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THE WHITE HOUSE

WASHINGTON

October 14, 1974

MEETING WITH LEWIS A. ENGMAN Monday, October 14, 1974 12 noon (15 minutes) The Oval Office

From: Dean Burch

PURPOSE

To receive a brief rundown of the responsibilities and principal concerns of the Federal Trade Commission, from the Chairman of that Commission.

BACKGROUND, PARTICIPANTS & PRESS PLAN

- A. <u>Background</u>: This is one of a series of meetings with the chairmen of the independent regulatory commissions, to acquaint you with the substance of their work -- and them with you.
- B. Participants: Chairman Lew Engman.
- C. Press Plan: White House photographer. Meeting may be announced.

TALKING POINTS (a Memorandum prepared by Chairman Engman is attached) (Tab A)

1. The door of the Oval Office is always open, and the White House senior staff is available for consultation: Don Rumsfeld and Phil Buchen on matters of substance, Bill Walker with regard to personnel.

2. Lew Engman is to be commended for his very forceful recent speech on the elimination of regulatory practices that tend to inhibit the free play of the marketplace -- right in line with the Economic Message and the request to Congress to set up a National Commission on Regulatory Reform.

3. Seek the Chairman's ideas on what the White House can do to establish an effective working relationship.







FEDERAL TRADE COMMISSION WASHINGTON, D. C. 20580

October 14, 1974

MEMORANDUM FOR THE PRESIDENT

FROM: Lewis A. Engman

SUBJECT: The Federal Trade Commission

The mission of the Federal Trade Commission can be stated in 17 words: to preserve the health of the free enterprise system by guaranteeing that competition is free and fair. The importance of this mission in a free market economy which depends on competition is readily apparent, but in a time of rapidly rising prices, the Commission's responsibilities assume uncommon significance. We perform this mission with an annual budget of \$38 million and 1,600 personnel.

I view the Federal Trade Commission as a <u>law</u> enforcement agency -- not a regulatory agency.

I am under no illusions that antitrust enforcement alone can win the war against inflation, but vigorous competition, fair market practices and reliable product information can help insure that price increases born of excessive demand or shortages are not exacerbated by increases attributable to anticompetitive conduct, abuse of market power or unfair marketing practices.

The Commission has determined to create and utilize the best possible management and analytical systems in order to carry out our mission in the most effective manner. We are targeting for action those areas of the economy which have the greatest impact on the individual citizen in his capacity as consumer. Accordingly, in the current and forthcoming fiscal years, we are particularly intensifying our antitrust activities in three of the most vital and currently most inflation-prone sectors of the economy:

- -- energy
- -- food
- -- health care

We are attempting to target our efforts on the most critical areas of the economy. We also are attempting to assure that the benefits of our actions justify our costs to the taxpayer.

The Commission utilizes economic analysis to evaluate the benefits of every antitrust matter we undertake. We are developing the ability to apply cost-benefit analysis at the very beginning of an action, and during the next year we hope to improve our ability to perform follow-on benefit measurements.

The Commission also maintains a continuing liaison with the Antitrust Division of the Department of Justice which enables both agencies to avoid duplication of effort. Before either agency undertakes an investigation beyond the preliminary stage, a mutual decision is made as to which agency has the expertise or the statutory authority which would make it the best-equipped to undertake the investigation and whatever litigation may result.

Because of the legislation establishing the FTC as an independent agency, we bring to the area of antitrust law enforcement the benefits of administrative proceedings without the necessity of always having to go to court.

All but one of the Commissioners have served for less than two years. All of the top staff have joined the Commission within the past 18 months and we are attracting some of the best talent from law schools all over the country.





FROM:

SUBJECT:

PHILIP BUCHE

Chairman of the Federal Trade Commission

Some consideration has been given to the selection of Antonin Scalia for nomination by you to be Chairman of the Federal Trade Commission (FTC). Scalia is now Assistant Attorney General in charge of the Office of Legal Counsel. I know that Ed Levi considers him among his most valued Assistants and it would be a severe loss to the Attorney General as well as to the Department of Justice if Scalia were to be asked to leave his present position.

In addition, I want to point out how valuable it is for you and the White House staff to have Scalia remain in his present position. In that position, Scalia directs all the legal research and provides the advice needed to deal with the major issues that affect the Presidency and operations of the Executive branch. Among the major issues in which he has been or still is involved are:

- The extent of "executive privilege" under the law and the right of the President to protect national security secrets in dealings by the Executive branch with the Congress;
- 2. Legal issues raised by the pending bills to establish congressional oversight for control of the CIA and the rest of the intelligence community;



- Constitutional issues involved in warrantless electronic surveillance of all types;
- Statutory provisions needed to improve the protection of national security information;
- 5. The problems created by the Supreme Court's decision on the Federal Election Laws;
- Conflict of interest questions involving your appointees; and
- Numerous other issues involving attempted encroachment by the Congress on the powers of the Executive branch.

Scalia is a remarkably bright and resourceful attorney and a prodigious worker. I can think of no one else over at Justice who could adequately take his place. Also, it would be difficult and time-consuming to find an adequate replacement from outside the Justice Department, and even a competent newcomer would require time to begin to match Scalia's performance.

I suggest that if Scalia is to be further considered for a new assignment that it would be desirable for you to consult with the Attorney General.



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