

The original documents are located in Box 3, folder “Antitrust - Mail from Businessmen: Edward Schmults File (4)” of the John Marsh Files at the Gerald R. Ford Presidential Library.

Copyright Notice

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted material. Gerald R. Ford donated to the United States of America his copyrights in all of his unpublished writings in National Archives collections. Works prepared by U.S. Government employees as part of their official duties are in the public domain. The copyrights to materials written by other individuals or organizations are presumed to remain with them. If you think any of the information displayed in the PDF is subject to a valid copyright claim, please contact the Gerald R. Ford Presidential Library.



Keeps Growing Bigger to Serve You Better

PUREX CORPORATION

CARSON • CALIFORNIA 90745

September 1, 1976

The President
The White House
Washington, D.C. 20500

My dear Mr. President:

It has been brought to my attention that both houses of Congress have recently passed legislation granting parens patriae authority to the fifty State Attorney Generals in alleged price fixing overcharges.

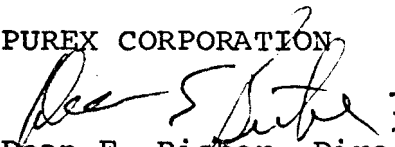
While this authority is most alarming, what is even more alarming is the permission given the states to retain private lawyers to bring such suits before the courts. This permission, if followed to its logical conclusion, undoubtedly will result in many claims that are not justified, causing needless expense to the taxpayers, as well as rising costs to the manufacturers and rising prices to the consumer. In today's economic climate, none of these additional costs are desired or needed.

It has always been my belief that political freedom is connected to an economic system. Legislation that stifles our free enterprise system ultimately will depress our personal and political freedoms.

Your veto of this legislation containing parens patriae authority is the last hope for maintenance of moderation in this matter.

Very truly yours,

PUREX CORPORATION


Dean E. Bieber, Director
Materials Management
Grocery Products Group



DEB:js

COPY TO:

The Honorable
Philip W. Buchen
Counsel to the President
The White House
Washington, D.C. 20500

The Honorable
John O. Marsh, Jr.
Counsellor to the President
The White House
Washington, D.C. 20500

The Honorable
John J. Rhodes
Minority Leader
U. S. House of Representatives
Washington, D.C. 20515

The Honorable
Hugh Scott
Minority Leader
U.S. Senate
Washington, D.C. 20510



September 1

THE WHITE HOUSE
WASHINGTON

TO: ED SCHMULTS

FROM: JOHN O. MARSH, JR.

_____ For Direct Reply

_____ For Draft Response

XX _____ For Your Information

_____ Please Advise



THE WHITE HOUSE

WASHINGTON

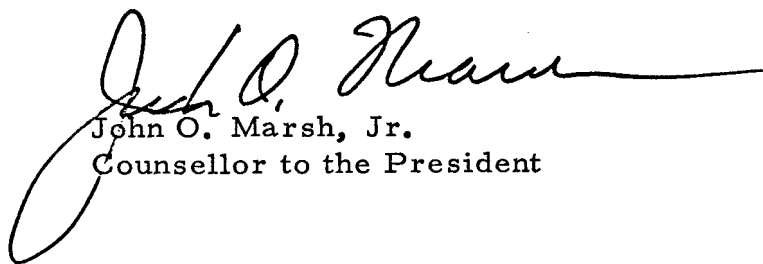
August 27, 1976

Dear Mr. Ranney:

Just a short note to thank you for sending me a copy of your recent letter to the President concerning the antitrust legislation.

I have taken the liberty of sharing this letter with those here at the White House working on this issue.

Sincerely,



John O. Marsh, Jr.
Counsellor to the President

Mr. Lynn R. Ranney
Vice President and
Assistant General Manager
Purex Corporation
Post Office Box 6200
Carson, California 90749





Keeps Growing Bigger to Serve You Better

PUREX CORPORATION

CARSON • CALIFORNIA 90749

August 23, 1976

The President
The White House
Washington, D.C. 20500

My dear Mr. President:

I am greatly dismayed by the recent legislation passed by Congress granting parens patriae authority. My concern is the negative impact of this legislation on the free enterprise system. Operating costs will undoubtedly rise, as well as consumer prices, as unscrupulous lawyers take unjustified advantage of this legislation.

I believe that our political freedoms are closely allied with our economic system. Any legislation that seriously erodes the basis of our free enterprise system ultimately erodes our personal liberties.

Your veto of this parens patriae legislation is the last hope for maintenance of moderation in this important matter.

Very respectfully yours,

PUREX CORPORATION

Lynn R. Ranney
Vice President and Assistant General Manager,
GPG - Manufacturing and Private Label

LRR:cab



Copy to:

The Honorable
Philip W. Buchen
Counsel to the President
The White House
Washington, D.C. 20500

The Honorable John O. March, Jr.
Counsellor to the President
The White House
Washington, D.C. 20500

The Honorable
John J. Rhodes
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

The Honorable
Hugh Scott
Minority Leader
U.S. Senate
Washington, D.C. 20510





POST OFFICE BOX 370
EASTMAN GEORGIA 31023
TEL (912) 374-4381

JAMES W. SPRADLEY
PRESIDENT

September 1, 1976

The President
The White House
Washington, D. C. 20500

Dear President Ford:

It seems obvious that Congress will soon submit for your signature significant antitrust legislation. We feel compelled to advise you of our opposition to the legislation and to urge your veto.

There are many objectionable features of the anti-trust bills recently clearing both houses, but one is of particular importance. The Senate omnibus bill, S. 1284, in Title IV, and House bill HR 8532, involve parens patriae provisions giving attorneys general authority to bring treble damage lawsuits on behalf of a state's citizenry. They, further, authorize attorneys general to engage private counsel for such litigation. Both of these provisions, it is expected, will be in the Conference Committee bill.

The parens patriae provision will be a tool for financial and political blackmail in the hands of lawyers and attorneys general. Enough of such activity is already prevalent in the antitrust field as part of class action suits. Just as class suits have not been a consumer boon, there certainly will be no consumer benefit derived from parens patriae induced complaints. As for defendant companies, the prospect of financial devastation will be monumental.

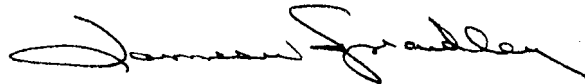
We do not oppose antitrust laws and we favor responsible enforcement from the public and private sectors. There has, however, been a lot of abusive litigation in this field. To create more laws to encourage such activity is reprehensible.



September 1, 1976

We do not perceive antitrust enforcement to be a lagging activity. If there must be a different way to deal with anti-trust problems, it must be by a method more sensible than that which would be encouraged by the proposed legislation and by a method which in itself does not induce wholesale improper conduct.

Sincerely,



James W. Spradley
President

JWS/gf

CC: The Honorable
Philip W. Buchen ✓
Counsel to the President
The White House
Washington, D. C. 20500

The Honorable
John O. Marsh, Jr.
Counsellor to the President
The White House
Washington, D. C. 20500

The Honorable
John J. Rhodes
Minority Leader
U. S. House of Representatives
Washington, D. C. 20515

The Honorable
Hugh Scott
Minority Leader
U. S. Senate
Washington, D. C. 20510



AMERICAN HOME PRODUCTS CORPORATION

685 THIRD AVENUE

NEW YORK, N. Y. 10017

CHARLES F. HAGAN
GENERAL COUNSEL

September 2, 1976

The President
The White House
Washington, D. C. 20500

Mr. President:

The American Home Products Corporation wishes to express deep concern over the proposed amendments to the antitrust laws which are contained in bills soon to be considered by a Conference Committee.

The bills, variously numbered H.R. 8532, H.R. 13489 and H.R. 14580, contain proposed changes with respect to Civil Investigatory Demands, Premerger Notification, and newly created authority for parens patriae suits.

In our view, any bill which may ultimately be presented to you that includes parens patriae authority should not be approved, and we urge you to reject such an amendment to the antitrust laws.

Proponents of the parens patriae concept, by which each state Attorney General would be authorized to bring suits against businesses on behalf of all state residents for alleged violations of the antitrust laws, argue that citizens now are victims of injurious practices for which no adequate remedy exists. They hold that recent judicial decisions have rendered the traditional class action procedure insufficient because of notice requirements to members of the class allegedly affected.

