



Address by
Hon. Garland S. Ferguson
Chairman, Federal Trade Commission

Before Trade Practice Conference of
Golf, Base Ball, and General Athletic
Goods Industries.

Delivered at
White Sulphur Springs, W. Va.

May 7, 1930



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Hon. Garland S. Ferguson,
Chairman, Federal Trade Commission,
delivered on May 7, 1930 at
White Sulphur Springs, W. Va.,
at the opening of the Trade Practice Conference
of Golf, Base Ball, and General Athletic Goods Industries

You, who are assembled today, engaged in the manufacture and sale of athletic goods, have called on the Federal Trade Commission for a Trade Practice Conference. It is my pleasure and my duty as Commissioner to preside over your deliberations, and to assist you as best I can in arriving at your conclusions.

The motive of this conference is indeed a worthy one. What finer and healthier sign of our times than for all those engaged in a great industry operating hundreds of factories and employing thousands of workmen and salesmen to meet together in one body and voluntarily agree to abandon all that is unfair to the public and each other?

Of all industries it is perhaps most fitting that yours should be free from unfairness and should be conducted upon the highest plane of business ethics. Since the Olympic games of ancient Greece those who have participated in athletic contests have been required to observe the most rigid rules, in order to insure the victory to him who by his skill or strength deserves to win. Down through Roman and British days this spirit has prevailed to our own times. The word sportsman has acquired a meaning that defines one who takes no unfair advantage, however slight, who wins on his merit without boasting, and accepts defeat without bitterness.

If there is any group of men who by reason of the nature and character of their occupation should follow the rules of fair business, as the athletes must observe the rules of "fair play", it is the group making and selling the instruments used in athletic contests.

I am sure that in your industry you have high ideals of business conduct and the desire to live up to them. Such desire is evidenced by your conference today. You are endeavoring to rid yourselves of certain practices that have gradually crept in and which if allowed to remain would eventually prevail. They are lowering your business standards, and are unfair to the public and to yourselves.

It was to prevent and prohibit such practices that the Federal Trade Commission was created. Unfair methods of competition in commerce are as old as commerce, and have grown and multiplied with the growth and expanse of business. No industry is free from them. Like weeds they grow without cultivation and like weeds must be eradicated if the crop of legitimate business is to be harvested.

The Federal Trade Commission has been in existence sixteen years. From its beginning it has followed an unbeaten path, but it has set its course by those great landmarks - the Sherman and Clayton Acts and its own organic law.

Though they may be obscured by conflicting opinions and contradictory decisions, the Commission in its litigated cases, and its Trade Practice Conferences must keep these landmarks ever in mind.

In its laudable desire to better its business and economic conditions an industry sometimes passes a resolution, which if carried out would result in price fixing, division of territory or other violation of law. Such resolutions the Commission should not approve or even receive as an "expression of the trade". To do so is to lend its sanction to an unlawful act. While it would give those who acted upon the rules no immunity from the penalties of the law, it would afford them some excuse for its violation. The Commission is not infallible and neither is any industry. Some rules have been adopted at Trade Practice Conferences and have been approved or received by the Commission which are, to say the least, questionable. The Commission is now engaged in reviewing all the rules of past conferences in order to correct such mistakes in this respect as have been made in the past, and with the purpose of clearly indicating the line beyond which the Commission will not go in its reception of economic and business rules.

The right of the Commission to receive resolutions which do not condemn unfair methods of competition but condemn practices which are unsound and uneconomical has been questioned. I have no doubt of its right to do so provided the rules do not permit a violation of law. I am firm in my conviction that the Commission's policy in this respect is sound and has been of great value, not only to the industries involved, but to the general public. Many of those rules without restraining the free and uninterrupted flow of trade and commerce, without any tendency to monopoly, or in any way violating or evading the law have eliminated useless, wasteful and unsound practices. They have promoted economic and business-like methods of marketing and distribution. The legitimate savings to the industries and the benefit to the public may be measured in millions of dollars.

If those who criticise the Commission and its conferences would turn from the mole hill of the probable desire on the part of some industries to evade the law and view the mountain of business efficiency accomplished, their criticism would turn to commendation.

I have served on the Commission only two of its sixteen years. Therefore, I speak with a modicum of self praise when I say that the Federal Trade Commission by its orders to cease and desist, by its stipulations, by its economic investigations, and by its Trade Conferences has done more to promote business ethics and efficiency, and to eliminate unfair dealing than any other agency has done in all the history of trade and commerce.

But although the work up to this time has accomplished much, and the court decisions have clarified the laws by which we are guided, yet we are only at the beginning of the possibilities before us. I do not think I am too optimistic when I look forward to the time in our own generation when business will be conducted along the high plane of the professions and sports. When unfair practices and unlawful agreements and combinations will be obsolete, when goods will be sold on their merits alone, and success will depend upon ability, efficiency and service.

My optimism is founded on my abiding faith in the integrity of the American business man and his love of fair play; on his desire to attain success by honorable and lawful means or not at all. It is this foundation upon which we must build. Let honorable and reputable business voluntarily abandon all that is unfair and unlawful and the Commission can easily handle the crooks and rascals.

If you adopt and carry out the rules proposed at this conference in good faith, as I have no doubt you will, I confidently predict that you will find them a great and lasting benefit. You will have said to the trade and the public that henceforward the athletic goods industry will conduct its business upon the high plane of open, free and fair competition. You will have proven yourselves true sportsmen in business.