

"TWO CHALLENGES FOR AMERICA"

An Address by

THE HONORABLE HUBERT H. HUMPHREY

Before the

64th Annual Convention of the

NATIONAL ASSOCIATION OF RETAIL DRUGGISTS

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President Gorgan, our good friend, Willard Simmons, the ever-dedicated, effective, and loyal workhorse of the National Association of Retail Druggists; my old and close friend, Phil Jehle, the Washington Representative and Associate General Counsel for the N.A.R.D.; and his new associate, Joe Cohen; and Herman Waller whose name and the drug business are synonymous.

I want to offer a special greeting to a group of unusually intelligent, able, gracious, and sociable, fine, upstanding citizens: namely, the delegates to the N.A.R.D. Convention from Minnesota. (Laughter and applause) I thought you fellows might like to know I am planning to run for re-election. (Laughter)

It was nice to have my old friend, Henry Moen, Minnesota Pharmaceutical Association Secretary, come to my room this morning with the news from back home in Minnesota. I also enjoyed seeing and talking to N.A.R.D. Executive Committee member George Wilharm from my state. You made a good choice in putting George on your Executive Committee.

This morning, you have heard some fine opening messages. I regret that I was not here to hear the Commissioner of the Food and Drug Administration, George Larrick. I want to say to George that I respect him as a fine public servant. And, I know that he is doing a great job under the most difficult and trying circumstances. He needs your help just as you need him. In Commissioner George Larrick, you have a solid, good friend, who serves well and responsibly.

The kind of close consultation that now exists between your great organization, the National Association of Retail Druggists, and the other pharmaceutical bodies, including the pharmaceutical manufacturers, is serving the public interest.

Let the record be clear, lest anyone have any doubts about it. There is no one engaged in the manufacturing of pharmaceuticals or in the dispensing

of pharmaceuticals as a licensed pharmacist who does not protect the public health and, thus, the public interest.

We may have, on occasion, some disagreement between a pharmacist or a pharmaceutical manufacturer and an elected representative in Congress or a State Legislator. We may, on occasion, even have some disagreement among those administering the laws I believe to be in the public interest.

You know of my participation in Senate hearings relating to the so-called new drugs. I think you know of my insistence that those new drugs be properly tested. I think you know of my insistence that we improve the investigational processes for determining their therapeutic value and their side effects. I think you also know that I have complimented the pharmaceutical manufacturers for their establishment of a commission to look into the efficacy, the safety, and the therapeutic effects of drugs. We need the cooperation in this country between public and private groups. Otherwise, we cannot protect the public interest.

I take some part in Congress in matters that pertain to the drug industry, as an objective, non-partisan legislator. I seek to do what is best for the public, not just for those of us who may have been privileged to be in retail pharmacy or to have participated in pharmaceutical studies and instruction. Therefore, I have supported legislation that at times has been contrary to some of the views expressed by you individually. You are entitled to your views and I am entitled to mine. I will continue to support legislation that I believe to be in the public interest. That is one of the reasons I am here today — to talk to you about one particular facet of the legislative program of the Congress that is of interest to all of us.

I would be remiss if I did not first tell you just a few of my thoughts and memories of this organization. It does not seem quite right to be here and not to see that friendly, effective, direct, and candid soul, John Dargavel. He was Mr. Pharmacy, Mr. Retail Druggist.

He did a great job for retail pharmacy. And, I want to say to you, Willard, that you are a wonderful successor. You are doing a magnificent job that honors your associates and this group.

And then George Frates. When I first came to the United States Senate, one of the first people to call on me was George Frates. He was your Washington Representative. He helped me in the Humphrey-Durham Act when we were trying to pass that. What a responsible and reasonable man he was!

I will never forget how George and John Dargavel were there in the lobbies of Congress -- and Herman, you and others were there -- when we were trying to pass, and finally did pass, the McGuire Act. The same thing was true of the Humphrey-Durham Act, which has been good for the public health, good for the profession of pharmacy, good for medicine, and good for every part of this great America. These were good legislative policies.