In our view, the suggested cure is considerably worse than the alleged malady in this case.

The parens patriae proposal creates an irresistible vehicle for state Attorneys General to file suits against business;

The parens patriae proposal permits the hiring of private attorneys by state Attorneys General to bring and pursue suits on



The President
Page 2
September 2, 1976

behalf of the state citizens. This can only result in the enrichment of plaintiffs attorneys where businesses are forced to settle cases filed;

The parens patriae proposal forces businesses to seek settlement of claims made in such suits rather than to gamble upon the likelihood that enormous damage claims will not be found legitimate or to incur the heavy expenses which must be paid to defend against complex cases of this kind regardless of their merits;

The parens patriae proposal will require businesses to radically alter their methods of accounting and reserving funds against the contingency of possible huge damage claims being paid. This can only result in a loss of investor confidence in companies whose stock will be jeopardized by the possibility of payment of gigantic damage claims;

The parens patriae proposal will permit collection of damages in cases where no suitable method of compensating individuals allegedly affected exists, thus opening the door to abuses in the disbursement of funds by the states. Indeed, proponents concede that in most cases, monies collected will never reach most of the individuals allegedly damaged, but will be diverted to other purposes;

The parens patriae proposal will most certainly result in an even greater burden upon the courts and will further strain a judicial system already congested nearly to its limits;

The parens patriae proposal, under the guise of assisting consumers, will in fact cause increases in prices because of the additional costs of conducting business which will surely be realized by industry;

The parens patriae proposal would encourage and empower state law enforcement officers to bring actions to enforce Federal statutes and to impose the equivalent of penalties for their violation contrary to the traditional relationship between the Federal government and the states. This would be done in spite of the fact that ample authority exists for the Federal government to enforce its own antitrust laws.

The foregoing are only some of the shortcomings of the proposed



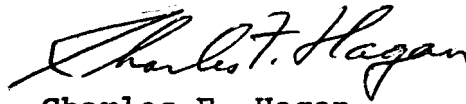
The President
Page 3
September 2, 1976

amendments to the antitrust laws. We firmly believe that to institute the suggested authority would be to open the door to chaotic conditions for business at a time when your administration has made numerous efforts to rehabilitate a damaged economy.

We do not quarrel with the right and the duty of the Federal government to protect the public by means of a reasonable system of antitrust laws. Any responsible business would accept the fact that a legitimate control upon possible excesses benefits both the public and industry itself. At the same time, we do not accept the position that parens patriae serves a valid purpose for consumers. In our view, it serves to create a climate in which industry can be harassed beyond reason ostensibly for the good of the public, but in actuality to the detriment of the public and the economy as a whole.

The American Home Products Corporation strongly urges you to reject any proposed amendments to the antitrust laws which contain parens patriae authority.

Respectfully yours,



Charles F. Hagan

/bw

cc: The Honorable ✓
Philip W. Buchen,
Counsel to the President

The Honorable
John O. Marsh, Jr.,
Counsellor to the President

The Honorable
John J. Rhodes,
Minority Leader U. S. House of Representatives

The Honorable
Hugh Scott,
Minority Leader U. S. Senate



Olin CORPORATION

120 LONG RIDGE ROAD, STAMFORD, CONN. 06904
(203) 356-3330

JOHN M. HENSKE

President

September 2, 1976

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

We respectfully urge you to veto H.R. 8532, the Hart-Scott-Rodino Antitrust Improvements Act of 1976 if this bill reaches your desk. This proposal has in no way been improved by the unorthodox manner in which its proponents are now trying to slip the measure past the usual Conference procedure. And substantively, the fluid recovery aspect of the parens patriae provision in Title III is grossly wrong. More specifically, we find every title in H.R. 8532 legally flawed in concept and punitive in the approach taken towards the business community. Indeed, were similar legislation proposed for citizens generally in relation to their Government, the ACLU would be up in arms.

Title I of H.R. 8532 is a totally unwarranted extension of the investigatory authority of the Department of Justice in the Department's role as a prosecutorial agency. It is also unnecessary. When Mr. Kauper, then the Assistant Attorney General, testified before the House Judiciary Committee, he was unable to explain how antitrust investigations had been impaired for lack of this proposed authority. Indeed, when pressed as to why this new authority was needed, Mr. Kauper said, "It would be easier to answer that after we had the authority and see what we can do with it."

Title II of H.R. 8532 calls for premerger notification and an automatic stay of the merger for 30 days with the possibility of further extensions. This proposal presupposes that there is a "merger problem" when in fact mergers and acquisitions are generally declining. More-



September 2, 1976

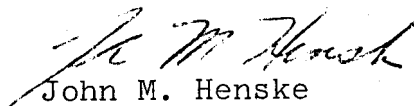
over again, Mr. Kauper testified that many mergers that do occur "are procompetitive or promote efficiencies. Many more are economically or competitively neutral." In any case, what we all know is that the realities of the marketplace will most often turn an automatic stay into an automatic denial.

Title III of this bill extends to State Attorneys General the right to bring civil actions as parens patriae without the necessity of providing individual claims of or amount of damages sustained by persons on whose behalf the suit is brought. Moreover, this title would permit the statistical aggregation of such alleged damages and would permit the court to transfer the sums collected to the general revenues of the State. We agree with Congressman Bob Poage's reply to Texas Attorney General Hill of March 18, in which he said, "I do not believe this is the proper way to collect taxes."

In sum, Mr. President, H.R. 8532 is not a bill to improve the antitrust statutes. It is instead a bill designed to harass the business community, to punish stockholders by the assessment of fluid damages, to shift the burden of proof in merger actions from the Government to the business firm, and finally to threaten all business concerns with costly and indeterminate litigation. H.R. 8532 has no place in a fair and evenhanded juridical system.

In closing, we want again to thank you for your continuing and successful efforts to support our free enterprise system.

Respectfully yours,


John M. Henske

Copies to:

Philip W. Buchen, Counsel to the President
Edward Schmults, Deputy Counsel to the President
John O. Marsh, Jr., Counsellor to the President
Max L. Friedersdorf, Assistant for Legislative Affairs



Olin CORPORATION

120 LONG RIDGE ROAD, STAMFORD, CONN. 06904
(203) 356-3330

JOHN M. HENSKE

President

September 2, 1976

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

We respectfully urge you to veto H.R. 8532, the Hart-Scott-Rodino Antitrust Improvements Act of 1976 if this bill reaches your desk. This proposal has in no way been improved by the unorthodox manner in which its proponents are now trying to slip the measure past the usual Conference procedure. And substantively, the fluid recovery aspect of the parens patriae provision in Title III is grossly wrong. More specifically, we find every title in H.R. 8532 legally flawed in concept and punitive in the approach taken towards the business community. Indeed, were similar legislation proposed for citizens generally in relation to their Government, the ACLU would be up in arms.

Title I of H.R. 8532 is a totally unwarranted extension of the investigatory authority of the Department of Justice in the Department's role as a prosecutorial agency. It is also unnecessary. When Mr. Kauper, then the Assistant Attorney General, testified before the House Judiciary Committee, he was unable to explain how antitrust investigations had been impaired for lack of this proposed authority. Indeed, when pressed as to why this new authority was needed, Mr. Kauper said, "It would be easier to answer that after we had the authority and see what we can do with it."

Title II of H.R. 8532 calls for premerger notification and an automatic stay of the merger for 30 days with the possibility of further extensions. This proposal presupposes that there is a "merger problem" when in fact mergers and acquisitions are generally declining. More-



September 2, 1976

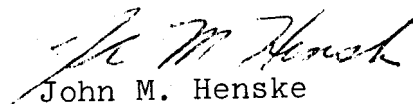
over again, Mr. Kauper testified that many mergers that do occur "are procompetitive or promote efficiencies. Many more are economically or competitively neutral." In any case, what we all know is that the realities of the marketplace will most often turn an automatic stay into an automatic denial.

Title III of this bill extends to State Attorneys General the right to bring civil actions as parens patriae without the necessity of providing individual claims of or amount of damages sustained by persons on whose behalf the suit is brought. Moreover, this title would permit the statistical aggregation of such alleged damages and would permit the court to transfer the sums collected to the general revenues of the State. We agree with Congressman Bob Poage's reply to Texas Attorney General Hill of March 18, in which he said, "I do not believe this is the proper way to collect taxes."

