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August 26, 1976

Dear Mr. Carroll:

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. Thomas S. Carroll  
President  
Lever Brothers Company, Inc.  
390 Park Avenue  
New York, New York 10022

rs

cc: Ed Schmultz



Copy for: The Honorable John O. Marsh, Jr.

LEVER BROTHERS COMPANY  
(INCORPORATED)

190 PARK AVENUE, NEW YORK, NEW YORK 10022

AUG 25 1976

THOMAS S. CARROLL  
PRESIDENT

August 23, 1976

President Gerald R. Ford  
The White House  
Washington, D. C. 20500

RE: Parens Patriae Antitrust Legislation

Dear Mr. President:

This is to urge your veto of any antitrust legislation enacted by the Congress which would authorize state attorney generals to institute treble damage lawsuits against a company on behalf of state residents for alleged antitrust violations.

Although in principle such parens patriae legislation may sound laudable and is the product of well-intentioned legislators, I am deeply fearful of its practical application, so much so that I am reminded of Justice Brandeis' oft-quoted remark:

"The greatest dangers.....lurk in insidious encroachment by men of zeal, well-meaning but without understanding."

The proposed parens patriae legislation would authorize the utilization of state funds to hire lawyers in the private sector to "vindicate" the interests of the state's

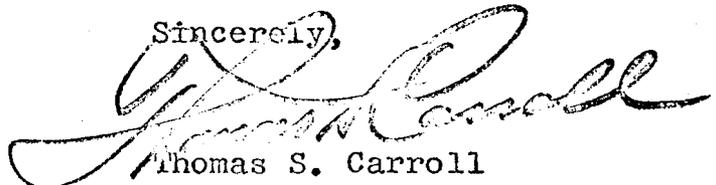


citizens. Given the potential windfall to all parties involved in bringing these actions, such a statute gives rise to the very real possibility that enormous "damage" claims will be filed on the flimsiest of grounds, the potential magnitude of which, however, could easily result in the extraction of "blackmail" settlements from a company that cannot afford to run a risk of placing its fate ( in the hands of a fickle jury.

Moreover, at a time when the government should be deemphasizing its role in the affairs of corporations and private citizens, I question whether federal legislation in this area is the proper approach. Each individual state has the ability after all to amend its own antitrust laws to authorize parens patriae suits in its own courts. If a state legislature, acting for its own citizens, is not convinced such legislation is a sound concept, why should the federal government by-pass the state legislative process and provide state attorney generals with access to the federal courts?

In March of this year, you announced your opposition to this form of legislation. Mr. President, your judgment at that time was, and still is, correct. I urge you to have the courage of your convictions on this issue and to veto any parens patriae legislation.

Sincerely,



Thomas S. Carroll

TSC:RL



August 26, 1976

Dear Mr. Hoskins:

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. William K. Hoskins  
5020 Spring Grove Avenue  
Cincinnati, Ohio 45232

rs

cc: Ed Schmults



WILLIAM K. HOSKINS

5020 SPRING GROVE AVE.

CINCINNATI, OHIO 45232

August 23, 1976

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

Dear Mr. President:

The parens patriae bill appears to be winding its way to your desk. I strongly urge you to stand by your earlier promise of vetoing the bill.

On June 16 Attorney General Levi stated as follows:

"The possible amount of damages can be so terrific that for a large company the threat of that kind of a case is likely to be inevitably met with a settlement.

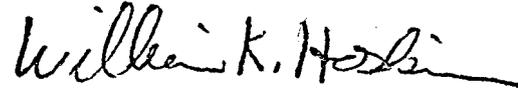
"One of my concerns is that you might have to save antitrust from its friends. Now what I had in mind is that if we start, and I hope we don't, a mechanism which is going to bring into being those kinds of cases all over the country with enormous damage awards where it is exceedingly hard to know whether there was in fact that damage, then I would assume that the next step would be to have some sort of a government agency authenticate the reasonableness of the prices that are charged.

"That is the kind of history which the anti-trust laws have always verged on getting into and in my book it is the particular special virtue of the kind of antitrust law that we have that we haven't gotten into it. I don't want to push the antitrust laws so far in that direction that the reaction will be 'Well, just to protect everyone wouldn't it be better if there was some kind of a price-fixing governmental board?'"