One of the real tragedies of our economy is the fact that slowly but surely the McGuire Act has been chipped away in state after state, until today all over America thousands and thousands of retailers who represent the backbone of the distributing system of American enterprise find themselves jeopardized by jungle, cut-throat economics and competition. Some people say this is good for the country. It is just about as good for the country as Castro is for Latin America. (Applause)

The scalawag of the marketplace, the cut-throat artist, the man who has no sense of ethics, or economic principle, who announces to the public, "Look, you can get it cheaper here", is exactly like the communist who announces to the underdeveloped areas of the world, where the great mass of humanity is, "We can do it for you sooner. You can get a steel factory in a hurry. You can start to produce food in a hurry. All you have got to do is give up your liberty." The price juggler who asks you to give up your freedom -- your freedom of choice, your

freedom to choose for quality.

This is the silent cry of the 1960's. All over the world there are voices saying, "Look, follow me. We can do it in a hurry. We can do it cheaper. Not only that, we can grind down under our feet a lot of people who are standing in our way."

There are practices in the marketplace where the voice comes out loud and clear; almost a shrill voice, that says, "You can get it cheaper. You can get it sooner. You can have more of it" — until they have you, and you have no choice. And, once the distributive system — the great system of independent outlets of distribution in this country — has been destroyed, then you are going to pay the fiddler, and he will play the tune.

There are many analogies here, my friends. I have never been one to believe that all you needed to do was to turn humanity loose, and let those who have apparently debased themselves take over. We do not believe that way in this country, my fellow Americans. At least, we profess to the contrary. I suggest that we start to live it, because precept and example seems to me the best way.

Now we have, in America, created the greatest economic system that the world has ever known. Sometimes it is good for us to remind ourselves of it. There is a broader sharing of property in America than any country on the face of the earth. When the communist or the socialist talks about a sharing of the wealth or a sharing of the property, he lies. The sharing of property is of no use unless control goes with it.

In America, we have more people who live better, in proportion to our population, than any society ever organized by the hand of man since the beginning of history. We have done it on the principle of private ownership, private enterprise, a free government, and democratic institutions. This is the message we ought to take to the world because we have proven these principles work. We have

proved that they work with people of every ethnic group, without regard to race, color, creed, or national origin. We do not let anything stand in the way of what we call equality of opportunity.

Where there are roadblocks to equality of opportunity, we seek by law, and by community action, to break them down.

This is our American story. The America that we love, the America that has made us great and powerful today, is the America of the hundreds and thousands — yea, my friends! — the 3 million independent retail outlets in America and the 5 million farmers. Together, these groups have written the real story of America.

When I see, for example, the largest number of business failures in independent enterprise this year since 1933 I say, "Take another look!" Let us analyze what is going on. Our problems are not only in Cuba. Our problems are not only in Berlin. Let me remind my fellow Americans that ultimately the strength of this country is in the morality, is in the physical, intellectual, and moral strength of its people and in the strength of our economy.

One of the great values of this economy, one of the great sources of its strength, is the fact that people feel they are a part of it, that they own some of it. As one great American once said, "If private property is good, then it's good for everybody." I think private property is good. A man who has skills and talent in a sense has a property in that skill and talent, and he has a right to protect it, to organize to protect it, as do doctors and lawyers and skilled craftsmen and workers in the factory.

I do not parade under false colors. This Senator has stood before N.A.R.D. Conventions many times. Some of you have not liked it when I said I believe in the right of workers to organize and unionize. I I do not believe in the law of the jungle in the marketplace of wages. I believe that well-paid

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workers are good customers. A society that has poorly paid workers is ultimately a society that will be in trouble. ] I believe in farmers, too. They are entitled to a fair price for their product. When they cannot get it by themselves because ownership and concomitant power is so widely dispersed, then it is the responsibility of a government of the people and by the people and for the people to help them get a fair price.

