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An Address by

EVERETTE MACINTYRE

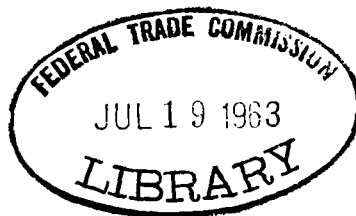
Member of the Federal Trade Commission

Before the

BETTER BUSINESS DIVISION  
MIAMI-DADE COUNTY CHAMBER OF COMMERCE

Miami, Florida

July 18, 1963



# FTC PROMOTES CONFIDENCE IN ADVERTISING

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## Introduction

Mr. Chairman, distinguished guests, officials and members of the Better Business Division, Miami-Dade County Chamber of Commerce:

It is a pleasure to be here today, at this annual installation ceremony of the Better Business Division of the Miami-Dade County Chamber of Commerce. We at the Federal Trade Commission feel particularly fortunate when we have an opportunity to meet with representatives of an organization such as yours because we share with you a common interest in fostering a high level of business ethics and preventing unfair practices. We believe, as I am sure you do, that ethical practice is good for business and for the community as a whole, not only from the standpoint of morality, but also from the standpoint of the businessman's return on investment.

We at the Federal Trade Commission want to help you achieve a high level of consumer confidence in your

advertising. We believe this can be done by keeping the channels of trade free from unfair acts and practices.

Your able and gracious Executive Director, Mr. John Proctor, extended to me the invitation to address your group today. In his letter of invitation he called attention to the fact that your organization serves as a "watch dog" for this city in coping with illegal and unfair business practices and unethical operators. For the Nation, the Federal Trade Commission performs a similar function. It is the responsibility and duty of the Federal Trade Commission to help protect business and the public from unfair acts and practices in all sections of our country.

The Federal Trade Commission joins hands with you in your efforts to maintain fair standards of business conduct and your efforts to expand and maintain a high level of business activity in your community based solely on fair competitive business practices. On June 10 and 11, 1963 the Commission conducted public hearings in Washington, D.C. regarding problems arising from certain advertising practices. All five members of the Commission presided over that hearing. The proceeding was an expression of the Commission's desire to help the business community

achieve a high level of confidence in advertising.

Scores of statements were filed with the Commission during the course of the proceeding. Many of those statements were from representatives of large associations of business firms. One was filed by representatives of your national organization, the United States Chamber of Commerce, which expressed approval of the Commission's efforts to guide and advise business toward truthful advertising and honest and fair trade practices.

The Commission's efforts in this regard are becoming widely recognized and accepted. A few days ago Mr. J.W. Davis, the Associated Press news-feature writer, acknowledged this fact. His featured article, under the headline of "Government and Business Protect Consumer Against Fraud in Ads", was widely published in daily newspapers July 7, 1963. In that article it was pointed out that the work of the Federal Trade Commission in bringing about truthful and fair advertising had promoted consumer confidence in the claims made in everyday advertising.

The Commission's efforts to promote fair advertising practices by eliminating the unfair advertising not only helps business but protects the public also. Businessmen using honest and fair advertising are entitled to protection from the unscrupulous operator and dishonest advertiser. It is beyond dispute that advertising is a

powerful factor in making sales. Advertising Age of January 15, 1963 featured an article by the Honorable Luther M. Hodges, United States Secretary of Commerce, in which he said:

"Advertising and marketing men have never been more important to the future of the United States and the world than they are today.

"Advertising is a major tool which must be used vigorously if we are to quicken the pulse and expand the scope of our economy."

As of 1962, more than \$12.5 billion were being spent on advertising in the United States, with the prospect of that reaching \$20 billion by the early 1970's. In 1961 three separate firms in three different industries each spent more than \$100 million on advertising.

We at the Federal Trade Commission challenge you to help us promote greater confidence in your advertising and business practices.

#### FTC Authority Regarding Unfair Acts and Practices

The Federal Trade Commission's authority to protect businessmen, consumers and other members of the public from unfair acts and practices is derived from the Federal Trade Commission Act, as approved in 1914, and as amended in 1938. The most important part of the Act consists

of only 19 words. Those words are: "Unfair methods of competition in commerce, and unfair or deceptive acts or practices in commerce, are hereby declared unlawful."

