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From the Office of:  
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HUMPHREY URGES IMMEDIATE ACTION ON TAX CUTS

Senator Hubert H. Humphrey (D., Minn.) has urged Congressional action this year for tax cuts on both personal and corporate income.

Speaking Monday at the national convention of the National Office Machine Dealers Association at the Leanington Hotel in Minneapolis, the Senate Majority Whip said that "one of the greatest obstacles to getting our economy running at full acceleration is present uncertainty over tax policy."

"Congress should end this uncertainty by enacting this year a tax cut on both personal and corporate income. These tax reductions, tied in with the Administration's proposals now before the Congress for a tax credit on capital investments, will give our economy the boost it needs," Senator Humphrey said.

"By acting this year on tax cuts, Congress will encourage new investments for more modern and efficient production, bolster employment, increase consumer spending, and take up the lag in presently unused plant capacity.

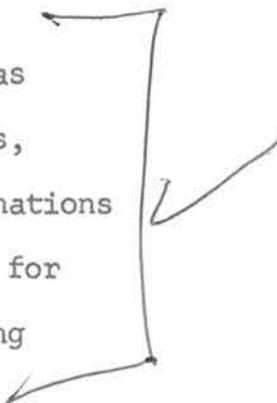
"Present tax laws are a drag on the economy. Only by

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reducing personal and corporate income taxes, granting investment tax credits, and putting into effect more realistic depreciation allowance schedules can we realize our full economic potential.

"Failure of the Congress to act--and to act this year--will mean a continued lag in the economy which cannot be tolerated.

"Our country cannot meet its responsibilities as leader of the free world, maintain adequate defenses, provide necessary assistance to the underdeveloped nations of the world, and provide adequate living standards for the American people with an economy that is operating below maximum efficiency.



"The time for action is now. The responsibility rests with the Congress of the United States. Before this session of Congress comes to an end I am hopeful that the new tax law will be enacted so that we can get our economy operating at full speed."

Excerpts of Remarks By  
SENATOR HUBERT H. HUMPHREY

National Office Machine Dealers Association

Minneapolis, Minnesota  
June 25, 1962

SJR 159  
Bipartisan

Quality Stabilization Act

In essence, the Quality Stabilization Act is carefully designed to strengthen our antitrust laws by suppressing certain unfair methods of competition generally acknowledged as promotive of monopoly in distribution. Toward this end, the joint resolution empowers the owner of products identified by his trademark or brand name to prevent distributors handling his products from using such <sup>unfair</sup> methods in reselling the trademarked or branded products, and thus damaging the mark or brand and associated good will. Whenever a trademark or brand name owner discovers his products being used by a distributor in any scheme involving

(1)

first, misrepresentation; second, bait merchandising;  
(3) ~~\_\_\_\_\_~~  
or third, sales at other than the established price,

he may revoke the offending distributor's right to  
use his mark or brand in reselling such goods. { In  
addition, the trademark or brand name owner is en-  
titled to injunctive relief, if the offending dis-  
tributor disregards the notice of revocation and  
continues the challenged sales practices.

Basically, no more is involved than recognition  
(1) of first, the property values inhering in business  
good will and trademark or brand name adopted to  
maintain and extend it, and (2) second, the need to pro-  
tect by appropriate remedies such property rights from  
marketing practices producing injury.

In this light, my proposal is merely an extension  
of our trademark and copyright laws--an extension enabling  
a trademark or brand name owner to protect his property

rights through the channels of distribution.

Certainly, if we accept the right to own property and  
the corresponding right to protect such property--  
which are basic rights of every American citizen--then  
we must accept the objective of the "Quality Stabili-  
zation" resolution--protection of valuable investments  
in trademarks, brand names, and good will from ruinous  
marketing tactics. We seek to establish in the market  
place fair competitive practices.

~~It should be noted that nothing would bar a  
distributor from removing the trademark or brand  
name from the product--thus separating the physical  
property, which he owns, from the good will, which is  
another's property--and then selling the commodity  
at his own price or in his own way, so long as he  
does so without making use of the good will of the~~

latter to reach his end.

