



United States of America
Federal Trade Commission

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*The views expressed are those of the Chairman and do not necessarily reflect the views of the FTC or any other Commissioner or staff.

One of the principal responsibilities of government regulators is to ensure that the laws they enforce are regularly reviewed, and occasionally adjusted, to take account of changing conditions in the world. Many recent challenges to the "overly intrusive" or "overly burdensome" regulatory state often should be addressed to obsolete regulation rather than regulation itself.

The responsibility to stay up to date is especially important in an area like antitrust and consumer protection enforcement:

1. The statutes that government regulators enforce are broad and sweeping, leaving much to prosecutorial discretion.
2. Many enforcement areas have become highly technical and specialized.
3. Patterns of trade are changing rapidly as a result of global competition and the increased importance and pace of technological change.
4. The courts have less time and less incentive to deal with the details of competition policy. [1]

The result is that enforcers have increasingly broad discretion to impose rules, often based on court decisions from the 1950s and 1960s, in a commercial world that has become a very different place.

The hearings that we initiate today are designed to address the responsibility of insuring that the competition and consumer protection policies we enforce continue to be relevant in the modern economy. These hearings are not designed as a wholesale review of those policies. On the contrary, we assume that the core aspects of these enforcement regimes - hostility to cartels and unreasonable exploitation of monopoly power, protection of consumers from overreaching and abuse through fraud and deception - have served the country well. Our premise is that the best way for American firms to succeed in global markets is to be required by law to compete vigorously and fairly in domestic markets. These hearings therefore will not address the question of the fundamental validity of antitrust and

consumer protection efforts, but rather whether there are adjustments that need to be made, in substantive law enforcement and in procedure, to take into account the vast changes that have occurred in commercial markets in the second half of the 20th Century.

It is particularly appropriate that these hearings be undertaken at the Federal Trade Commission. When established in 1914, its sponsors asserted that one purpose of this agency would be to gather for the use of Congress accurate and complete information about industry sectors and the nature of competition.

[2]