The jurisdiction of the Commission originally was based upon injury to competition, actual or potential, and injury to or deception of the public was not of itself sufficient to constitute an offense under the statute. The defect became apparent in the 1930's when the courts set aside a Commission order against false advertising because there had been no showing of competitive injury. The imperfection was remedied by the 1938 amendment which declared "unfair and deceptive acts and practices in commerce", to be in the same unlawful category as "unfair methods of competition." Since then the Commission has been able to proceed directly to protect consumers and other members of the public while continuing to eradicate competitive methods which unfairly divert trade from the honest to the unscrupulous members of the business community. We should keep in mind, then, that the purpose of the Federal Trade Commission is to protect the public and at the same time protect competition. Through its performance of that function the Federal Trade Commission serves as a guardian of our free and competitive enterprise system. We are all familiar with the fact that the concept

underlying our free and competitive enterprise system calls for free and fair competition.

When deceptive practices were outlawed by the 1938 amendment, caveat emptor, or purchaser beware, ceased to be the economic and commercial policy of the United States. From then on, consumers and businessmen could deal with each other on a basis of equality, in the knowledge that use of deceptive practices was against public policy. Consumers have greater reason to believe that the businessman is not likely to engage in deception. By the same token, the businessman has been elevated to a new plane of public responsibility and respect. The new law proclaimed to the world an assurance that the American businessman, like every other American, is assumed to act in a manner which will be honest, non-deceptive, and in the best long-run interests not only of himself but his fellow man.

#### False and Deceptive Acts and Practices

False advertising, as well as misbranding and other misrepresentation of consumer products, has always been of major concern to the Commission. The first two cease and desist orders entered by the Commission after its establishment in 1915 prohibited claims that sewing thread and textile fabric were silk, when actually they were cotton.

The first cease and desist order to be reviewed by the courts was affirmed to prohibit misrepresentation of food products, sugar, coffee and tea, by one of the nation's largest retailers.

Realizing the tremendous impact of advertising as a competitive force and a persuader of the purchasing public, the Commission since 1929 has maintained a continuing surveillance to detect any claims which may be questionable. With radio advertising having been included in the surveys since 1934, and television advertising since 1948, this monitoring of advertising continues as an important part of the Commission's activity to protect businessmen and consumers from unfair acts and practices.

Stronger remedies for enforcement were provided by the 1938 amendments to the Federal Trade Commission Act. Cease and desist orders entered by the Commission, unless set aside by a court, now become final 60 days after their issuance, whereupon civil penalties of up to \$5,000 for each violation may be collected in suit brought on behalf of the United States. Last year more than \$100,000 of civil penalties were collected under that provision of the law, the largest amount which has been collected in any single year.



The 1938 amendments also gave the Commission additional authority to deal with false advertising of food, drugs, therapeutic devices, and cosmetics. Not only could such advertising be attacked through a conventional cease and desist proceeding, but issuance of injunction by a U.S. District Court could be sought, to stop use of the challenged advertisement until the cease and desist proceeding had been brought to conclusion. And if the advertisement was published with fraudulent intent or if the advertised commodity would be dangerous to health, then a criminal action could be brought to impose a fine up to \$5,000 or imprisonment up to six months, or both.

A significant development under the 1938 amendments has been the evolution of affirmative disclosure requirements in the advertising and labeling of products.

In one of the first of these cases, the Commission's order as affirmed by a court of appeals required affirmative labeling of true composition on food serving trays which were made of paper that had been treated to imitate the appearance of wood. The court commented that without some warning, the trays were indistinguishable from real wooden trays, and would be almost certain to deceive the buying public.

A Commission order requiring that because of consumer

preference for domestic products, imported products must be labeled to disclose clearly their country of origin, was affirmed. The court stated that the Commission may require affirmative disclosures where necessary to prevent deception, because failure to disclose by mark or label material facts concerning merchandise, which, if known to prospective purchasers, would influence their decisions of whether or not to purchase, constitutes unfair practice.

The Commission has similarly required affirmative disclosures with regard to hidden dangers in use of products, used or second-hand character of merchandise which appeared to be new, abridgment of books, reprinting of books or stories under new titles, and composition of aluminum watch cases which had been treated to imitate the appearance of gold.

Thus the Commission's general authority to prevent unfair acts and practices has been extended to protecting consumers not only from positive misrepresentation but also from deception through omission or non-disclosure. When the omission or non-disclosure involves a fact material to the consumer's decision of whether or not to engage in commercial dealings, the Commission may act to protect him. In so doing, the Commission has no desire to dictate

what goods or services the consumer shall or shall not purchase. Rather, the purpose is to aid him by making sure that he gets what he thinks he is getting.

