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FEDERAL TRADE COMMISSION AND STATE BUSINESS

Address by

JAMES M. MEAD, CHAIRMAN
FEDERAL TRADE COMMISSION

At the Annual Meeting of the

NATIONAL ELECTRONIC DISTRIBUTORS ASSOCIATION

Cleveland, Ohio, September 10, 1951



Ladies and gentlemen of the National Electronic Distributors Association, it is a great pleasure for me to accept this opportunity to speak to you at this annual meeting of your Association, because as you know we at the Federal Trade Commission have a keen interest in you, in your business, and in the manner in which your business is conducted, maintained and perpetuated.

Your Association consists of small businessmen located in every State in the Union who account annually for approximately 500 million dollars worth of sales in the electronic field. What is the position in the national economy which small business now occupies? I suppose the average electronic

it is well recognized more than ever before that small businesses are
recognized as being the very heart-beat of our economic body. I think it is generally recognized that unless small businesses can continue to flourish in their individual ways, that body will lose its vitality. We at the Federal

The statutes which I have cited constitute the source of the Commission's

authority. They chart its duties with respect to the regulation of business

of free and fair competition; to the control of methods which, in the eyes of the law, are harmful to industry, trade, and the public; which obstruct or interfere with the free flow of merchandise in the channels of distribution.

nonsigner provision to be outside the protection of the Miller-Tydings Act and that attempts to impose such restrictions on nonsigners in the sale of products touching interstate commerce remain a violation of the Sherman Act. The power of a contracting manufacturer and a contracting retailer to maintain a uniform price by imposing the price on non-contracting parties is a

Miller-Tydings Act.

This decision was a severe blow to the sponsors of fair trade laws. To get around this decision, certain plans have been advanced and no doubt others will be proposed. However, it is felt that it may be quite difficult to devise a legal and practical and effective plan by which a large inter-

The second memorandum, dated December 20, 1950, transmits the Attorney General's first report concerning the dangers to a competitive enterprise economy which are inherent in mobilization for defense and states that this report will be of assistance to defense agencies in identifying some of the problems about which they should consult with the Attorney General or the Federal Trade Commission, and in carrying out their responsibilities in the defense program.

Every effort is made by the Commission to facilitate the consultation of the defense agencies with the Commission as provided in these directions.