*Agree*  
Over the years — as Mayor of Minneapolis, as a druggist in South Dakota, as a United States Senator [ I have fought for a farm program that provided for orderly marketing, that provided for price supports, that provided for farm credit, that provided for farm cooperatives. I will continue to fight for it because I do not want to see an America where all of the agricultural production is in the hands of a few people. I do not believe in private socialism and I do not believe in public socialism. I do not like either way. ] (Applause)

I have supported minimum wages and fair labor standards. I shall continue to do so because I believe it is right. I do not think such philosophy has too much to do with your political label. Rather, it depends upon what kind of a society you want. Listen, my fellow Americans, if you want a society in which the rules are fair for you, then work for a society in which the rules are fair for the other guy. You cannot have it all one way.

I have gone before the great labor conventions of this country -- and I am a friend of labor and it of me — and I have said, "Look! You cannot ask for a union shop, you cannot ask for the privileges of collective bargaining, you cannot ask for a collective bargaining agreement with established wages, and ask for increased wages for your workers, and then, on the other hand, deny an independent merchant the right to have a fair price for his product." (Applause)

In 1951, when the fight was on over the McGuire Act, I went right to the source of criticism and I said, "Just a minute, boys and girls, just a minute.

You can't have it just one way. And if you want these benefits and these privileges which the law of the land affords to you, fair labor standards, collective bargaining, contracts on wages, then expect other people to have some of it, too, because it was done by law, I want you to remember."

I have gone to farm conventions — the Farmers' Union, the Farm Bureau, the Farmers' Grange — great organizations — and I have spoken to them in the same vein. I have said, "Look, you as organizations want things done. You want certain privileges for your farm cooperatives. You want certain privileges for farm credit. You want price supports, crop rules. I support these measures, and I don't support them timidly or as Casper Milquetoast. I support them with all the energy I have. But, if you want that for your rural families, what about the man on Main Street who is the victim today, regrettably, of the most vicious cut-throat competition that this country has ever known? He, too, is entitled to some protection of the law. The law must be just, the law must be equal, the law must be fair."

It was because of these convictions that I joined with other Senators in a totally bi-partisan move to sponsor, in the Senate of the United States, in February, 1962, what we call the Quality Stabilization Bill. (Applause) That bill — S.J. Res. 159 — is your Magna Carta for economic freedom. S.J. Res. 159 is to you retailers what the Fair Labor Standards Act is, and what the National Labor Relations Act is, for labor; and what the Agricultural Adjustment Act, as amended, is for agriculture. It is your charter of economic freedom and fair competition. You have a right to expect of your government that you will be treated as equals, that you will be given equity. The first duty of government is to be just. There is no justice if one segment of the economy is left to drift, and to be preyed upon, by those who are powerful, and those who are unscrupulous, and those who know no law, except the law of strength and power and aggression.

What those of us who have joined in this legislation seek to do is to keep the scales of justice in balance. We seek to provide some rules of competition such as this great organization has fought for during its 64 years of existence. No, I am not supporting special privilege! You are not entitled to it! You are not entitled to gouge the market! If you do, I will be the first to be after you. You are not entitled to any unusual position. But, you are entitled to the right to survive. You are entitled to the right to work. You are entitled to the right to use your managerial abilities. You are entitled to the right to invest your money. And, you are entitled to have the government of the United States and the 50 States of this Union establish by law and regulation standards so that if you work hard, invest your capital, give of your life and the life of your family, and give service to your community and sell a good product, you are entitled to make a profit. (Applause)

I plead with those who represent the news media of this country to tell this story, and to tell it accurately. They will if we tell it to them accurately — that I know. (Applause) But I saw, for example, in your Journal that way lying out here in the lobby, where somebody said, "Why, the public isn't for Quality Stabilization.