The Commission's orders requiring affirmative disclosures in the advertising of food, drugs, therapeutic devices and cosmetics similarly have been upheld by the courts. For example, a 1959 order was affirmed to prohibit advertising of a product as a hair grower or baldness preventive unless the advertisement revealed that the product would be of no value in most cases of baldness or falling hair. By similar action, advertisements of mineral and vitamin preparations for tiredness and nervousness have been required to disclose that in the great majority of persons these symptoms would be due to conditions other than vitamin or mineral deficiency, and that in such cases the product would be of no benefit.

The Commission recently accepted a consent order requiring that vitamin-mineral preparations designated "Super Hadacol" not be advertised for iron deficiency anemia unless disclosure be made that in women beyond the child-bearing age and in men of all ages, iron deficiency anemia is almost invariably due to bleeding from some serious disease or disorder and in the absence of adequate treatment of the underlying cause of the bleeding, the use of the

preparation may mask the signs and symptoms and thereby permit the progression of such disease or disorder.

The Commission's jurisdiction to prevent unfair and deceptive acts and practices extends to all types of products and practices excepting those which by specific legislation are the responsibility of some other agency. And with those other agencies, such as the Food and Drug Administration, which has jurisdiction over the labeling of food, drugs, therapeutic devices, cosmetics, and hazardous substances, and the Post Office Department, which prevents fraudulent use of the mails, the Commission cooperates closely to avoid any duplication or conflict of effort and to give fullest protection to the public.

The Commission also cooperates closely with state authorities by referring to them matters which are found to be of intrastate character and appear possibly to involve violation of state laws against unfair acts and practices.

The Commission's authority extends only to transactions which cross state lines, in interstate commerce, and it proceeds only in matters which involve the public interest. It does not undertake to resolve matters of private controversy or to obtain refunds or adjustments on behalf of individual complainants.

Other types of unfair acts and practices recently prohibited by the Commission include the use of deceptive demonstrations in television advertising, misrepresentation of correspondence courses, false claims with respect to usual price of household appliances, deceptive guarantees of numerous types, and bait and switch tactics in the sale of home improvement products.

Utilization of schemes involving false and deceptive representations about business opportunities have occupied some of the Commission's time. Indeed, it has been quite active in curbing unfair acts and practices relating to these schemes. As you know, the advertising of many of these schemes is directed to the aged, the crippled, the retired or part time workers. Some of these unfair schemes involving alleged business opportunities that are advertised and offered read and sound most alluring and before the "customer" is aware of the true nature of the business opportunity, he or she has already been victimized. It is indeed a cruel perpetration of fraud to practice upon persons who are so badly in need, but that is of no moment to the sharp operator who is interested in deception and a quick sale.

The unfair and fraudulent advance fee scheme is in less use now than previously because the Federal Trade Commission,

the Department of Justice, and the Post Office Department moved vigorously against the practice. Briefly, the advance fee scheme may be described as follows: Where a person has real estate to sell, he or she is approached by representatives of a reputed national real estate firm that promises to make quick and ready sales of real estate. As the contract is entered into, it is explained by these representatives that it will be necessary to have a portion of the commission or the selling fee paid in advance. The fraudulent aspects of the scheme come into focus when the victim hears no more about the sale or the fee.

Many persons seeking to advance themselves take correspondence courses. There are many fine correspondence schools in the United States. But there are also many correspondence schools whose courses are of little, if any, value. It is tragic that young people or those with limited means should invest their money and their time in a correspondence course that is valueless and sometimes indeed a downright fraud. The Commission has in numerous cases taken action against correspondence schools offering valueless and falsely advertised courses.

#### Advertising and Labeling of Textile and Fur Products

In addition to its general authority to prevent false advertising and other unfair acts and practices, the Commission

administers statutes dealing specifically with the advertising and labeling of textile and fur products. These statutes are the Wool Products Labeling Act of 1939, the Fur Products Labeling Act of 1951, the Flammable Fabrics Act of 1953, and the Textile Fiber Products Identification Act of 1958. These statutes are of particular importance to this part of the country, since Miami has become a considerable center for manufacture of ladies' sportswear, and this area accounts for an appreciable volume of retail sales of all types of apparel products. The Commission accordingly has since May of 1962 maintained at Miami a representative of its Bureau of Textiles and Furs, engaged in inspection and industry counselling work.

This representative of the Commission is Mr. M.C. Frost, at 918 Metropolitan Bank Building, 117 Northeast First Avenue. One of his principal functions is the counselling of industry members with regard to advertising and labeling requirements under the law, as we have found that such counselling accomplishes much good toward improving the labeling and advertising of textile and fur products.

