**Federal Trade Commission Act**

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The Federal Trade Commission (FTC) Act was brought forward by Woodrow Wilson in 1914 in the form of a government legislation that ensured freedom and equality in commerce. It outlawed unfair competition in the free market and made sure that people or businesses without a considerable financial backing had a reliable legal protection that was safeguarded by the state (Hovenkamp, 2010). The FTC act borrowed much of its inspiration as well as the legislative language from the Sherman Act although it failed to be more specific in certain areas which could have used specificity and detail. The antitrust movement successfully dismantled a J. P. Morgan company and later prompted President Roosevelt to create the Bureau of Corporations was another motivator for President Wilson to introduce the FTC act. The FTC act was part of the progressive agenda of President Wilson since he had promised to look out for small businesses against an economic hegemony. It led to the formation of the FTC and validated the political activism for the formation of a commission that could overlook business practices (Winerman, 2003).

The FTC act primarily exists to protect small businesses against a total and complete overtake by bigger corporations. Its origins are based on the need to create a safer space in the market for businesses which do not have a consumer protection portfolio. There are, however, flaws in its implementation. As a starter, it should be noticed that simply using the general term ‘unfair’ focused on business torts rather than an actual concern for action in order to prevent anti-competitive practices. There have been other concerns regarding the actual jurisdiction of the FTC as it fails to provide protection that even successfully competes with what’s already mandated by Antitrust Division in the Department of Justice. (Baker, 1962) Other than protecting small businesses against unfair competition and hence working to ensure economic reform, another primary benefactor of the FTC act were the consumers. Protecting consumers against deceptive advertisement as well as protecting them from corporate businesses setting unfair prices to sales items were hoped to be achieved via the FTC act. It basically incentivized businesses to provide quality products at affordable prices by resting the power with the consumers rather than the corporates.

Over time there have been slight changes in the core essence of what the FTC stands for as the focus has shifted more towards protecting consumers. (Serwin, 2011) Protecting the privacy of the consumer is one of the main objectives of the FTC as apparent from the recently issued guidance book focusing on rules for the protection of consumer privacy in the era of technology. Social media has effectively blurred the lines of consumer policy as well as unfair competition in the market. Snapchat, Facebook and other social media moguls are routinely in spotlight for not lending enough attention to the issue of consumer privacy or the issue of fooling the consumer into using something with vague and/or wrong information. (Young, 2013) Therefore, these lies are exactly what the FTC act protects consumers from. If companies violate FTC regulations, they can be questioned and held accountable. This is the reason why the social media giants of today can be made to answer. Other than the very prominent aspect of protecting consumers, the FTC act protects sellers by promising a unified approach towards an equal chance of excelling in the market. It hence acts as a benefit for both sides.

# References

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