In sum, Mr. President, H.R. 8532 is not a bill to improve the antitrust statutes. It is instead a bill designed to harass the business community, to punish stockholders by the assessment of fluid damages, to shift the burden of proof in merger actions from the Government to the business firm, and finally to threaten all business concerns with costly and indeterminate litigation. H.R. 8532 has no place in a fair and evenhanded juridical system.

In closing, we want again to thank you for your continuing and successful efforts to support our free enterprise system.

Respectfully yours,


John M. Henske

Copies to:

Philip W. Buchen, Counsel to the President
Edward Schmults, Deputy Counsel to the President
John O. Marsh, Jr., Counsellor to the President
Max L. Friedersdorf, Assistant for Legislative Affairs





E. L. ROBERTS & CO., INC.

P.O. BOX 1709
OAKLAND, CALIFORNIA 94604
835-4740

September 3, 1976

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

As you know, various bills are introduced into the Senate and Congress, calling for enactment of *parens patriae* legislation.

Apparently, the model for introduction of these bills is the "tetracycline antibiotic drug cases" which involved a settlement where the five defendants paid \$213,233,679.00 in settlements, little of which actually got to the consumer who presumably overpaid for this drug.

Such legislation introduces insidious implications and will ultimately lead, if enacted, to the courts being clogged with cases bought by various state attorneys on behalf of state residents, and can only lead to incredible confusion and damage to the business community.

We urge that you consider vetoing any legislation involving the *parens patriae* provision.

Thank you.

Sincerely yours,

E. L. ROBERTS & CO., INC.



Howard T. Hutchings

HTH:pv




INTERNATIONAL INC.

235 EAST 42nd STREET, NEW YORK, N.Y. 10017

ROBERT D. ROYER

President

(212) 573-2521

September 3, 1976

The President
 The White House
 Washington, D.C. 20500

Dear Mr. President:

Congress is about to send to you another bill which will impose tremendous uncertainties on businesses attempting to operate outside the United States. Even as things now stand, neither businessmen nor Congress know how the antitrust laws should be applied to many of the important aspects of foreign trade. Nevertheless, Congress is again extending those antitrust laws through H.R. 8532 without having clarified for businessmen the application of the U.S. Antitrust Laws to their daily business. I doubt that Congress has paid the slightest bit of attention to how the pre-merger notification provisions of H.R. 8532 should apply to foreign operations or how the provisions of H.R. 8532 relating to civil investigative demands should apply to foreign subsidiaries. Moreover, there are serious questions as to the application of *parens patriae* actions against subsidiaries of U.S. corporations operating outside of the United States.

Congress should not expect businessmen to operate in the dark and the foreign trade of the United States should not continue to be subjected to ill-conceived litigation such as H.R. 8532. We ask, therefore, Mr. President, that you veto H.R. 8532.

Sincerely yours,

Robert D. Royer
 Vice President - International

cc: The Honorable Philip W. Buchen
 The Honorable John O. Marsh, Jr.
 -The Honorable Edward Schmults
 The Honorable John J. Rhodes
 The Honorable Hugh Scott
 The Honorable Matthew J. Rinaldo





PFIZER INC., 235 EAST 42nd STREET, NEW YORK, N. Y. 10017

JOHN P. BARTELS
Vice President
Materials Science Products
212 573-3284

September 3, 1976

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

Once again it is only your veto which will stand between Congress and disaster for the nation's economy. Congress is about to pass and send to your desk a bill which would permit Attorneys General of the states to blackmail American corporations. I am speaking of the parens patriae provisions of H.R. 8532.

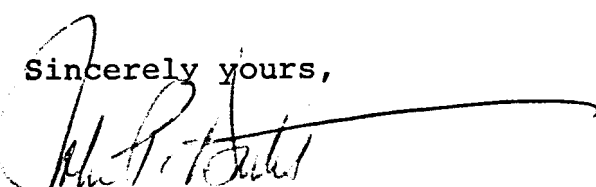
I think that, by and large, businessmen are honest, law abiding people. I try my best to abide by the law and I think that is the rule - not the exception - in most corporations. We are careful to consult our lawyers when any action might violate the Sherman Act. However, as you know, the Sherman Act was written in broad constitutional-like terms in order to permit the courts to develop and to define what the law should be in this area. The Sherman Act has served us well as a broad mandate for our economy and the courts have been able to develop the law in this area, much as the Supreme Court has been able to shape constitutional concepts.

Up until now, we have been able to live with this situation although we have not always known whether present conduct which is believed to be lawful would or would not later be found to be a violation of the Sherman Act. However, under H.R. 8532, this peril would be unacceptable. To guess wrong as to what courts might later decide would mean financial disaster. Corporations would, as a practical matter, be unable to defend in court their position that no violation of the Sherman Act had occurred but would be forced into settlement.



This is not fair. It is not just. It is not within the spirit of our system of antitrust laws. Therefore, I hope, Mr. President, that you will veto H.R. 8532.

Sincerely yours,



John P. Bartels
Vice President - Materials Science Products

cc: The Honorable Philip W. Buchen
The Honorable John O. Marsh, Jr.
—The Honorable Edward Schmults
The Honorable John J. Rhodes
The Honorable Hugh Scott
The Honorable Jerome A. Ambro




INTERNATIONAL INC.

235 EAST 42nd STREET, NEW YORK, N.Y. 10017

ROBERT D. ROYER

President

(212) 573-2521

September 3, 1976

The President
 The White House
 Washington, D.C. 20500

Dear Mr. President:

Congress is about to send to you another bill which will impose tremendous uncertainties on businesses attempting to operate outside the United States. Even as things now stand, neither businessmen nor Congress know how the antitrust laws should be applied to many of the important aspects of foreign trade. Nevertheless, Congress is again extending those antitrust laws through H.R. 8532 without having clarified for businessmen the application of the U.S. Antitrust Laws to their daily business. I doubt that Congress has paid the slightest bit of attention to how the pre-merger notification provisions of H.R. 8532 should apply to foreign operations or how the provisions of H.R. 8532 relating to civil investigative demands should apply to foreign subsidiaries. Moreover, there are serious questions as to the application of parens patriae actions against subsidiaries of U.S. corporations operating outside of the United States.

Congress should not expect businessmen to operate in the dark and the foreign trade of the United States should not continue to be subjected to ill-conceived litigation such as H.R. 8532. We ask, therefore, Mr. President, that you veto H.R. 8532.

Sincerely yours,

Robert D. Royer
 Vice President - International

cc: The Honorable Philip W. Buchen ✓
 The Honorable John O. Marsh, Jr.
 The Honorable Edward Schmults
 The Honorable John J. Rhodes
 The Honorable Hugh Scott
 The Honorable Matthew J. Rinaldo





PFIZER INC., 235 EAST 42nd STREET, NEW YORK, N. Y. 10017

JOHN P. BARTELS
Vice President
Materials Science Products
212 573-3284

September 3, 1976

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

Once again it is only your veto which will stand between Congress and disaster for the nation's economy. Congress is about to pass and send to your desk a bill which would permit Attorneys General of the states to blackmail American corporations. I am speaking of the parens patriae provisions of H.R. 8532.

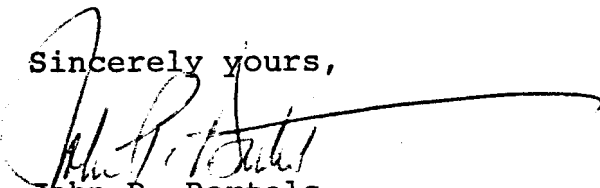
I think that, by and large, businessmen are honest, law abiding people. I try my best to abide by the law and I think that is the rule - not the exception - in most corporations. We are careful to consult our lawyers when any action might violate the Sherman Act. However, as you know, the Sherman Act was written in broad constitutional-like terms in order to permit the courts to develop and to define what the law should be in this area. The Sherman Act has served us well as a broad mandate for our economy and the courts have been able to develop the law in this area, much as the Supreme Court has been able to shape constitutional concepts.