The Wool, Textile and Fur Acts require content disclosure on labels, along with other factual information. In addition, the Fur Act requires truthful invoicing, and it, and the Textile Act, require truthful disclosures in

the advertising of products subject to their terms. The Flammable Fabrics Act prohibits the marketing of dangerously flammable wearing apparel and fabrics sold or intended for use in such apparel.

The Miami area is more generally served by our field office in Atlanta. That office, staffed by attorneys of the Commission's Bureau of Field Operations, is located at 86 Forsyth Street. The Attorney in Charge is Edward S. Ragsdale, who has had nearly twenty-five years of commendable service with the Commission as an investigation and trial attorney.

The Commission has about 1150 employees, of whom about 40% devote their efforts to the prevention of deceptive, false and fraudulent acts and practices of the types I have been discussing.

#### FTC Antimonopoly Activities

About 60% of the total effort of the Federal Trade Commission is devoted toward curbing acts and practices which have a dangerous tendency unduly to hinder competition or create a monopoly. These include such acts and practices as restraints of trade, discriminatory pricing, and mergers which may substantially lessen competition.



The Commission's authority to prevent these acts and practices which have a dangerous tendency unduly to hinder competition or create monopolies is derived from the prohibition against unfair methods of competition in the original Federal Trade Commission Act of 1914. The Commission prevents the granting of discriminatory prices or allowances which would injure competition. The Commission action is pursuant to Section 2 of the Clayton Act, as originally enacted in 1914 and amended in 1936. Also, the Commission acts with respect to corporate mergers which tend to lessen competition or create monopoly under Section 7 of the Clayton Act, as amended in 1950. These responsibilities are mentioned but briefly, to round out a picture of the Commission's activities.

#### FTC Invokes New Procedures

The Federal Trade Commission has devoted its resources, time, and effort to aid in the establishment of guide lines for business so that it may avoid the pitfalls of law violations. One method utilized in this regard has been litigation. This has involved the filing of formal charges by the Federal Trade Commission in complaints directed to firms and individuals in situations where the Federal Trade Commission had reason to believe that such parties were engaged in conduct in violation of the law. In those

instances where the charges were sustained, orders to cease and desist have been issued to prevent further violations.

Other methods have been devised and used. The Commission's Trade Practice Conference procedures advise businessmen about possible illegality of certain trade practices. This method has been utilized since 1918. That procedure has not only strong points but shortcomings. The Federal Trade Commission has moved to remedy the deficiencies through the establishment of new and supplementary proceedings providing that certain industrywide unfair trade practices may be halted simultaneously. The small percentage in the industry seeking to take advantage of competitors is not left entirely free of sanctions as in the past under Trade Practice Conference procedures. Thus, they provide more equitable treatment for all competitors. As you know, when a firm is put under the sanctions of a cease and desist order and its competitors left free for prolonged periods to use similar practices, the disadvantages to the firm under the cease and desist order become obvious. Thus, this supplementary rule making procedure avoids some weaknesses of the Trade Practice Conference procedures. The Trade Practice Conference procedures provide for interpretations and

advice only. They carry no sanctions. Therefore, willful violators were not deterred from continuing violations of the law to the disadvantage of their competitors who wished to abide by the law.

The Federal Trade Commission announced that it approved and put into effect on June 1, 1962 a new procedure providing for the establishment of Trade Regulation Rule proceedings.

Under this new procedure the Commission will promulgate rules expressing its experience and judgment, based upon facts of which it has knowledge derived from studies, reports, investigations, hearings, and other proceedings, or within official notice, concerning the substantive requirements of the statutes it administers. The rules thus developed and issued by the Commission may cover all applications of a particular statutory provision and may be nationwide in effect, or they may be limited to particular areas or industries or to particular products or geographical markets as may be appropriate. Following its promulgation and issuance, and where any such rule is relevant to any issue involved in an adjudicative proceeding thereafter instituted, the Commission may rely upon such rule, provided that the respondent shall have been given a

fair hearing on the legality and propriety of applying the rule to the issue in his particular case. That is to say that the effective rule would be to take it as the basis for the establishment of a prima facie case with opportunity for the respondent charged with the violation of the rule to defend on the contention and showing that the rule should not be regarded as legally binding and appropriately applicable to the practices which have been challenged as being in violation of the rule.

