes are available for enforcement of the Group I rules against an offender, even though such offender has never formally accepted the rules or had any part in the conference at which they were adopted. This is so because the practice prohibited by Group I rules constitute statutory offenses.

The Commission welcomes the opportunity to serve and aid industry in its own efforts to foster more ethical competitive conditions through voluntary trade practice conferences and by the exercise of proper cooperative self-regulation. The means is provided; it needs only to be availed of.

It is no part of the Government's job to subsidize inefficiency or forestall the changes which a competitive economy inevitably brings about. It is a part of the Government's job to prevent unfair discrimination and monopolistic practices.

Familiar as you may be with the problem, I doubt if you could over-emphasize the importance of the preservation of fair methods of competition. The competitive system is essentially American. If it dies, commerce will die. Lincoln said, "This Government cannot endure permanently half slave and half free." Neither can it survive if half monopolized and half competitive, because monopoly is economic slavery. The struggle to preserve fair competition and free enterprise must not fail. And, too, substance, not merely the form, must be saved. The French Revolution grew out of monopoly. A few people had obtained a monopoly of the national wealth, and millions had not sufficient to sustain life.

American prosperity and progress have been accomplished through the initiative, the intelligence and the industry of its people. They have been a free people. That freedom must be preserved, and when I speak of freedom, I mean economic freedom as well as personal and political liberty.

In concluding, I express the confidence that this will be a harmonious and helpful conference. No charges are brought here against individuals or individual concerns. The subjects discussed are intended to relate to unfair

practices or methods, not personalities. This is a place where competitors come together in a spirit of mutual cooperation for the benefit of the industry as a whole. Each individual participating in this conference should lay aside any personal grievances and assist in this cooperative effort to eliminate unfair trade practices from this industry, and to condemn all trade evils or trade abuses that may be stifling your industry's improvement and progress. With this spirit prevailing among you, the resulting rules will bring new hope and inspiration for fairer and more enlightened competition in the Fur Industry.

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