I believe that your experience with history in Michigan would indicate that the Attorney General's office of the State has historically been the most political of offices. The delivery of an extremely strong blackmail club to the most political office in a state makes no sense whatsoever.

Very truly yours,



William K. Hoskins

WKH:bjl

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



August 26, 1976

Dear Mr. Nonnenmann:

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. Otto T. Nonnenmann  
104 Woodberry Lane  
Fayetteville, New York 13066

rs

cc: Ed Schmults



Otto T. Nonnenmann  
104 Woodberry Lane  
Fayetteville, New York 13066

AUG 26 1976

August 12, 1976

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

Dear Mr. President:

This letter is to encourage your opposition of the parent patriae legislation in Congress and to further encourage you to veto this legislation should it be passed by Congress.

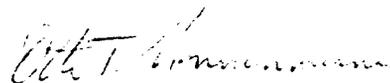
Even the modified Congressional proposals (S. 1284, H.R. 8532, etc.) permit state attorneys general to seek, as parens patriae for residents of states, treble damages in cases alleging price fixing or patent fraud. The method of damage calculation would be unrelated to actual damages suffered by any individual and would only serve to force companies to settle rather than face the possibility of losing.

The antitrust laws provide for severe penalties if the law is violated; however, they are not intended to force companies out of business. Parens patriae legislation would do exactly that.

Theoretically, this proposed legislation is intended to protect consumer rights. However, since it would be virtually impossible to identify all the consumers that were presumed to be damaged, a small minority of consumers would actually receive compensation. Further, the fear of prosecution would serve to stifle industrial initiative and competition, which in the long run is contrary to the consumers' best interest.

The legislation appears to serve only the interests of politically ambitious state attorneys general who would be motivated to prosecute business firms for the associated publicity value and the enhancement of their own careers.

Sincerely yours,



Otto T. Nonnenmann



cc: Mr. John Marsh  
Counselor to the President

August 26, 1976

Dear Mr. Cormier:

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. Richard J. Cormier  
6358 Ledgewood Drive  
Jamesville, New York 13078

rs

cc: Ed Schmults



AUG 1976

Richard J. Cormier  
6358 Ledgewood Drive  
Jamesville, New York 13078

August 12, 1976

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

Dear Mr. President

I am writing to urge you to oppose in Congress and then veto so-called parens patriae legislation should it be passed in the near future.

Although narrower in scope than original proposals, the legislation is still unwise. The Senate substitute for H. R. 8532, which was passed June 10, 1976, still permits state attorneys general to sue as parens patriae for residents of the states seeking treble damages in cases alleging price fixing or patent fraud. The method of damage calculation would be unrelated to actual damages suffered by any individual and would only serve to force companies to settle rather than face the possibility of losing.

The antitrust laws should not be designed to make huge settlements or possibly force companies out of existence. Substantial penalties are called for if these laws are violated, but treble damages based on "fluid recovery" are not appropriate.

One major problem is that the taxpayer pays both ways. He pays higher taxes due to the higher cost to operate the Attorney General's office, and he undoubtedly would pay more for the product he buys since the higher cost of legal defense to the various companies would probably be recovered through higher selling prices.

Please use your influence with members of the House to kill this legislation and veto the bill if passed.

Thank you.

Sincerely,

Richard J. Cormier



cc: Mr. John Marsh/  
Counselor to the President

August 26, 1976

Dear Mr. Wenzel:

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. Robert F. Wenzel  
25 South Marvine Avenue  
Auburn, New York 13021

rs

cc: Ed Schmults



Robert F. Wenzel  
25 South Marvine Avenue  
Auburn, N.Y. 13021

August 12, 1976

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

Dear Mr. President:

I am writing to urge you to reject the *parens patriae* concept and veto this legislation (S.1284, H.R. 8532, et al) should it come before you for signature.

The concept, in my opinion, does not protect consumer rights by preventing abuse or reparations for losses; however, it will serve to increase the cost of product for the consumer. In addition, significant court costs will be incurred by industry and government and these costs are certain to be born by all citizens.

I thank you for your consideration of my appeal as a taxpayer.