Of course before the Commission would promulgate and issue rules of this kind under its new rule making process, it would give proper notice and afford hearings to all interested parties on any proposed rule. The proceedings may be initiated by the Commission upon its own motion or pursuant to a petition filed by any interested party. Following notice and hearings, the Commission, after due consideration of all relevant matters of fact, law, policy and discretion, would proceed to promulgate and issue the rule with a brief general statement of its basis and purpose. It would not become effective until after published in the Federal Register.

Another major innovation has been the Commission's decision to issue advisory opinions. This is a very recent development, and many of you may not be aware of it. The

decision was long overdue, for if the Commission is to fulfill its purpose of providing guidance to businessmen, what better time is there to provide the guidance than before the law is violated? Previously, advice in the form of opinions was offered only by the Commission's staff and such advice was not binding on the Commission. This made the advice of such limited value to businessmen that few bothered to ask for it. Under our new system, advisory opinions do bind the Commission. And, in the unlikely event that such opinions would have to be changed, sufficient notice would be given before any adversary action would be taken.

Perhaps it is of interest to you to know that more than one hundred requests have been made to the Commission for advisory opinions as provided for under this new procedure. These requests have involved proposed courses of action presenting many questions about the application of laws entrusted to the Commission. In each instance where the Commission found it practicable to do so, it rendered an advisory opinion, binding on the Commission, regarding the legality of the proposed course of action under the laws administered by the Commission.

A third major step has been taken by the Commission to assist it in the performance of its responsibilities.

This major step involved a substantial overhaul of the Commission's Rules of Practice in the Commission's attack on the delays in the handling of its case work. These changes in the Rules of Practice have taken several forms and the results have been gratifying.

In taking these forward steps the Federal Trade Commission has moved to fulfill one of the most important roles for which it was created. President Wilson, who had asked the Congress to create the Commission, made it clear that he wanted the agency to assist businessmen in securing a better understanding of their responsibility under the law.

You are assured that we at the Federal Trade Commission shall continue our endeavors to improve our procedures and our work to assist business and the public as much as possible so that unfair acts and practices are avoided and, if possible, eliminated.

One proposal that leading representatives of manufacturing firms have advanced is for a change in the procedure and practice at the Federal Trade Commission to provide greater opportunity for firms whose practices are questioned to act promptly and voluntarily in bringing themselves into compliance with the law without being made the subject of investigation and litigation. Proposals

along this line have been made from time to time over the years. Many of the proposals as made in the past were severely criticized in Congress and elsewhere because they smacked of suggestions that cases which had been developed against law violators be dropped on the promise that the violators would "go and sin no more." Some of the more recent proposals advanced by representatives of leading manufacturing firms have avoided much of the basis for this criticism. Therefore, they have been given careful consideration at the Federal Trade Commission.

It was argued that under the administration of the law heretofore little recognition was given to those trying to live under it. Also, it was argued that unless we should devise some supplementary procedure to provide for voluntary compliance with the law, businessmen inevitably would continue to be treated inequitably. The point of that argument is that when we proceed by way of litigation against one, six, eight or ten firms for the use of a widespread discriminatory pricing practice in an industry, prolonged litigation ensues. Perhaps some cases are concluded promptly. Others drag along for many years. The result is that some business firms are put under sanctions and prohibited from using a practice that

competitors will be permitted to continue until the prolonged litigation is concluded. It was argued that this inequity can be avoided and in many instances would be avoided if all of these businessmen were afforded the opportunity to voluntarily comply with the law before investigation and litigation. It was further argued that a voluntary compliance procedure may substantially reduce the load upon the Commission's staff and, in turn, enable it to expeditiously dispose of, in a proper manner, the cases requiring formal action.

In view of these circumstances the Commission, on July 9, 1963 announced that it had acted to improve our procedures to assist us more effectively in our efforts to persuade businessmen into voluntary compliance with the law.

Early this year I proposed that the Commission adopt a "Pre-Investigation Conference Procedure" to assist us and businessmen in meeting and discussing complaints made against businessmen. It was my thought that these conferences would prompt an understanding of the problems involved and whether voluntary compliance would be warranted and could be effected.

Specifically, I proposed that the Commission adopt a procedure which, among other things, would provide:



1. When the Commission has information before it indicating that possible violations are occurring on the part of various firms in a given industry, and that the only effective relief for the public would be prompt simultaneous discontinuance of the practices in question, the Commission, after notice to the accused and in the event the accused should request it, would authorize a conference providing the opportunity to officials of the firms in question to appear for a discussion concerning the illegality of the practices in question.