My dear friends, the duty of leadership is to educate. Many times the public is not for something that sooner or later it comes for when it knows the facts. Our job is to bring the facts to the public. There are times that a man in public life has to do or say something that the public does not understand and is not for because it is right to do it. I am not engaged in a national popularity contest. I do not qualify for Mr. America or Miss America. (Laughter) I am trying to be a good public servant. Whether the public agrees or not, it is my duty to vote my convictions and to work for my convictions. I do that in the light of the experience which has been mine.

I say to those who oppose Quality Stabilization, I say to those who have opposed fair trade: What is your answer to the rising statistical graph, to the chart that shows — by Dun & Bradstreet — that every year more and more and more independent businessmen are going by the board? What is your answer? You know, when country after country is gobbled up by communism, somebody says, "What are you going to do to stop it?" When something happens in a community, and the rate of delinquency and crime goes up and up and up and up, someone says, "Look, don't just report the statistics. What are you going to do to stop it?"

What Senator Humphrey says to this government, of which I am a part: "Don't give me just the statistics. I'm not interested in the number of burials, alone. I would like to know how are we going to live. What is your program?" I say this to the Justice Department. I say it also to the Federal Trade Commission: "If you don't support Quality Stabilization, what do you support? What's your alternative? Or are we going to let small business go by the boards and end up where independent business no longer exists in community after community.

Let me say to you retail pharmacists — and you are not the only ones involved in this, of course — thank God that you have had the courage to get out and do most of the fighting. But, let me say to the public: "What are you doing about community after community losing its drug store; then, there is no pharmacist, no prescription counter, no one to take care of your health needs? Are you going to haul them all off to New York and Minneapolis?" It gets a little crowded. Sometimes people do not know quite where to find the pharmacy, or the hospital, or the doctor in the big city. If for no other reason, my friends, we ought to have this legislation for the purpose of public health in our local communities.

In my own State of Minnesota, a relatively prosperous and progressive

state, I have seen community after community lose its drug store. When it does not have a drug store, it does not have its doctor. When it does not have its doctor, it usually does not have its dentist, either. The next thing you know, it does not have a bank. And, the next thing you know it's a wide place in the road.

Soon thereafter, there are people writing articles saying "the problem today is urbanization. Everybody is moving to the city; crime is going up; delinquency is going up; people don't quite know what is going on; it's a problem." Well, let us start answering it.

One of the sure ways of being able to maintain some balance in American social life is to maintain some balance of opportunity all across the land, in big towns and little towns, in big cities and little cities, in rural America as well as urban America. When you maintain opportunity, people will be there. If you are going to foreclose it, they will have to leave.

Now, what is Quality Stabilization? What it really does is extend the copyright and trademark protection to brand name products, the copyright and trademark laws which are as much a part of this country as the Statue of Liberty and the Declaration of Independence. We extend that philosophy to brand name products. We say that when you develop a brand name, you put in a good deal of your own reputation, your own investment, your own goodwill. You have also developed a market. Accordingly, you are entitled to protect property rights in your brand name. In this country, my dear friends, we are entitled to protect our property. We are entitled to say, "No trespassing."

Under Quality Stabilization, there is no compulsion. It is all Permissive. A manufacturer does not have to demand that his product be merchandised in a certain way. He can take off his brand name, or he can even let his brand, if he wishes, become the plaything of fast buck merchandising

people who play for keeps and who seek to destroy ethical standards in the marketplace. He can do that, if he wishes. But, where the manufacturer decides he wants to protect his good name and his goodwill and his property rights, he may. He will be entitled to do so under Quality Stabilization.

Does this bill weaken the antitrust laws? To the contrary, it strengthens them! Does it increase the threat of monopoly? To the contrary: I say that it will be a bulwark against monopoly! I hope that my voice is loud and clear not only for this hall but for many other halls because I have heard the false charge raised that the Quality Stabilization Bill violates competition. Not on your life! Every commodity has to be in competition with a like commodity. You cannot have monopoly if you have a wide range of ownership and distribution, a broadly based economy.

