

Gestapo Methods

Comes to hand a report of the Federal Trade Commission ("for release on receipt")—a summary of its work for the month of August, 1939. This "summary of trade practice conference activities and general legal work including court proceedings involving Commission cases" is at first glance dry reading, but its stultified phrases and cold statistics suggest an interpretation which is socially meaningful.

"Acting in the public interest," says the report, "the Commission conducts trade practice conferences in which industries or trade groups are afforded opportunity for voluntary participation in the establishment, subject to the Commission's approval, of rules for the elimination and prevention of unfair methods of competition, unfair or deceptive acts or practices, and other trade abuses."

So, if you can "pin" anything on your competitor, and if you have enough more money than he has to permit the use of attrition methods on him, you apply to this government commission for a "trade practice conference." Of course there are "trade practice rules," and the Commissioners are fair and uncorruptible men, and you can appeal from their decisions to the courts. And, if you "win" your case, you can make capital out of your victory by advertising it. Provided, of course, you have money enough. If not, you go out of business.

We don't say that competitors do these things. But that such methods are possible is evident; and if they are possible they will be used, no matter how careful the Commission is to eliminate them.

The magnitude of the work done by this Commission in August for our protection—and at our expense—is summarized by a lot of interesting figures. On August 1, the Commission had before it 146 "Preliminary Inquiries"; thirty days later it had only 135, although forty-two new inquiries were started in the interim. "Applications for Complaints" during August totalled 115; but 1,333 were pending when the month began.

Not one complaint for "lack of merit" was dismissed during August, the report says. "Complaints Pending" when the month's business started were 455 in number; a month later 444 were on the docket. What a thriving industry! What fine jobs for Commissioners, lawyers, clerks. (Let's banish the cost in taxes as an unpleasant thought.)

Then follows a list of formal complaints made public during August—in each case the name of the business concern against which a complaint was made is given. But the name of the complainant does not appear in the report. Why? "Alleged failure to disclose terms," "alleged misrepresentation," "alleged misleading practices"—all "alleged." Why publish the names of the accused when their crimes are merely alleged? Why not publish the names of the allegers? This practice may be procedurally necessary, but it smacks of the unfair practice which the Commission is attempting to correct.

"After a formal complaint has been tried, the Commission decides whether to order the respondent to cease and desist from the practices charged." Then follows a list of thirty-five "orders to cease and desist," one "order of dismissal" and an enumeration of other stipulations and court proceedings which kept the Commission busy during the month.

There are some differences between the commission form of investigation

and administration in our "democracy" and the star chamber proceedings that prevail in Russia and Germany. But these are differences in degree, not in kind. As our poverty-economy continues the differences will disappear. For it must be remembered that these commissions are instituted to solve social problems which arise from poverty. As poverty seems to be a continuing condition, the prospect is that the increasing number of resultant problems will call for more commissions, which in their desire to achieve results will demand more and more power.