

3500

STATEMENT OF

ROBERT H. KENNEDY, GENERAL COUNSEL

FEDERAL TRADE COMMISSION,  
BEFORE THE  
ANTITRUST SUBCOMMITTEE OF THE  
SENATE COMMITTEE ON THE JUDICIARY

It is a pleasure to appear before you today in response to your invitation. This committee has consistently conducted its hearings with a sense of fairness, objectivity and studiousness that is most exceptional. I appreciate the oppor-

tunity to discuss aspects of the Federal Trade Commission's work in the field

The Commission's report provided the impetus for bills introduced by Senator Pomerene and Representative Webb in the succeeding session of Congress. In 1918 the Webb-Pomerene Act, reflecting closely the recommendations of the Commission, was passed. The Division of Export Trade was established in the Commission to administer its provisions.

The Act authorizes cooperative activity among American exporters within certain closely circumscribed bounds for the purpose of promoting American ~~foreign trade~~. Section 2 of the Act provides that nothing contained in the

#### Sherman Act

"shall be construed as declaring to be illegal an association entered into for the sole purpose of engaging in export trade and actually engaged solely in such export trade, or an agreement made or act done in the course of export trade by such association, provided such association, agreement, or act is not in restraint of trade within the United States, and is not in restraint of the export trade of any domestic competitor of such association: And provided further, That

enter into any agreement, understanding, or conspiracy, or do any act which artificially or intentionally enhances or depresses prices within the United States of commodities of the class exported by such association, or which substantially lessens competition within the United States or otherwise restrains trade therein "

Since the passage of the Webb-Pomerene Act in 1918, a total of 162

Year	Metals and Metal	Products of Mines	Lumber and Wood	Foodstuffs	Other Manufactured	Total
------	------------------	-------------------	-----------------	------------	--------------------	-------

Year	Products	and Wells	Products	Products	Total
------	----------	-----------	----------	----------	-------

1920	\$152,000,000	\$8,000,000	\$17,000,000	\$8,000,000	\$36,000,000	\$221,000,000
1921	67,557,000	5,556,000	2,884,000	5,839,000	2,334,000	91,169,000
1922	-----	-----	-----	-----	-----	-----
1923	68,227,000	11,500,000	26,000,000	32,420,000	16,572,000	153,500,000
1924	43,092,000	1,000,000	31,700,000	35,300,000	18,122,000	149,000,000
1925	43,297,000	1,000,000	31,000,000	40,000,000	27,000,000	165,500,000

Whatever the proper role of Webb-Act associations in foreign trade

in some quarters that export association activity has sharply declined since the end of World War II.

Associations form for a variety of reasons and operate in a variety of ways. The Temporary National Economic Committee in 1970 in its report

Thereafter, the nature of association activity diversified sharply. Associations act as exclusive selling agents for their members' products, or

Through such organization we have been enabled to build up and maintain a recognition of the quality of our brand. This quality reputation together with the goodwill created by the maintenance

very serious type."

In 1955, when Herb Rosenberg associated with these men

This antitrust activity, over a period of years, has served to curb association excesses and to underscore what the Attorney General's Committee

sionally intended exemptions."

The Federal Trade Commission does not promote the Webb-Pomerene Act.

nor does it derogate its importance. These are critical activities beyond our statutory assignment. We do not feel that it is properly the Commission's function to engage in debates on the policy merits of the Act. These are