I have spoken to you about the small business aspects of this. What about the interests of the consumer? Is it in the interests of the consumer to have a bill which protects trade names and fair prices from the merchandising practices of the unscrupulous? Consumers are interested in a large number of convenient outlets for goods, that is, widespread points of distribution. Everybody cannot find parking space at the largest discount house.

Of course, you need outlets, but what is more, you need quality. A brand name, a trademark product, carries with it the reputation of the manufacturer and with that goes his character and the quality of the product. There is no substitute for good character or quality. A system which includes hundreds of thousands of independent retailers, in which the market and merchandise quality standards of the product are known, where a fair price is the prevailing practice, where you are not fooled and hoodwinked, but where you are dealt with honestly by your merchant, is a system which protects the consumer against illicit practices and against monopolistic tendencies.

The fair competitive practices promoted under the legislation which I sponsor assure the consumer of quality-tested, reliable products that have been on the marketplace for years.

Now, if you want something cheap, I will tell you where you can get a lot of it. The Soviet Union can put oil into the American market cheaper than we can produce it. That is right, my friends. The Soviet Union has been breaking into the Western European market and undercutting every legitimate oil producer in the world. And what do you think they are going to do after they grab the market, after they have wrecked their competitors?

Other manufacturers in other countries can penetrate this market at times with unbelievably low prices, prices that are not economic, prices that are political, prices that are made for political penetration. This is exactly what the communist bloc countries are doing, in country after country: dumping machine tools, dumping ballbearings, dumping benzine, dumping petroleum products, dumping steel products, at prices that no legitimate producer can possibly meet. And they take that out of the hides of their people! They just push them down a little more: a little less bread, no butter; a little less meat; line up!

Once they have destroyed the market, once they have crippled the other producers, then what happens? The people then are at the mercy of economic imperialism and the control of the new market maker, of the man, or the country, that owns it all. That is what is meant by international communist economic imperialism. On the domestic scene, we call it monopoly.

Generally, monopolies have been built by unscrupulous merchandising and pricing practices. The Great Trust Buster, Teddy Roosevelt, had to fight in his day — and there are members in this audience today who remember it — the powerful combines of this country. Teddy Roosevelt discovered the shocking case of the giant oil concern which was breaking the back of independent

producers and refiners and others. What methods did the big oil company use to break competitors? Discount practices, illicit marketing practices. What did Teddy Roosevelt do? First, he went into the courts of the land under the Sherman Act and he was able to ease the situation somewhat. Then, his successor, two Administrations later, Woodrow Wilson, came in with the Clayton Act to strengthen our losses against monopoly and trusts and thus prevent robber concerns from holding the American people by the throat and making them cough up and pay whatever they asked.

Someone will say, "Senator Humphrey, you don't think that's going to happen in retailing, do you?" I certainly do unless you put a stop to it. When people get a big appetite and start eating up the competition, it get habitual. The economic obesity that comes as a result of just one small firm being destroyed after another, one eaten up after another, knows no end. So, some of us who believe in an America of farmers and workers and independent retailers and small town merchants and big town merchants, and bankers, and private enterprise -- those of us who believe in that kind of competitive system appeal to you to help us keep it through the Quality Stabilization Act.

The House of Representatives has been making wonderful progress on the Quality Stabilization Bill. I want to commend the work that you have done on Capitol Hill trying to bring to the members of the Congress a realization of the importance of the Quality Stabilization Act. To many people, this does not seem like the biggest issue; but when it is your problem, it is a big issue, is it not? When it is you who is in trouble, it is big. Oh, I know, the big issues are Berlin and Vietnam and Cuba, the Alliance for Progress, the balance of payments -- I know what the big issues are. I deal with them every day. Some of these so-called domestic issues, such as we are talking about here, seem to get shoved aside. But America will not be able to face up to the big issues unless it takes care of some

of the little things that need to be done for its own people. Do not forget it!

