

FOR IMMEDIATE RELEASE

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Office of the White House Press Secretary

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

I am, today, signing into law H.R. 6971, which will make it illegal for manufacturers to fix the prices of consumer products sold by retailers. This new legislation will repeal laws enacted in 1937 and 1952 which amended the Federal anti-trust laws so States could authorize otherwise illegal agreements between manufacturers and retailers setting the price at which a product would be sold to consumers. Altogether, over the years, 46 States enacted such laws.

The so-called "fair trade" laws were a response to the unique economic conditions of the Depression. These State laws require all retail merchants to sell "brand name" merchandise at a price set by the manufacturer if the manufacturer wanted his product to be labeled a "fair trade" item. In essence, these laws prohibit price competition between retailers on many consumer products.

If a merchant offers consumers a discount price on a "fair trade" item, he is subject to criminal action in those States with fair trade laws. As a result, these laws prevent the American people from receiving the benefit of lower prices on cameras, watches, sporting goods, small appliances, auto supplies, and many other "brand name" products. In today's economy, these restraints on competition no longer make sense.

When this new legislation takes effect 90 days from now, retailers will again be able to set prices on a more competitive basis, thereby enabling consumers in all 50 States to shop for the best products at the lowest possible prices.

Many States already have recognized the unfairness of these laws. Since January of this year, 15 State legislatures have repealed their fair trade laws. I commend the actions of these States.

I commend the Congress as well for its bipartisan recognition that price competition is important to American consumers and for its timely consideration of this legislation. Now that H.R. 6971 is law, I hope that the Congress and the Administration will continue to work together to achieve the much needed reform of other Government laws and regulations which impose hidden and unnecessary costs on American consumers. In particular, I hope that the Congress will support my program of regulatory reform in such important areas as air transportation, trucking and financial institutions.

As I have been saying since taking office, the best way we can protect the consumer is to identify and eliminate costly, inefficient and obsolete laws and regulations. Thus, I take particular pleasure in signing this bill for the benefit of the American consumer.

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