Up until now, we have been able to live with this situation although we have not always known whether present conduct which is believed to be lawful would or would not later be found to be a violation of the Sherman Act. However, under H.R. 8532, this peril would be unacceptable. To guess wrong as to what courts might later decide would mean financial disaster. Corporations would, as a practical matter, be unable to defend in court their position that no violation of the Sherman Act had occurred but would be forced into settlement.



This is not fair. It is not just. It is not within the spirit of our system of antitrust laws. Therefore, I hope, Mr. President, that you will veto H.R. 8532.

Sincerely yours,



John P. Bartels

Vice President - Materials Science Products

cc: The Honorable Philip W. Buchen ✓
The Honorable John O. Marsh, Jr.
The Honorable Edward Schmults
The Honorable John J. Rhodes
The Honorable Hugh Scott
The Honorable Jerome A. Ambro





PFIZER INC., 235 EAST 42nd STREET, NEW YORK, N. Y. 10017

SHELDON G. GILGORE, M.D.
PRESIDENT
PFIZER PHARMACEUTICALS

September 3, 1976

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

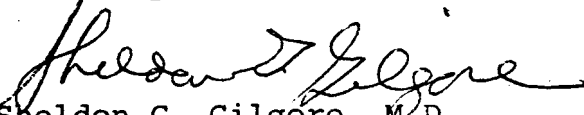
Congress is about to enact, and send to your desk, H.R. 8532 containing, among other things, parens patriae provisions. Although it might seem reasonable on the surface to permit states to sue as "parens patriae" to redress wrongs to their citizens arising out of Sherman Act violations, the evils of this legislation are direct and serious.

Violations of the Sherman Act can be, and in the past have been, based on the flimsiest kind of evidence. Nevertheless, courts have permitted inferences of such violations to be drawn from weak circumstantial evidence. If such charges are made when only one claim is involved, the charge can be defended against in court, but when states represent as parens patriae claims on behalf of all of their citizens and when such suits by a number of states are consolidated by the multi-district panel so that in one law suit are involved claims on behalf of most, if not all citizens of the United States, the risk of litigation is far too large for a corporation to accept. The proponents know that this provides them with an opportunity for blackmail and that is exactly what they intend. H.R. 8532 would deny the courts to business.



Another factor in the unfairness of this legislation is the uncertainty of the antitrust laws. Antitrust law is still developing through court decisions. No one knows today what the law will be tomorrow. Before creating the legal monster of *parens patriae* Congress should at least provide businessmen with a clear expression of what is and what is not a violation of the Sherman Act. Certainly Congress should not be permitted to avoid its responsibility to enact just laws by enacting this kind of legislation which would give the states Attorneys General the power of life and death over corporations which are earnestly trying to abide by the law.

Sincerely,


Sheldon G. Gilgore, M.D.
President - Pfizer Pharmaceuticals

cc: Hon. Philip W. Buchen
Hon. John O. Marsh, Jr.
- Hon. Edward Schmults
Hon. John J. Rhodes
Hon. Hugh Scott
Hon. Stewart B. McKinney





AGRICULTURAL DIVISION

PFIZER INC., 235 EAST 42nd STREET, NEW YORK, N.Y. 10017

R. M. HENDRICKSON
President
212-573-2444

September 3, 1976

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

If Congress has its way, corporations will soon be subject to blackmail on the part of a bunch of money-hungry lawyers who handle parens patriae on a contingency fee basis. If Congress would tell businessmen the specific kinds of conduct which raise problems under the Sherman Act, maybe this kind of a lawsuit would be all right, but as things now stand, in many situations businessmen would not be able to protect themselves even with the best of legal advice. No one can tell businessmen what the courts will later decide under the Sherman Act as to each and every business practice. You can hire the best law firms on Wall Street or in Atlanta and they cannot tell you. Yet Congress would impose this burden of blackmail on American corporations. That is not justice. It is a corruption of justice.

I hope, Mr. President, that you will veto H.R. 8532 when it is sent to you.

Sincerely yours,

Roland M. Hendrickson
President - Agricultural Products

cc: Hon. Philip W. Buchen
Hon. John O. Marsh, Jr.
Hon. Edward Schmults
Hon. John J. Rhodes
Hon. Hugh Scott
Hon. Stewart B. McKinney



JOHNSON - LIEBER COMPANY

BROKERS • MANUFACTURERS AGENTS



P.O. BOX C19019
SEATTLE, WASHINGTON 98119
206-285-0910

6105 S.W. MACADAM
PORTLAND, OREGON 97201
503-245-3111

P.O. BOX 3567 TA
SPOKANE, WASHINGTON 99220
509-624-1381

100 W. INTERNATIONAL AIRPORT RD.
SUITE 101
ANCHORAGE, ALASKA 99502
907-277-2668

P.O. BOX 20126
BILLINGS, MONTANA 59104
406-245-6159

1775 W. 1500 SOUTH
SALT LAKE CITY, UTAH 84104
801-487-0611

Portland, Oregon 97201
September 3, 1976

The President
The White House
Washington, D. C. 20500

Mr. President:

We are deeply concerned over a *parens patriae* clause included in an anti-trust bill recently passed by the Senate.

We urge you to veto any bill which is submitted to you with *parens patriae* as a part of it. Enactment of this legislation would foment unjustified multi-million dollar anti-trust suits.

Respectfully submitted,


James D. Doane

JDD:ls

cc: ✓ The Honorable Philip W. Buchen
The Honorable John O. Marsh, Jr.
The Honorable John J. Rhodes
The Honorable Hugh Scott



September 4, 1976

Dear Mr. Spradley:

Just a short note to thank you for sending me a copy of your recent letter to the President concerning the antitrust legislation.

I have taken the liberty of sharing this letter with those here at the White House working on this issue.

Sincerely,

John O. Marsh, Jr.
Counsellor to the President

Mr. James W. Spradley
President
Stuckey's Stores Division
Pet, Inc.
P. O. Box 370
Eastman, Georgia 31023

cc: ESchmults ✓
cb





JAMES W. SPRADLEY
PRESIDENT

POST OFFICE BOX 370
EASTMAN GEORGIA 31023
TEL (912) 374-4381

September 1, 1976

The President
The White House
Washington, D. C. 20500

Dear President Ford:

It seems obvious that Congress will soon submit for your signature ~~significant antitrust legislation~~. We feel compelled to advise you of our opposition to the legislation and to urge your veto.

There are many objectionable features of the anti-trust bills recently clearing both houses, but one is of particular importance. The Senate omnibus bill, S. 1284, in Title IV, and House bill HR 8532, involve parens patriae provisions giving attorneys general authority to bring treble damage lawsuits on behalf of a state's citizenry. They, further, authorize attorneys general to engage private counsel for such litigation. Both of these provisions, it is expected, will be in the Conference Committee bill.

The parens patriae provision will be a tool for financial and political blackmail in the hands of lawyers and attorneys general. Enough of such activity is already prevalent in the antitrust field as part of class action suits. Just as class suits have not been a consumer boon, there certainly will be no consumer benefit derived from parens patriae induced complaints. As for defendant companies, the prospect of financial devastation will be monumental.

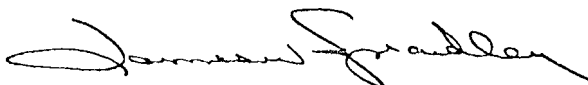
We do not oppose antitrust laws and we favor responsible enforcement from the public and private sectors. There has, however, been a lot of abusive litigation in this field. To create more laws to encourage such activity is reprehensible.



September 1, 1976

We do not perceive antitrust enforcement to be a lagging activity. If there must be a different way to deal with anti-trust problems, it must be by a method more sensible than that which would be encouraged by the proposed legislation and by a method which in itself does not induce wholesale improper conduct.

Sincerely,



James W. Spradley
President

JWS/gf

CC: The Honorable
Philip W. Buchen
Counsel to the President
The White House
Washington, D. C. 20500

The Honorable
John O. Marsh, Jr. ✓
Counsellor to the President
The White House
Washington, D. C. 20500

The Honorable
John J. Rhodes
Minority Leader
U. S. House of Representatives
Washington, D. C. 20515

The Honorable
Hugh Scott
Minority Leader
U. S. Senate
Washington, D. C. 20510



September 7

THE WHITE HOUSE
WASHINGTON

TO: ED SCHMULTS

FROM: JOHN O. MARSH JR.

