Broader Power
In Regulation of
Trade Is Urged

Avoidance of Annoyance to
Law-Abiding Declared Aim
of Federal Trade
Commission.

Inadequate Authority
Is T erased Weakness

Progress Made in Three Years
Is Outlined by Mr. Hunt to
Wholesale Grocers
Association.

Revision of the Federal Trade Cas
mission Act to give the Commis
sion authority to pass on certain trade practices in an advisory way, was recommended by the Chairman of the Commission, C. W. Hunt, in the course of an address in Louisville May 18 before the national convention of the American Wholesale Grocers Association.

“The Commission should have power,” said Mr. Hunt, “to pass on certain classes of practices in an advisory way to the end that the legality may be determined without first subjecting law-abiding citizens to a charge of law violation. The weakness of the Commission is not that it possesses or exerts too much authority but in many respects its authority is inadequate.”

Under the terms of the Act, Mr. Hunt said, the function of the Commission was designed “to be lenient, not punitive, aimed farther to protect the public than to punish offenders. Congress,” he said, “never intended the Federal Trade Commission to be a persecutor of business.”

Full Text of Address.

The full text of the address follows:

I accepted the invitation of your President to speak to this gathering with the thought that I might bring to you my idea of the proper relation of the Federal Trade Commission toward business. Most men want, to deal fairly with the public and would not knowingly violate the law. Someone has said that "a corporation has no soul," but since all corporations are directed by mind and matter through the combined effort of civilized man, I do not see why the influence behind corporations should not be directed toward the best interest of all mankind.

Admitting that violations of written and unwritten law have been indulged in since Satan caused Eve to partake of the forbidden fruit, it has been found necessary to lay down laws and provide courts and judicial officers to administer such laws. Additional legislation has been enacted as public demand indicated the desirability of former such expressions as "the public be damned" and "take the nation's money" were quite common. The sharp trader made capital by using misleading advertising, misrepresentation and disparagement of competitive products with immunity because there was no law to protect the consumer, thus deceived and misled by the many unfair methods of competition which...
Section 5 of the Federal Trade Commission Act made unlawful.

If we are to assert that no practice or act that heretofore has not been declared by some court to be unlawful, is not and cannot become unlawful, we have declared our unalterable opposition to that Section. During the debate of this bill before Congress, Senator Cummins said:

“If these acts are unlawful now, why do we pass the section at all? Why endeavor to furnish to the people of this country a further remedy if they already have a remedy for unfair competition which is ample and adequate?”

For many years prior to the passage of this act there was a widespread demand on the part of the public to create an administrative agency of quasi judicial character to investigate, determine and administer a rule of business conduct so as to prevent unfair methods of competition in the channels of interstate trade.

review by the United States Circuit Court of Appeals. The act further provides that both the respondent and the Commission are entitled to a further review by the Supreme Court of the United States.

Notwithstanding the limited appropriation allowed by Congress, the Commission from the date of its organization to the end of the past fiscal year (June 30, 1926) has considered 11,790 applications for complaint. Of this number 7,063 were dismissed after a preliminary investigation and 4,413 were docketed for a thorough and careful investigation. After such investigations were completed, the Commission docketed up to and including June 30, 1926, 1,388 complaints for trial in accordance with its procedure.

Persecution of Business
Not Intent of Congress

Congress never intended the Trade Commission should be a persecutor of business. It never intended the Commission should depend only upon

many situations were arising with such public interest. The inflexibility of the enactment of the law under which the United States subsequent to the passage of the Federal Trade Commission Act in 1914.

The decisions of the courts prior to the enactment of the law under which the Commission functions had established a precedent to the effect that a dealer who manufactured a product and truthfully advertised and sold it could not invoke the equitable jurisdiction of the courts to enjoin the purchasing public. This tendency of the courts in the decisions of the United States Circuit Court of Appeals for the Sixth Circuit, then composed of Judges Taft, Lurton and Day, when disposing of a bill of equity seeking an injunction for that certain facts alleged, in a particular case did not entitle the complainant to relief, since it was not shown that the purchasers bought defendant's products in the belief that they were made by the manufacturer on the strength of the Federal Trade Commission. In the decision of the United States Circuit Court of Appeals for the Sixth Circuit, said was beyond its power to suppress unlawful and empowering the Commission to correct such practices. However, it is the opinion of the court said:

"Can it be that a dealer who would make such articles only for pure wool could invoke the equitable jurisdiction of the courts to put an end to them. The identical situation which the court, in the above decision had little or no interest. It was easy to deceive the purchasing public. This ten- dicion of the courts to suppress the trade and commerce of the United States subsequent to the passage of the Federal Trade Commission: Act in a way that would insure nation-wide conformity with a high code of business ethics and to all members of the community.

Investigation of Trade Associations

A matter now under consideration which must be of interest to you is the result of a conference of trade asso- ciation under the so-called McKellar Act. This conference was called to consider the resort to compulsory process, is making excellent progress in this investigation, with the result that in many cases, after the coming of the millenium, we shall often hear criticism of the courts and the police department, but no law-abiding person, partnership or corporation has vio- lated the law. Of course, there are two sides to the question—whether the trade association executives that the Commission has not been able to do a thorough and scientific job of fact-finding and to report the facts fully and accurately.