Permissive

In reviewing the nature and purpose of the proposed legislation, I should like to stress the permissive character of its provisions. There is no obligation upon the trademark or brand name owner to ~~avail~~ <sup>avail</sup> himself of the rights accorded him under the proposed legislation. It is conceivable that the owner may not be interested in protecting his good will, trademark, or brand name from the unfair methods of competition defined in this bill. But whatever his decision, it will be his own. No one may force him to decide either way. Whether he does so act or not will be his own decision provided his products are in free and open competition with other similar products. Similarly, those engaged in merchandise distribution--that is, the wholesalers and retailers--will not in any way be obliged to handle trademarked or branded merchandise

subject to the "quality Stabilization" joint resolution.

As always, they will decide for themselves what

products they will stock and offer for sale. American

consumers, too, will enjoy full freedom of choice

under the joint resolution; they will be free to

accept or reject all merchandise, to pick and choose

between "protected" and "unprotected" products.

↳ It is in the interest of consumers that we

encourage independent retailing and fair competitive

practices. Our huge productive capacity turns out

tremendous quantities of goods which provide us

with a standard of living higher than that of any

other country in the world. In order to distribute

efficiently, our free enterprise system needs hundreds

of thousands of independent retail dealers, as well

as chainstore outlets. We need retailers who are

responsive to the needs and wants of their customers.



~~than any year since 1933. Over 17,000 concerns,  
almost all small, failed last year, reflecting an  
1,190 increase over 1960's bankruptcy total.~~

Enactment of this proposed legislation is essential  
to the competitive survival of hundreds of thousands  
of independent businessmen in all parts of the  
country. Most important, its enactment will make  
possible the advancement of independent retailing,  
and, thereby, will add significant social and economic  
values to our free enterprise society. I know most  
Americans agree that independent business in America  
is worthy of preservation. It is the key--the  
strength--of a free economy based on healthy and fair  
competition.

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QUESTIONS AND ANSWERS ON THE QUALITY STABILIZATION  
BILL

(Q) Is the Q.S.B. a price fixing device?

(A) Absolutely not! The bill provides that the manufacturer of trademarked products in free and open competition will have protection against the use of his good name for bait merchandising. Unethical retailers can be restrained from using his trademark for their own advantage and the public will be protected against misrepresentations regarding his products.

(Q) Does the Q.S.B. protect retailers?

(A) No law can protect inefficient retailers, nor will this bill protect those who fail to render service to the public. The Q.S.B. will enable reputable retailers to stand back of the products they sell, to render better consumer service because of their ability to compete on a fair and equitable basis and will permit small business men to remain in business to better serve the hundreds of thousands of

American communities.

(Q) Does the Q.S.B. protect wage earners?

(a) The stabilization of quality will stabilize employment. Cutthroat price cutting on a product forces the manufacturer to expect 15 men to do the work of 20, resulting in layoffs in all types of workers. So-called "low margin" retailers, by their unfair methods, hurt labor much more than they ever help.

(Q) Does the Q.S.B. limit the amount of profit to retailers?

(a) Yes! The bill provides that no retailer, even those without competition on the specific trademarked article, may charge more than the price established pursuant to the bill.

(q) Does the Q.S.B. provide for freedom of choice of products by consumers?

(A) Yes! The consumer will be free to choose whether he will buy a quality product or whether,

for some reason, he will buy a product built "to sell at a price". The choice remains solely in the consumer's hands.

(Q) Are manufacturers compelled to market their products under the provisions of the Q.S.B.?

(a) Absolutely not! Like consumers who buy the products, the manufacturers have a free choice as to whether or not they will sell in accordance with the Q.S.B. The free enterprise system is thus preserved.

(Q) Does the Q.S.B. prevent retailing monopolies?

(A) Indeed it does! The bill encourages competition among retailers, thereby preventing any and all monopolies among them.



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