_____ For Direct Reply

_____ For Draft Response

XX _____ For Your Information

_____ Please Advise



THE WHITE HOUSE

WASHINGTON

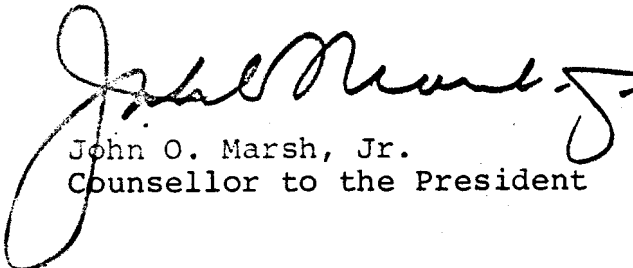
September 7, 1976

Dear Mr. Garrey:

Just a short note to thank you for sending me a copy of your recent letter to the President concerning the antitrust legislation.

I have taken the liberty of sharing your letter with those here at the White House working on this issue.

Sincerely,



John O. Marsh, Jr.
Counsellor to the President

Mr. Gordon R. Garrey
Group President
Hussman Refrigerator Co.
12999 St. Charles Rock Road
Bridgeton, Missouri 63044



HUSSMANN
REFRIGERATOR CO

2901 CHARLES ROCK ROAD

SPRINGFIELD, MISSOURI 65844

TEL 334-291-2000

GEOFFREY GARREY

VICE PRESIDENT

August 31, 1976

The President
The White House
Washington, D. C. 20500

Re: Antitrust Legislation
S.B. 1284 - H.R. 8532

Dear President Ford:

It is with great reluctance that I write you at this time for I know the tremendous pressures you are under, from both the electorate and an unfriendly Congress, trying to make your administration look bad in these hectic times. It is only out of an intense desire to be of service to our Country that I now write you and urge you to veto the present antitrust legislation heading towards you in the form of S.B. 1284, in Title IV and H.R. 8352.

I suppose it is chic today to be against business, sin, and for motherhood and lower taxes, but the insidious provisions of the aforementioned bills containing the parens patriae provision allowing attorneys general to hire private attorneys to prosecute antitrust actions via the class action route has to be the crowning blow to business in this Country.

No one, certainly not I, is against reasonable antitrust laws and their enforcement for the medium-sized businesses are today--and always have been--the backbone of America and as such their existence must be assured through fair antitrust laws and fair enforcement.

The parens patriae provisions have proven to be unworkable in all instances where tried. In the original administration of "class actions" for the enforcement of warranties, shareholders' actions and the like, our Federal District Courts originally placed the onus and costs on the defendant corporations to notify and serve all interested parties with notice of the action. Many unscrupulous lawyers saw this as a way to immediately force



August 31, 1976

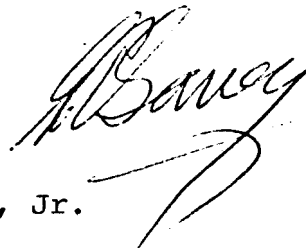
settlements from large corporations to avoid the substantial expenses created, not only in defending the litigation but just in notifying persons who might be interested in the lawsuit--even though that person had no substantial interest in the outcome. The only persons who were benefited were those "White Knights" of the legal profession.

Finally, our Federal Courts had enough. Their dockets were clogged with a maize of "class actions" and the administration of justice became radically impaired. As soon as the Court announced that the plaintiffs would have to expend the costs of notification and service-of-process, there was a dramatic decrease in such lawsuits and only those with merit survived.

By allowing our attorneys general to reinstitute these actions through alleged antitrust litigation by use of parens patriae can only result in chaos in our Courts, blackmailing of our large corporations, and benefit only to those few private lawyers who are selected to enforce the law.

In closing, I ask that you give your usual grave consideration to the consequences of S.B. 1284, in Title IV and H.R. 8532 and it is with growing concern I ask that you veto this useless, treacherous legislation.

Sincerely,



GRG:mds

cc: The Honorable John O. Marsh, Jr.



HUSSmann[®]
REFRIGERATOR CO

12999 ST. CHARLES ROCK ROAD

BRIDGETON, MISSOURI 63044



The Honorable John O. Marsh, Jr.
Counsellor to the President
The White House
Washington, D. C. 20500

September 7, 1976

THE WHITE HOUSE
WASHINGTON

TO: ED SCHMULLEN

FROM: JOHN O. MARSH, JR.

_____ For Direct Reply

_____ For Draft Response

XX _____ For Your Information

_____ Please Advise



THE WHITE HOUSE
WASHINGTON

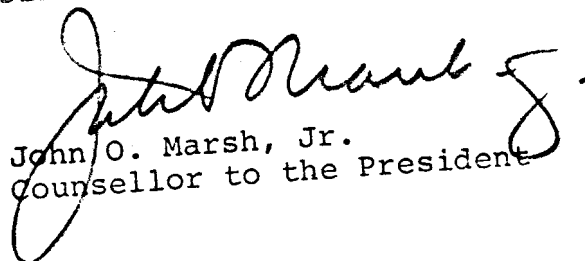
September 7, 1976

Dear Mr. Hendrickson:

Just a short note to thank you for sending me a copy of your recent letter to the President concerning the antitrust legislation.

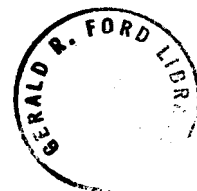
I have taken the liberty of sharing your letter with those here at the White House working on this issue.

Sincerely,



John O. Marsh, Jr.
Counsellor to the President

Mr. Roland M. Hendrickson
President - Agricultural
Products
Pfizer Inc.
235 East 42nd Street
New York, New York 10017





AGRICULTURAL DIVISION

PFIZER INC., 235 EAST 42nd STREET, NEW YORK, N.Y. 10017

R. M. HENDRICKSON
President
212-573-2444

September 3, 1976

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

If Congress has its way, corporations will soon be subject to blackmail on the part of a bunch of money-hungry lawyers who handle parens patriae on a contingency fee basis. If Congress would tell businessmen the specific kinds of conduct which raise problems under the Sherman Act, maybe this kind of a lawsuit would be all right, but as things now stand, in many situations businessmen would not be able to protect themselves even with the best of legal advice. No one can tell businessmen what the courts will later decide under the Sherman Act as to each and every business practice. You can hire the best law firms on Wall Street or in Atlanta and they cannot tell you. Yet Congress would impose this burden of blackmail on American corporations. That is not justice. It is a corruption of justice.

I hope, Mr. President, that you will veto H.R. 8532 when it is sent to you.

Sincerely yours,

Roland M. Hendrickson
President - Agricultural Products

cc: Hon. Philip W. Buchen
Hon. John O. Marsh, Jr.
Hon. Edward Schmults
Hon. John J. Rhodes
Hon. Hugh Scott
Hon. Stewart B. McKinney



September 7

THE WHITE HOUSE
WASHINGTON

TO:

FROM: JOHN O. MARSH, JR.

 For Direct Reply

 For Draft Response

 XX For Your Information

 Please Advise



THE WHITE HOUSE

WASHINGTON

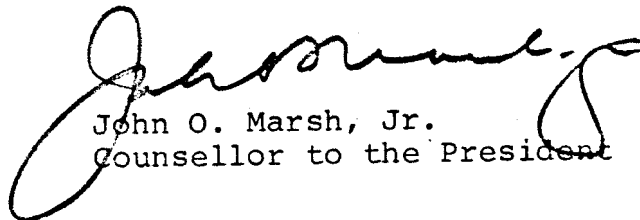
September 7, 1976

Dear Mr. Henske:

Just a short note to thank you for sending me a copy of your recent letter to the President concerning the antitrust legislation.

I have taken the liberty of sharing your letter with those here at the White House working on this issue.

