

21

ADDRESS OF HONORABLE CHARLES H. MARCH,  
MEMBER OF THE FEDERAL TRADE COMMISSION,  
OPENING THE TRADE PRACTICE CONFERENCE  
FOR THE SARDINE PACKING INDUSTRY  
AT THE PALACE HOTEL, SAN FRANCISCO, CALIFORNIA,  
JULY 21, 1939.

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MEMBERS OF THE INDUSTRY, LADIES AND GENTLEMEN:

In taking official charge of this conference I want to say, first of all, that I am indeed happy to be here. It was not easy for me to find the time to leave my affairs at the capital and come here to preside over this industry meeting. Your industry and others, however, on this side of our continent are of such high importance to the people of the nation as to warrant my laying aside pressing matters at Washington in order to give personal attention here on the Coast to constructive undertakings of the type under consideration at this conference.

We are met together today to take friendly counsel with a view to establishing a definite program to serve the best interests of the industry and the public. We take pride in the fact that those who govern and those who are governed can work together as friends; that they can by cooperating and giving conscientious attention to a solution of their competitive problems, reach that common goal which we all cherish and strive for, namely, the prosperity of business and the well-being of all the people.

Your industry has a great opportunity before it in this trade practice conference proceeding. It has the opportunity of demonstrating the value of cooperative endeavor under Federal Trade Commission auspices in maintaining business on a high plane of fair and ethical conduct, in providing for the protection and freedom of business with enlarged opportunity to develop and expand, and in providing for the protection of the rights of the buying public on which the prosperity of industry depends.

It is to your interest as well as to the interest of the government that the buying power of the masses be maintained and it is to the interest of the buying public that business be permitted to expand and develop free from the fetters and burdens of unfair competitive practices. Thus it is plain that by serving the public, you serve your own best interests. With this unity of purpose we can work together constructively in the establishment of truly fair trade practices. We can, moreover, rightfully expect to speed progress toward this goal of fair service for the common good of all by voluntary united effort—by common counsel in this cooperative undertaking for which we have assembled here today. I say we may thus expect greater progress than may be hoped for when disunity leaves no alternative but the resort to compulsory legal proceedings for the correction of trade abuses.

It is the policy of the Commission to retain the benefits of the advances made to date and to continue to improve business practices individually as well as collectively. To achieve this improvement, we must frankly and courageously notice and take corrective action as to those trade practices

which are harmful, or which block or stifle improvement, or which are unfair to industry as a whole or to the consuming public whose patronage and goodwill are vital for the existence and growth of all industry.

The Federal Trade Commission is anxious to assist your industry in making this task a success and to help honest competitors maintain high standards of business conduct through the elimination of unfair and monopolistic practices. Such practices stifle and restrain competition and should be eliminated, thus bringing about that true competitive economy which tends toward freedom and the expansion of business activity.

The freedom and expansion of business activity can not be maintained or brought about if monopoly or monopolistic practices are allowed to get a strangle hold on business. It is my belief that the severe economic depression through which we have been passing can be traced in large degree to the effects of monopoly fostered and promoted by selfish interests. In their greed for profit, monopolistic enterprises charged more than the traffic could bear. They had little or no regard for ultimate consequences. By eliminating competition they thought they were on their way to greater success and greater riches. Actually, however, as it turned out, fewer people were able to buy the products of the big business enterprises which had concentrated output in their own hands, for that very concentration deprived many of their means of livelihood thus robbing industry of purchasing power so essential to its prosperity. The result so often called "over production" would more accurately be termed "under consumption".

In our economic struggles we must preserve our national trait, individual initiative, and see to it that the door of equal opportunity for all is left open. I am afraid we have been taking the sturdiness of American individualism too much for granted. It is time we examined this American characteristic. If we are to abandon this trait, either we place ourselves at the mercy of selfish combinations or we must stake more and more reliance on government. I hold that through wise enactments the rights of the individual should be protected and that individual initiative and capacity should have a fair chance to associate themselves honestly and efficiently and to receive the just reward to which they are entitled.

With these general observations I come now to the Commission's trade practice conference procedure under which this conference is being held. We have developed this procedure to aid business in establishing and making more effective voluntary cooperation in preventing unfair methods of competition and unfair or deceptive acts or practices and to raise the standards of business ethics for the protection of trade and industry as well as that of the purchasing public.

This conference affords the members of the industry opportunity to assemble for the purpose of formulating and submitting proposed trade practice rules for the approval of the Commission. The rules proposed here will be submitted to the Commission for its consideration in the course of the proceeding. After preliminary consideration in the Commission, the rules in appropriate form will be made available and all interested or affected parties will upon due public notice be afforded full opportunity to present any views, suggestions or criticism which they may have concerning the rules proposed for the industry. Under this plan no one need fear that this conference today will

be his last chance to be heard. There will be still further opportunity afforded by the Commission upon the public notice mentioned.

The Commission, as a matter of prime importance, must see that the rules as approved by it are within the law and in the public interest. No rule which sanctions or promotes any illegal act or practice can or will be approved by the Commission. This is in harmony with a reasonable and wise governmental policy of protection to honest business and to the consuming public.

It is, moreover, the Commission's purpose to see that the rules for your industry when finally promulgated neither work inequities or hardships nor give undue competitive advantage to one member or group over any other member or group. The rules must meet the test of fairness and justice. The rights of members of the industry cannot and will not be jeopardized. Under our procedure adequate means are provided for the protection of the legitimate interests of all.

In cooperating under good rules, all members of the industry are on the same fair competitive basis, and are given the protection of the Commission's authority as a disinterested and impartial umpire to see that the game of competition is played fairly and within the requirements of the law.

The unfair and dishonest practices which may be prevalent throughout an entire industry, frequently the result of circumstances rather than deliberate design or unscrupulous scheming, are often corrected at a single stroke - by a single conference such as we are beginning today.

Not only does the Commission's trade practice conference procedure usually lead to prompt abandonment of unfair practices in the industry concerned, but the industry itself gets into the habit of self-discipline. The elevating standards of the scrupulous have a greater chance to operate and the destructive tendencies of the unscrupulous few lose their grip.

The Commission's policy is to see that the competitive race is fairly run, without favoritism and without unfair obstacles. The Federal Trade Commission Act is the legislative expression of that public policy adopted by Congress which supports the competitive system, but it means a civilized competition governed by fair rules and not a brutal, unscrupulous warfare.

A great many industries have availed themselves of this conference plan for self-regulation and self-discipline. Our experience has shown that obtaining compliance with the rules established is not a difficult problem. Business men usually respect their agreements. But compulsory statutory processes are available for enforcement, within Federal jurisdiction, of the Group I rules against an offender even though he has refused formally to accept such rules or has refrained from taking any part in the conference proceedings. This is so because the practices prohibited by Group I rules are violative of law.

And now before taking up the program of the day let me express to you the sincere hope that the rules which you may adopt at this conference will meet with approval and will go a long way toward enabling your industry to maintain its business on a high plane of ethical and fair competition, and that your efforts here will prove to be eminently constructive and in the public interest.