

Address

on

THE FEDERAL TRADE COMMISSION AND
CONSUMER PROTECTION

Before the

Educational Buyers Association,

Miami University, Oxford, Ohio,

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By

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Several years ago the Commission issued a complaint against the

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between the Commission and the advertiser over the facts or the law or where the product involved may be dangerous to the public or the claims are of a fraudulent nature, the full statutory procedure is employed beginning with a formal complaint, including the taking of evidence before a trial examiner, the filing of briefs and the hold-

spirit of friendly cooperation between members of the Commission's staff and groups representing entire industries or divisions of industries for the purpose of developing specific rules of competitive conduct applicable to the particular industry involved. When a conference is convened notice is dispatched to all who shall be interested.

In addition to its enforcement of specific statutes concerning business practices, the Commission has the duty of research and publicity, which is important to the consumer. One of the earliest theories of effectively enforcing the anti-trust laws was based on the premise that adequate publicity given to monopolistic practices would itself serve as a deterrent. The Commission's immediate predecessor, the Bureau of Corporations, was engaged almost entirely in conducting investigations and making public reports. These functions were preserved in the Federal Trade Commission.

For twenty-five years, the Commission has been continuously engaged in economic investigation, as a result of which it has submitted many reports to the Congress and the President. When prices

May I close by stating that buyers have a distinct responsibility in these days to resist monopolistic pricing schemes in American industry. The Commission sometimes finds methods of pricing which involve artificial freight charges, uniform delivered prices or artificial price zones imposed on complacent markets whose buyers actually support and encourage these forms of monopolistic pricing. Some industries, shot through with what is called "monopolistic competition,"

in fact contend that their buyers are interested only in knowing that