Sincerely,



John O. Marsh, Jr.
Counsellor to the President

Mr. John M. Henske
President
Olin Corporation
120 Long Ridge Road
Stamford, Connecticut 06904



Olin CORPORATION

SEP 7 1976

120 LONG RIDGE ROAD, STAMFORD, CONN. 06904
(203) 356-3330

JOHN M. HENSKE

President

September 2, 1976

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

We respectfully urge you to veto H.R. 8532, the Hart-Scott-Rodino Antitrust Improvements Act of 1976 if this bill reaches your desk. This proposal has in no way been improved by the unorthodox manner in which its proponents are now trying to slip the measure past the usual Conference procedure. And substantively, the fluid recovery aspect of the parens patriae provision in Title III is grossly wrong. More specifically, we find every title in H.R. 8532 legally flawed in concept and punitive in the approach taken towards the business community. Indeed, were similar legislation proposed for citizens generally in relation to their Government, the ACLU would be up in arms.

Title I of H.R. 8532 is a totally unwarranted extension of the investigatory authority of the Department of Justice in the Department's role as a prosecutorial agency. It is also unnecessary. When Mr. Kauper, then the Assistant Attorney General, testified before the House Judiciary Committee, he was unable to explain how antitrust investigations had been impaired for lack of this proposed authority. Indeed, when pressed as to why this new authority was needed, Mr. Kauper said, "It would be easier to answer that after we had the authority and see what we can do with it."

Title II of H.R. 8532 calls for premerger notification and an automatic stay of the merger for 30 days with the possibility of further extensions. This proposal presupposes that there is a "merger problem" when in fact mergers and acquisitions are generally declining. More-



September 2, 1976

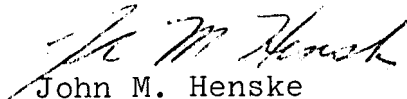
over again, Mr. Kauper testified that many mergers that do occur "are procompetitive or promote efficiencies. Many more are economically or competitively neutral." In any case, what we all know is that the realities of the marketplace will most often turn an automatic stay into an automatic denial.

Title III of this bill extends to State Attorneys General the right to bring civil actions as parens patriae without the necessity of providing individual claims of or amount of damages sustained by persons on whose behalf the suit is brought. Moreover, this title would permit the statistical aggregation of such alleged damages and would permit the court to transfer the sums collected to the general revenues of the State. We agree with Congressman Bob Poage's reply to Texas Attorney General Hill of March 18, in which he said, "I do not believe this is the proper way to collect taxes."

In sum, Mr. President, H.R. 8532 is not a bill to improve the antitrust statutes. It is instead a bill designed to harass the business community, to punish stockholders by the assessment of fluid damages, to shift the burden of proof in merger actions from the Government to the business firm, and finally to threaten all business concerns with costly and indeterminate litigation. H.R. 8532 has no place in a fair and evenhanded juridical system.

In closing, we want again to thank you for your continuing and successful efforts to support our free enterprise system.

Respectfully yours,


John M. Henske

Copies to:

Philip W. Buchen, Counsel to the President
Edward Schmults, Deputy Counsel to the President
John O. Marsh, Jr., Counsellor to the President
Max L. Friedersdorf, Assistant for Legislative Affairs



Olin

120 LONG RIDGE ROAD, STAMFORD, CONNECTICUT 06904

omalon.
PATENTED* PROCESS CARPET FOUNDATION
BY **Olin**



Mr. John O. Marsh, Jr.
Counsellor to the President
The White House
Washington, D. C. 20500

September 7

THE WHITE HOUSE
WASHINGTON

TO: ED SCHMULTS

FROM: JOHN O. MARSH, JR.

_____ For Direct Reply

_____ For Draft Response

XX _____ For Your Information

_____ Please Advise



THE WHITE HOUSE
WASHINGTON

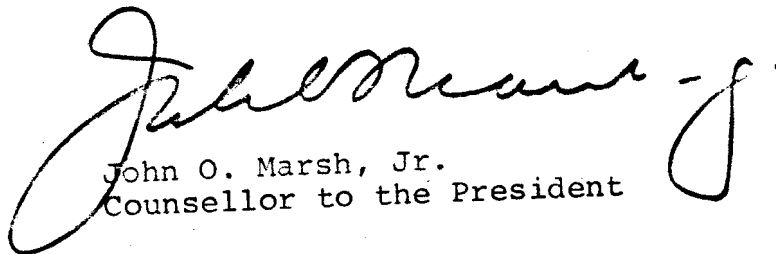
September 7, 1976

Dear Mr. Hutchings:

Just a short note to thank you for sending me a copy of your recent letter to the President concerning the antitrust legislation.

I have taken the liberty of sharing this letter with those here at the White House working on this issue.

Sincerely,



John O. Marsh, Jr.
Counsellor to the President

Mr. Howard T. Hutchings
E. L. Roberts and Co., Inc.
Post Office Box 1709
Oakland, California 94604





E. L. ROBERTS & CO., INC.

P.O. BOX 1709
OAKLAND, CALIFORNIA 94604
835-4740

September 3, 1976

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

As you know, various bills are introduced into the Senate and Congress, calling for enactment of *parens patriae* legislation.

Apparently, the model for introduction of these bills is the "tetracycline antibiotic drug cases" which involved a settlement where the five defendants paid \$213,233,679.00 in settlements, little of which actually got to the consumer who presumably overpaid for this drug.

Such legislation introduces insidious implications and will ultimately lead, if enacted, to the courts being clogged with cases bought by various state attorneys on behalf of state residents, and can only lead to incredible confusion and damage to the business community.

We urge that you consider vetoing any legislation involving the *parens patriae* provision.

Thank you.

Sincerely yours,

E. L. ROBERTS & CO., INC.



Howard T. Hutchings

HTH:pv



E. L. ROBERTS & CO., INC.

Manufacturer's Representative

P. O. BOX 1709

OAKLAND, CALIFORNIA 94604



The Honorable
John O. Marsh, Jr.
Counsellor to the President
The White House
Washington, D.C. 20500

September 7

THE WHITE HOUSE
WASHINGTON

TO: ED SCHMULTS

FROM: JOHN O. MARSHALL

 For Direct Reply

 For Draft Response

 XX For Your Information

 Please Advise



THE WHITE HOUSE

WASHINGTON

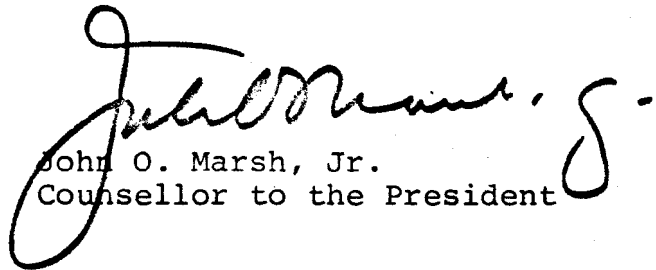
September 7, 1976

Dear Mr. Hagen:

Just a short note to thank you for sending me a copy of your recent letter to the President concerning the antitrust legislation.

I have taken the liberty of sharing your letter with those here at the White House working on this issue.

Sincerely,



John O. Marsh, Jr.
Counsellor to the President

Mr. Charles P. Hagen
General Counsel
American Home Products
Corporation
685 Third Avenue
New York, New York 10017



AMERICAN HOME PRODUCTS CORPORATION
685 THIRD AVENUE
NEW YORK, N. Y. 10017

CHARLES F. HAGAN
GENERAL COUNSEL

September 2, 1976

The President
The White House
Washington, D. C. 20500

Mr. President:

The American Home Products Corporation wishes to express deep concern over the proposed amendments to the antitrust laws which are contained in bills soon to be considered by a Conference Committee.

The bills, variously numbered H.R. 8532, H.R. 13489 and H.R. 14580, contain proposed changes with respect to Civil Investigatory Demands, Premerger Notification, and newly created authority for parens patriae suits.

In our view, any bill which may ultimately be presented to you that includes parens patriae authority should not be approved, and we urge you to reject such an amendment to the antitrust laws.

Proponents of the parens patriae concept, by which each state Attorney General would be authorized to bring suits against businesses on behalf of all state residents for alleged violations of the antitrust laws, argue that citizens now are victims of injurious practices for which no adequate remedy exists. They hold that recent judicial decisions have rendered the traditional class action procedure insufficient because of notice requirements to members of the class allegedly affected.

In our view, the suggested cure is considerably worse than the alleged malady in this case.

