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No. 24

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For Release at 10:00 A. M. (EST) April 1 1955

THE FEDERAL TRADE COMMISSION
BOYS' LIFE ASSOCIATIONS

THE FEDERAL TRADE COMMISSION
LOOKS AT TRADE ASSOCIATIONS

restrict it"; another because of lack of evidence that price-fixing resulted from the questioned practices; and the remaining two for the reason that the proof failed to connect the associations with the alleged illegal activity.

Any trade association program presenting a concerted adherence









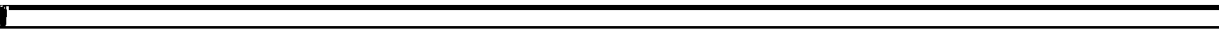

to announced prices, or to published terms and conditions of sale, will

sooner or later attract notice as a price-fixing scheme. On the other hand, the courts have approved reporting plans which circulate genuine prices, not "ideal" or "recommended" prices, and which

leave the association members free to make their own prices and

More often than not it is the trade association which takes the initiative in arranging for a trade practice conference. Not only does the association act as a central clearing-house for bringing into open discussion industry practices inconsistent with law, but it frequently supplies the technical and statistical information needed as a basis for the rules.

Subsequently, these industry members and the trade association were indicted and fined under the Sherman Act, one of the charges in the



antees.

To avoid any possibility of misuse of our trade practice conferences program, we have developed a closer liaison with the Department of Justice. Since I have been Chairman no conferences have been initiated, and no final trade practice rules have been promulgated, without prior clearance with the Department.

I have been told, by people within the Commission and by persons connected with industries operating under rules, that the Federal Trade Commission is at the cross-roads insofar as trade practice rules are concerned; that if the Commission fails to make the rules work, the whole trade practice conference program may bog down.

While statements like these may serve to needle the Commission - and it sometimes needs needling - they really place the emphasis on the wrong party. It must be apparent to anyone who gives thought to the problem that, in the last analysis, the members of the industry themselves are the only ones who can make the trade practice rules work.

Let me say in the same breath, however, that I intend to do everything in my power, as Chairman of the Commission, to help industry make them work.

Such misunderstanding as may exist in this connection probably arises from a misapprehension of the nature of the rules. They are not substantive rules, having the force and effect of law, like those of the Food and Drug Administration or those issued by the Commis-

Wool, Fur and Flammable Fabrics Acts

In addition to our antimonopoly and false advertising work the Commission is charged by Congress with the administration of three separate and important pieces of consumer legislation: the Wool

Export Trade Act

Before completing our discussion of trade associations we must consider the Webb-Pomeroy Export Trade Act (1914).

close of the last fiscal year the files of many of the associations had been brought up to date.

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In closing, let me stress the fact that our domestic policy of trade regulation assumes that the material needs of our society can be most abundantly supplied through an unrestricted flow of goods and ~~services at prices which are competitively determined in the~~

open market. Authentic price competition offers definite advantages

to consumers. When sellers must constantly strive to meet or beat

system of dynamic enterprise, which constantly adapts itself to changing technological and market conditions.

It is along lines such as these that I believe the trade association will attain its true destiny as a bulwark of American business freedom.