2. At this point the Commission would not have sufficient evidence upon which to litigate a case against any of the firms. However, if during the course of this discussion with the officials it should appear that the practices in question involve possible violations of law, the officials of the firms would be advised to that effect. Moreover, they would be informed that the Commission would proceed to docket the matter for investigation and if, upon inquiry, it should be determined that the practices in question are being continued for a period of as much as 60 days from the date of the mentioned conference and it should be determined by the Commission upon the basis of such investigation that the practices would warrant formal proceedings by the Commission, it would then undertake such proceedings.

3. It was further proposed that at the time of the mentioned conference with the businessmen, they would be told that if and when the matter in question should be investigated by the Commission and it should be found that the practices in question had been discontinued, or at least there was no evidence of a continuation of the practices, the Commission would plan nothing further about the matter. Also, if at that time the businessman should have devised some new merchandising plan he would propose to use instead of the challenged discontinued plan, the Commission would assure him that it stands ready to render an advisory opinion binding on the Commission concerning the legality of the plan he would propose to put into effect.

4. Questioned practices which would have been excepted from the application of the procedure would be cases of leadership in discriminatory practices, predatory practices, frauds or conspiracies in violation of the law, false advertising of food, drugs, devices or cosmetics which are inherently dangerous, and the sale of fabrics or wearing apparel which are so highly inflammable as to be dangerous.

My proposal for the adoption of the "Pre-Investigation Conference" aspect of a new voluntary compliance program was motivated by two thoughts:

(1) I believe that before investigation the businessman who has been accused of engaging in unlawful business practices should be given notice that the Commission has received complaints about his practices and that he would be afforded an opportunity to visit an appropriate office of the Commission to discuss the matter. If that should be done, it is likely that a majority of all cases would be closed without investigation on the basis of the "Pre-Investigation Conference." Certainly that would be true in all of those cases where businessmen engaged in practices without any idea that they could or would be questioned as being illegal. In any event, the businessmen would be provided with an opportunity to re-evaluate their practices and determine before investigation was commenced whether they should be discontinued. Discontinuance of the challenged practices before investigation was commenced certainly ought to serve as a basis for closing the matters, unless they should be found among those practices specifically excepted, such as frauds or conspiracies in violation of law. Such early discontinuance would provide the most effective relief that could be afforded by the Federal Trade Commission from the damages flowing from the use of the practices.

(2) Moreover, by following the very definite procedure applicable to the proposed "Pre-Investigation Conference" procedure, we would be enabled to move forward and make considerable progress in our efforts to work out with businessmen voluntary compliance with the law and without doing violence to policies the Commission has adhered to heretofore. In other words, by following the very definite and precise provisions of the proposed "Pre-Investigation Conference" procedure which I suggested, we would have reduced to a minimum the area of discretion available to the Commission in deciding whether to grant the privilege of voluntary compliance to a given businessman or to deny him that privilege and compel him to face litigation. The businessman would have been apprised more definitely regarding the standards of the rules applicable to him. Likewise, we would have placed ourselves in a position of justifying more readily our closing out of antimonopoly cases because we would have been doing that before investigation and before the expenditure of public money in building cases.

It is believed if we had incorporated the "Pre-Investigation Conference" aspect in our new voluntary compliance policy, which has just been announced, we would have vastly improved and strengthened that policy.

This is not to say that we have not made progress.

What I am trying to say is this: I believe we should have been more explicit in the statement of our voluntary compliance program so as to more definitely inform the businessman regarding the conditions and circumstances under which the voluntary compliance privilege would be afforded him and when it would be withheld from him.

### Conclusion

The new policies which have been adopted by the Federal Trade Commission provide businessmen with opportunities never before available. Now you and other representatives of businessmen are enabled to get together with representatives of your Government for the purpose of exchanging views and eliminating troublesome problems. If businessmen cooperate willingly in such undertakings, the opportunities are for you to become partners, rather than antagonists, in the development of fundamental policies and relationships between Government and business. In this way you are provided a voice in the development of sound trade regulation policies. If businessmen and their representatives evidence statesmanship in taking advantage of these opportunities, pitfalls may be avoided and you may escape the interminable legal processes inherent in the case-by-case approach of adversary litigation in the resolution of trade regulation problems.

I deeply appreciate the opportunity you have provided for me to visit and discuss these problems with you today. I say that because I sincerely believe that the better we understand each other, the better we can work together for the good of business and the public.