The parens patriae proposal creates an irresistible vehicle for state Attorneys General to file suits against business;

The parens patriae proposal permits the hiring of private attorneys by state Attorneys General to bring and pursue suits on



The President
Page 2
September 2, 1976

behalf of the state citizens. This can only result in the enrichment of plaintiffs attorneys where businesses are forced to settle cases filed;

The parens patriae proposal forces businesses to seek settlement of claims made in such suits rather than to gamble upon the likelihood that enormous damage claims will not be found legitimate or to incur the heavy expenses which must be paid to defend against complex cases of this kind regardless of their merits;

The parens patriae proposal will require businesses to radically alter their methods of accounting and reserving funds against the contingency of possible huge damage claims being paid. This can only result in a loss of investor confidence in companies whose stock will be jeopardized by the possibility of payment of gigantic damage claims;

The parens patriae proposal will permit collection of damages in cases where no suitable method of compensating individuals allegedly affected exists, thus opening the door to abuses in the disbursement of funds by the states. Indeed, proponents concede that in most cases, monies collected will never reach most of the individuals allegedly damaged, but will be diverted to other purposes;

The parens patriae proposal will most certainly result in an even greater burden upon the courts and will further strain a judicial system already congested nearly to its limits;

The parens patriae proposal, under the guise of assisting consumers, will in fact cause increases in prices because of the additional costs of conducting business which will surely be realized by industry;

The parens patriae proposal would encourage and empower state law enforcement officers to bring actions to enforce Federal statutes and to impose the equivalent of penalties for their violation contrary to the traditional relationship between the Federal government and the states. This would be done in spite of the fact that ample authority exists for the Federal government to enforce its own antitrust laws.

The foregoing are only some of the shortcomings of the proposed



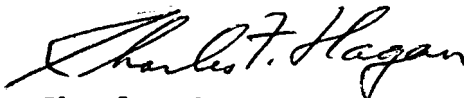
The President
Page 3
September 2, 1976

amendments to the antitrust laws. We firmly believe that to institute the suggested authority would be to open the door to chaotic conditions for business at a time when your administration has made numerous efforts to rehabilitate a damaged economy.

We do not quarrel with the right and the duty of the Federal government to protect the public by means of a reasonable system of antitrust laws. Any responsible business would accept the fact that a legitimate control upon possible excesses benefits both the public and industry itself. At the same time, we do not accept the position that parens patriae serves a valid purpose for consumers. In our view, it serves to create a climate in which industry can be harassed beyond reason ostensibly for the good of the public, but in actuality to the detriment of the public and the economy as a whole.

The American Home Products Corporation strongly urges you to reject any proposed amendments to the antitrust laws which contain parens patriae authority.

Respectfully yours,



Charles F. Hagan

/bw

cc: The Honorable
Philip W. Buchen,
Counsel to the President

The Honorable ✓
John O. Marsh, Jr.,
Counsellor to the President

The Honorable
John J. Rhodes,
Minority Leader U. S. House of Representatives

The Honorable
Hugh Scott,
Minority Leader U. S. Senate



September 7

THE WHITE HOUSE
WASHINGTON

TO: ED SCHMULTS

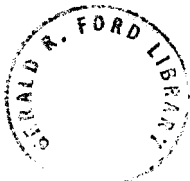
FROM: JOHN O. MARRAS, JR.

 For Direct Reply

 For Draft Response

 XX For Your Information

 Please Advise



THE WHITE HOUSE

WASHINGTON

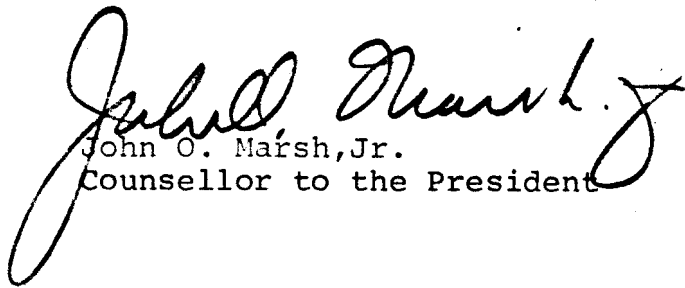
September 7, 1976

Dear Mr. Bieber:

Just a short note to thank you for sending me a copy of your recent letter to the President concerning the antitrust legislation.

I have taken the liberty of sharing your letter with those here at the White House working on this issue.

Sincerely,


John O. Marsh, Jr.
Counsellor to the President

Mr. Dean E. Bieber
Director -- Materials
Management
Grocery Products Group
Purex Corporation
Carson, California 90745





Keeps Growing Bigger to Serve You Better

PUREX CORPORATION

CARSON • CALIFORNIA 90745

September 1, 1976

The President
The White House
Washington, D.C. 20500

My dear Mr. President:

It has been brought to my attention that both houses of Congress have recently passed legislation granting parens patriae authority to the fifty State Attorney Generals in alleged price fixing overcharges.


While this authority is most alarming, what is even more alarming is the permission given the states to retain private lawyers to bring such suits before the courts. This permission, if followed to its logical conclusion, undoubtedly will result in many claims that are not justified, causing needless expense to the taxpayers, as well as rising costs to the manufacturers and rising prices to the consumer. In today's economic climate, none of these additional costs are desired or needed.

It has always been my belief that political freedom is connected to an economic system. Legislation that stifles our free enterprise system ultimately will depress our personal and political freedoms.

Your veto of this legislation containing parens patriae authority is the last hope for maintenance of moderation in this matter.

Very truly yours,

PUREX CORPORATION


Dean E. Bieber, Director
Materials Management
Grocery Products Group



DEB:js

COPY TO:

The Honorable
Philip W. Buchen
Counsel to the President
The White House
Washington, D.C. 20500

The Honorable
John O. Marsh, Jr.
Counsellor to the President
The White House
Washington, D.C. 20500

The Honorable
John J. Rhodes
Minority Leader
U. S. House of Representatives
Washington, D.C. 20515

The Honorable
Hugh Scott
Minority Leader
U.S. Senate
Washington, D.C. 20510



PUREX CORPORATION

24600 SO. MAIN ST. • P. O. BOX 6200 • CARSON, CA. 90749



The Honorable
John O. Marsh, Jr.
Counsellor to the President
The White House
Washington, D.C. 20500

Doug Ferguson
president

1525 north raymond avenue

anaheim, california 92805

September 7, 1976

phones: (714) 772-5151
(213) 860-5564

The President
The White House
Washington, D.C. 20500

Dear President Ford:

It seems obvious that Congress will soon submit for your signature significant antitrust legislation. We feel compelled to advise you of our opposition to the legislation and to urge your veto.

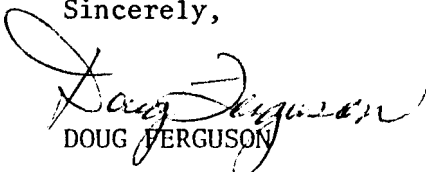
There are many objectionable features of the antitrust bills recently clearing both houses, but one is of particular importance. The Senate omnibus bill, S. 1284, in Title IV, and House bill HR 8532, involve parens patriae provisions giving attorneys general authority to bring treble damage lawsuits on behalf of a state's citizenry. They, further, authorize attorneys general to engage private counsel for such litigation. Both of these provisions, it is expected, will be in the Conference Committee bill.

The parens patriae provision will be a tool for financial and political blackmail in the hands of lawyers and attorneys general. Enough of such activity is already prevalent in the antitrust field as part of class action suits. Just as class suits have not been a consumer boon, there certainly will be no consumer benefit derived from parens patriae induced complaints. As for defendant companies, the prospect of financial devastation will be monumental.

We do not oppose antitrust laws and we favor responsible enforcement from the public and private sectors. There has, however, been a lot of abusive litigation in this field. To create more laws to encourage such activity is reprehensible.

We do not perceive antitrust enforcement to be a lagging activity. If there must be a different way to deal with antitrust problems, it must be by a method more sensible than that which would be encouraged by the proposed legislation and by a method which in itself does not induce wholesale improper conduct.

Sincerely,


DOUG FERGUSON

DF/paw



September 7

THE WHITE HOUSE
WASHINGTON

TO: ED SCHMULTS
FROM: JOHN O. MARSH, JR.

