

D2500  
D29  
p. 11

CAUTION: Advance for release when delivered, probably about 10:00 A.M., E.S.T., Tuesday, February 28, 1939.

STATEMENT OF COMMISSIONER EWIN L. DAVIS OF THE FEDERAL TRADE COMMISSION, AT THE OPENING OF HEARINGS BY THE FEDERAL TRADE COMMISSION BEFORE THE TEMPORARY NATIONAL ECONOMIC COMMITTEE, FEBRUARY 28, 1939.

The Federal Trade Commission was organized soon after the approval, on September 26, 1914, of its enabling act. Under the statute, it took over the experienced staff of economic advisors and investigators of the antecedent Bureau of Corporations.

Congress embodied in the Act its expressed intention to preserve the Commission from political character, and to maintain a consistent policy of administration. The fulfillment of this policy of detachment is of importance not only with respect to the affiliations of the membership of the Commission itself, not more than three of whom may be of one political party, but also with respect to its legal and economic staffs who have every opportunity, if they desire, to make the work of the Commission their career without fear of partisan exigencies. Many of them have chosen to do so.

In nearly a quarter of a century of study and endeavor to eliminate restraints of trade and monopolistic practices in interstate commerce the Commission has heard and decided a great body of cases, which are contained in its twenty odd volumes of published decisions. These cases involved almost every field of industry. Many of the Commission's orders to cease and desist have been passed upon by the courts; and under a recent amendatory act each Federal Trade Commission decision is binding unless respondent shall within sixty days petition for judicial review.

Moreover, the Commission has made more than 100 general or special investigations and studies. These have been conducted for the most part pursuant to Congressional resolutions, or on request of the President or the Attorney General.

The Commission has thus studied and submitted one or more reports upon most American industries, including:

- Bread and flour
- Cement
- Coal - anthracite and bituminous
- Cotton and cotton products
- Farm implements and machinery
- Fertilizer
- News print
- Petroleum products
- Lumber
- Milk
- Motor vehicles
- Textiles
- Tobacco

Steel  
Copper  
Meat-packing

Many other investigations and reports may be accurately regarded as having a wider institutional character, including those upon:

Agricultural income (5 reports)  
Chain stores (33 reports, including an analysis of almost every phase of chain store operation)  
Commercial bribery  
Cooperative manufacture in foreign countries  
Cooperative marketing in the United States  
Cost of living  
National wealth and income  
Industries having base price systems  
Resale price maintenance  
Electric and Gas Utilities (95 reports of the evidence and 6 reports of the Commission's summarizations and conclusions of fact and of law, together with its recommendations, were submitted to Congress)

Practically all of the Commission's reports to the Congress were printed as Public Documents.

The mere publicity of the facts developed in these inquiries generally proved beneficial, and often resulted in reforms forced by public sentiment or voluntarily adopted by those who were shown to have been engaged in unlawful or unfair practices. Some of these investigations also resulted in prosecutions by the Department of Justice and a number of them resulted in the issuance of complaints by the Federal Trade Commission.

Investigations by the Commission have several times resulted in the enactment of important Congressional measures.

The Commission's jurisdictional authority and experience have especially related to monopoly and the concentration of economic power and financial control over the production and distribution of goods; the causes of such concentration and control, and their effect upon competition; and the effect of the existing price policies of industry upon the general level of trade, long-term profits and consumption.

Each of these topics is expressly made a matter of inquiry under Public Resolution 113, pursuant to which this Honorable Committee is now working.

In the time allotted to the Commission we expect to show the situation in some detail as to competition in several industries. This will be done largely through the results of investigations heretofore made by the Commission into conditions in these industries, partly through documents from various sources on file with the Commission and, to a limited extent, through expert and factual witnesses.

The difficulties, which would be entailed in a detailed presentation of the basic evidence before this Committee, are apparent from the fact that in a proceeding by the Commission against but one, though the leading, steel producer (the "Pittsburgh Plus" case of 1924), about 18,000 pages of oral testimony and 23 large volumes of exhibits were received in evidence. In a case now being tried by the Commission against the Cement Institute and some 75 producers, about 2800 exhibits and 18,000 pages of oral evidence have been already received before completion of the Commission's opening case. In some Commission cases hundreds of witnesses have been heard.

To hear the case of a single industry of importance, to say nothing of the reception of proof as to many industries, would doubtless consume more time than the busy members of this Committee would be able to devote thereto.

It seems to us best therefore to place at the disposal of the Committee the situation as we have found it to be in certain of the industries impartially studied by the Commission.

The Federal Trade Commission is unanimous in a desire to aid the Committee to the utmost of its ability, both in connection with the hearing of its representatives and in such other manner as the Committee may suggest.