(Applause)

It is hard to get much attention on this issue, but it has to be done. Now, what should you do? Well, this is not the time for the spray-in-the-atmosphere type of approach — you have to single shot now.

The Senate Commerce Committee has the Quality Stabilization Bill before it. The Subcommittee is headed by a very splendid legislator and your friend, Senator Mike Monroney of Oklahoma. He is a great legislator. (Applause) That Subcommittee has reported to the full Committee the Quality Stabilization Bill and the Senate Committee on Interstate and Foreign Commerce meets this Friday. Make sure the members of the Senate Commerce Committee understand how important it is for them to act favorably on the Quality Stabilization Bill this week. As I have said before, "Many of you cannot wait until next year! You will be out of business long before then."

I would like to be able to tell you good folks that whatever you want done, I can get done for you. I have used that once in a while, but I do not try to use it too often because they catch up with me. (Laughter) I do not have that power. I am one Senator. I am privileged to be a part of the Senate leadership. But, if you ever want to see a group of independent men and independent-minded men, just meet a group of Senators. Somebody said, "Who is the leader of the Senate?" I said, "Just ask anyone, he will tell you." (Laughter) We have 100 chiefs, 100 generals — we are a little short on troops. (Laughter)

Yet, every member of the Congress is responsive to public opinion, to a degree. There are approximately two and a half weeks left before this Congress adjourns, at the most. Some of us hope that it will be less, but I doubt it. I think this Congress will be through somewhere around the first week of October. Between now and then hangs in the balance the legislation that I have been talking

about. And if you can bring to bear, each and every one of you who comes from a state where a Senator is on the Senate Commerce Committee — if you can make your personal visitation or telephone call, or send your letter or telegram, we will soon have that bill.

We have the votes in the Senate Commerce Committee. But, the Congress has before it many bills and there is a lot of work to be done before adjournment. The trade bill is before us. Many Senators and Congressmen have had to be home mending their own political fences. This is a campaign year. You understand that, of course. These are just the facts of life.

I appeal to this Association and to you and all others who are interested in this legislation to single out your particular Senators serving on the Commerce Committee of the United States Senate. I ask you to talk to them, to reason with them, to appeal to them, to visit with them, to call them on the telephone. You are respected citizens. They will listen to you. Just a mass mailing is not going to do it, my dear friends.

I know that the secretaries of the State Associations have sent their message. But, let us also call on the phone, let us visit our members of Congress. It is only a short trip from New York to Washington, and you will never take a trip that is more necessary. Besides that, you ought to see the nation's capitol. It is a beautiful city. Come down and visit your Congressmen. Come down and visit your Senators, too. You do not have to come to me. I am with you. Save the time. If you want to drop in and say "Hello", fine. But go see them! Talk to them! Ask for a chance to have the Quality Stabilization Bill put on the Senate calendar.

When you get it on the Senate calendar, I will help get the bill called up for a vote in the United States Senate. I can predict that if we get the Quality Stabilization bill on the Senate calendar for a vote, the votes to pass it are in the Senate. This I know. (Applause)

Congressman Oren Harris, my friend from the House of Representatives, the distinguished Chairman of the House Committee on Interstate and Foreign Commerce, will tell you of the impressive achievements of his Committee. I salute what they have done, and Chairman Harris for what you have done. The House Committee, both Subcommittee and full Committee, has acted favorably and, I believe I am right, this week they seek a rule from the House Rules Committee to bring the bill to the floor of the House of Representatives. (Applause)

Well, you know, I kept faith with all my good friends. I told a few folks who do not know me very well, "I'll speak about twenty or twenty-five minutes." And then I told my good friends, "I will perhaps make it about an hour." I never let my friends down. (Laughter)

Now that I have given you this message, may I just conclude by saying to you that both Mrs. Humphrey and I are highly honored to be with you. I have been a member of the N.A.R.D. for many years. I will continue to be one.

Have a good convention! God bless you! It is a joy to be with you!

(The audience rose and applauded).



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