_____ For Direct Reply

_____ For Draft Response

xx _____ For Your Information

_____ Please Advise



THE WHITE HOUSE

WASHINGTON

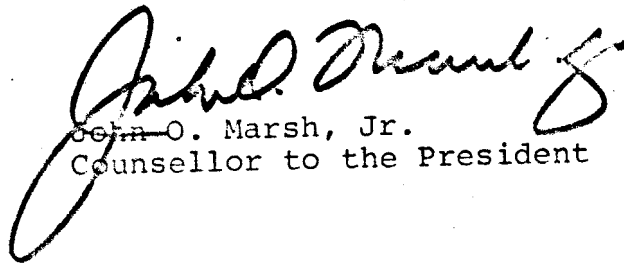
September 7, 1976

Dear Mr. Royer:

Just a short note to thank you for sending me a copy of your recent letter to the President concerning the antitrust legislation.

I have taken the liberty of sharing your letter with those here at the White House working on this issue.

Sincerely,



John O. Marsh, Jr.
Counsellor to the President

Mr. Robert D. Royer
Vice President -
International
Pfizer International, Inc.
235 East 42nd Street
New York, New York 10017




INTERNATIONAL INC.

235 EAST 42nd STREET, NEW YORK, N.Y. 10017

ROBERT D. ROYER
 President
 (212) 573-2521

September 3, 1976

The President
 The White House
 Washington, D.C. 20500

Dear Mr. President:

Congress is about to send to you another bill which will impose tremendous uncertainties on businesses attempting to operate outside the United States. Even as things now stand, neither businessmen nor Congress know how the antitrust laws should be applied to many of the important aspects of foreign trade. Nevertheless, Congress is again extending those antitrust laws through H.R. 8532 without having clarified for businessmen the application of the U.S. Antitrust Laws to their daily business. I doubt that Congress has paid the slightest bit of attention to how the pre-merger notification provisions of H.R. 8532 should apply to foreign operations or how the provisions of H.R. 8532 relating to civil investigative demands should apply to foreign subsidiaries. Moreover, there are serious questions as to the application of parens patriae actions against subsidiaries of U.S. corporations operating outside of the United States.

Congress should not expect businessmen to operate in the dark and the foreign trade of the United States should not continue to be subjected to ill-conceived litigation such as H.R. 8532. We ask, therefore, Mr. President, that you veto H.R. 8532.

Sincerely yours,

Robert D. Royer
 Vice President - International

cc: The Honorable Philip W. Buchen
 - The Honorable John O. Marsh, Jr.
 The Honorable Edward Schmults
 The Honorable John J. Rhodes
 The Honorable Hugh Scott
 The Honorable Matthew J. Rinaldo





PFIZER INC., 235 EAST 42nd STREET, NEW YORK, N. Y. 10017

HENRY L. ROSS, JR.
Vice President
Consumer Products Operations

September 7, 1976

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

It is my understanding that Congress is about to pass and send to you another terrible piece of legislation on the theory that if it passes, and you do not veto it, the full burden will fall on the nation's corporations, and if you do veto it the Democrats will be able to use it to their political advantage. If the legislation were not so bad, I would be tempted to suggest that you not veto it but unfortunately, once again, it is only your veto which stands in the way of catastrophe.

I am speaking of H.R. 8532 and in particular the portion of that legislation which would give to Attorneys General the authority to institute law suits as "parens patriae" for treble damages for Sherman Act violations. The proponents of this legislation know full well that such suits would be brought, not for the purpose of deciding the issues in litigation, but for the purpose of inducing corporations to settle. It is pure and simple blackmail. Class actions which have been brought on behalf of far fewer claimants than those which would be represented in parens patriae litigation are never tried. They are always settled, and the reason is that corporations simply cannot bear the risk, even though small, of losing such a suit.

The original House version had at least limited the more far-reaching effects of this legislation to "willful" violations. However, the word "willful" was stricken so that these blackmail suits could be brought for the most innocent kinds of violations, which can easily occur in this constantly expanding area of the law.

Certainly, blackmail actions should not be allowed in the ill-defined areas of the Sherman Act. Businessmen do not



know what kind of conduct will or will not later be found to be a violation of the Sherman Act. We operate in the dark because Congress has been unwilling to face up to the challenge of telling businessmen precisely what kind of conduct falls within the prohibitions of this statute, leaving the development of antitrust laws to the courts. To impose the kind of risks created by *parens patriae* in areas of the law which are not clear but which are still being developed by the courts is unfair and unjust.

Businessmen simply cannot live with H.R. 8532 and we must therefore ask, Mr. President, that, as politically painful as it might be, you veto this terrible piece of legislation.

Henry L. Ross, Jr.
Sincerely yours,

Henry L. Ross, Jr.
Vice President - Consumer Products

cc: Hon. Philip W. Buchen
Hon. John O. Marsh, Jr.
- Hon. Edward Schmults
Hon. John J. Rhodes
Hon. Hugh Scott
Hon. Stewart B. McKinney





QUIGLEY COMPANY, INC.

235 E. 42ND ST., NEW YORK, N. Y. 10017

DEAN R. THACKER - PRESIDENT
212 LR 3-3454

September 7, 1976

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

There is every indication that Congress is about to pass legislation that would give the Attorneys General of all fifty states the right to bring suit as "parens patriae" and recover treble damages for violations of the Sherman Act. The parliamentary rules of Congress, I understand, have created a rather complicated situation, but the bill presently before the Congress is H.R. 8532. I most strongly urge that, if Congress should pass such legislation, you exercise your veto power to save American business.

We here at Quigley - and I am sure this is true for the vast majority of American businessmen - make every effort to comply with the law in every respect. However, the antitrust laws present a particular problem in that the rules seem to be in a constant state of flux as the result of court decisions and changes in agency policies and personnel. A well-meaning businessman can easily run afoul of those laws despite conscientious efforts to comply.

Now Congress would add to this problem the hazard of treble damage claims by any number of Attorneys General on behalf of vast numbers of people within their states. Even the largest business organizations could be severely crippled if a court should find in favor of plaintiffs in such gigantic actions, so the defendants are compelled - no matter what the actual merits of the claim - to capitulate and settle. This is certainly not the type of justice our founding fathers contemplated, and it's nothing more than legalized blackmail on a grand scale.



I sincerely hope that, if Congress should pass legislation such as H.R. 8532 containing parens patriae provisions, you will save American business from its truly terrible effects by exercising your veto power.

Very truly yours,

Dean R. Thacker

Dean R. Thacker
President

cc: Hon. Philip W. Buchen
Hon. John O. Marsh, Jr.
— Hon. Edward Schmults
Hon. John J. Rhodes
Hon. Hugh Scott
Hon. Norman F. Lent





Professional Marketing Associates

401 Maryvale Drive
Buffalo, N. Y. 14225
(716) 892-3163
Telex 91-572

Sept. 7, 1976

The President
The White House
Washington, D. C., 20500

Dear Mr. President:

We are aware of a portion of an anti-trust bill presently in joint committee which apparently provides for the enactment of parens patriae legislation.

We strongly urge a veto for any bill which comes to you with a parens patriae section in it, as the obvious end result is a heavy enrichment of the legal profession to the detriment of the consumer, who will have to pay the price for that kind of legal action.

Thank you for your consideration in the above.

Sincerely,

PROFESSIONAL MARKETING
Associates, Inc.

O. W. Davenport, Jr.
Chief Executive Officer

OWDjr:tcw

cc: - The Honorable
Philip W. Buchen
Counsel to the President
The White House
Washington, D. C., 20500

The Honorable
John O. Marsh, Jr.
Counsellor to the President
The White House
Washington, D. C., 20500

cc: - Gordon T. Beaham, III

cc: The Honorable
John J. Rhodes
Minority Leader
U. S. House of Representatives
Washington, D. C., 20515

The Honorable
Hugh Scott
Minority Leader
U. S. Senate
Washington, D. C., 20510



DRY GROCERY DIVISION

• Albany Division
1215 Western Ave.
Suite 202
Albany, N.Y. 12203
(518) 438-6671
Telex 14-5332

• Syracuse Division
6033 Taft Road
P.O. Box 365
N. Syracuse, N.Y. 13212
(315) 458-6500
Telex 93-7452



FROZEN FOOD DIVISION