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THE FEDERAL TRADE COMMISSION AND TRADE ASSOCIATIONS

ADDRESS

By

JAMES M. MEAD, CHAIRMAN

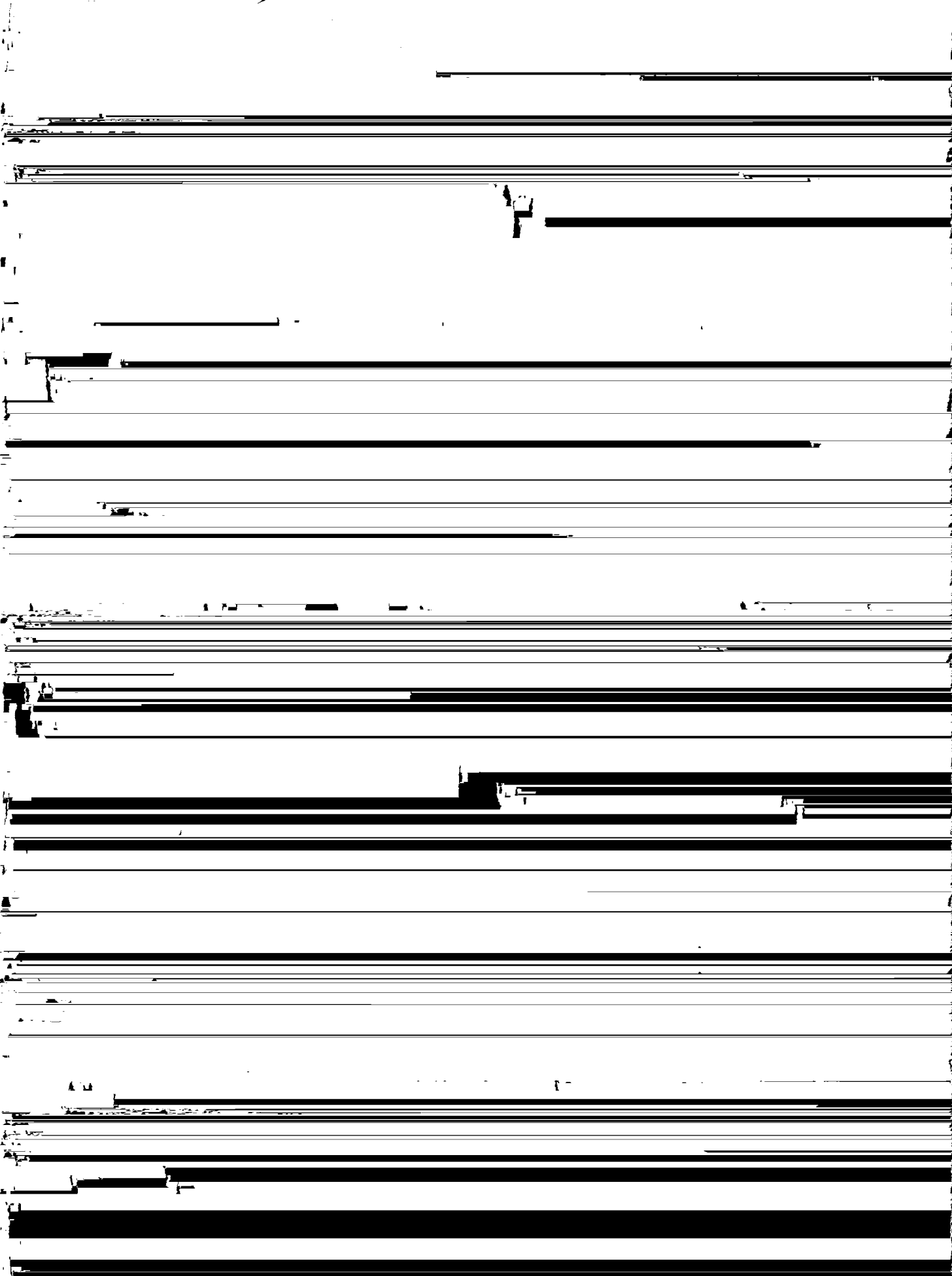
FEDERAL TRADE COMMISSION

At the 19th Annual Meeting of

FOOD SERVICE EQUIPMENT INDUSTRY, INC.

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With the passage of the years the expansion of our economy focused attention on the need for further legislation to deal with trade practices which threatened our free enterprise system. Price discriminations were given particular attention by the Congress. Among unfair business practices, price discrimination most directly denies to small business an equal opportunity to live and grow on the basis of efficiency. Such opportunity is the very essence of the competitive economic system which our antitrust laws seek to preserve, maintain, and restore. Small business is entitled to compete on a fair basis, without the crippling handicap of discriminatory prices.

In 1936, Congress amended section 2 of the Clayton Act by enacting the Robinson-Patman Anti-Discrimination Act. As amended, this section prohibits sales in commerce at discriminatory prices where the effect may be to substantially lessen competition, tend to create a monopoly, injure, destroy, or prevent competition. It also prohibits trade practices involving the abuse of the legitimate brokerage function for purposes of discriminating in favor of certain buyers; and discriminatory promotional allowances, services, or facilities. The amendment as to these trade practices is unique

Unfortunately, corporations were able to avoid section 7 by effecting mergers through the acquisition of physical assets. One result was a

"Any combination which tampers with price structures is engaged in an unlawful activity. Even though the members of the price-fixing group were in no position to control the market to the extent that they

raised, lowered or stabilized prices they would be directly interfering

trade and consumer groups. Another broad field in this category concerns the elimination of ambiguity in descriptive terms used in trade terminology with reference to commodities and their characteristics. The Federal Trade Commission has worked with trade groups in this respect particularly in

I wish to stress that, irrespective of the statutes which now exist or which may be enacted in the future, the Federal Trade Commission and other Government agencies cannot alone insure the preservation and maintenance of free competitive enterprise. The essential element of competition must be supplied by businessmen such as you. Your trade association can be an important asset by actively promoting free and vigorous competition and discouraging practices that restrain trade. The trade association which has

the public.