Sincerely,

Robert F. Wenzel

RFW/njp

cc: Mr. John Marsh  
Counselor to the President



August 26, 1976

Dear Mr. Ewing:

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. Thomas G. Ewing  
7 Rue Deauville  
Newport Beach, California 92660

rs

cc: Ed Schmults



THOMAS GEORGE EWING

7 RUE DEAUVILLE, NEWPORT BEACH, CALIFORNIA 92660 714-640-1841

August 19, 1976

The President  
White House  
Washington, D. C. 20500

Dear Mr. President:

This is to strongly urge your veto of any *parens patriae* legislation which may be sent over from the Congress. Legislation of this sort would amount to extortion on the part of private attorneys of large companies such as the one which I represent. We would, I'm afraid, be subject to blackmail-type settlements, or face the prospect of long drawn out suits for potentially enormous damage claims, which could be brought by private plaintive lawyers appointed by State Attorney General to bring *parens patriae* suits.

This is to strongly urge against any legislation of this sort, and to seek your veto of any bill containing a *parens patriae* clause.

Sincerely,

  
THOMAS G. EWING

TGE/jt

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

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



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

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

Mr. George W. Koch, President  
Grocery Manufacturers of Am. Inc.  
1425 K Street, N.W.  
Washington, D.C. 20005

Mr. Tom Costello  
NPFC/NCC

*Antitrust*

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

jlc

cc: Ed Schmultz





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



*Antitrust*

August 27, 1976

Dear Mr. Wells:

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,

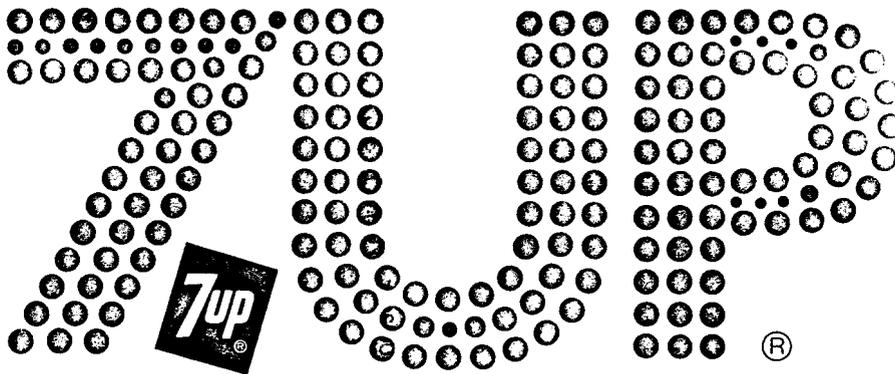
John O. Marsh, Jr.  
Counsellor to the President

Mr. Ben H. Wells  
The Seven-Up Company  
121 South Meramec  
St. Louis, Missouri 63105

jlc

cc: Ed Schmultz





August 24, 1976

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

Dear Mr. President:

I respectfully urge you to veto any legislative bill containing a parens patriae provision, that may be sent to you by the U. S. Congress.

I am greatly concerned that the parens patriae title in the recently-passed Senate bill, S. 1284, and the House bill, H. R. 2, for example, do not provide for the intended more effective expeditious enforcement of antitrust laws or aid to consumers. Instead, parens patriae would give State Attorneys General and private "plaintiffs" lawyers the authority to file multi-million dollar antitrust claims for alleged price-fixing overcharges against any business company, on behalf of all state residents. Parens patriae thus constructs a vehicle for "plaintiffs lawyers" to extract enormous fees for personal gain, with very little redress to the intended beneficiaries, the consumers.

President, your veto of any parens patriae legislation is essential for the prevention of ruinous damages to food and beverage companies and resultant increased costs of their products to consumers.

Very truly,

Ben H. Wells

:lh

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



SEP 4 1976

**Stuckey's**  
STUCKEY STORES DIVISION  
**PET**  
INCORPORATED

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.

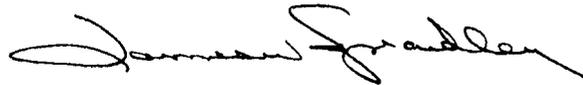
We do not oppose antitrust laws and we favor responsible enforcement from the public and private sectors. There has, however, been a lot of abusive litigation in this field. To create more laws to encourage such activity is reprehensible.



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, 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  
Brocery Products Group  
Purex Corporation  
Carson, California 90745

cc: Ed Schmults

dl



September 7

THE WHITE HOUSE  
WASHINGTON

TO: ED SCHMULTS

FROM: JOHN C. *Miller*

\_\_\_\_\_ For Direct Reply

\_\_\_\_\_ For Draft Response

XX For Your Information

\_\_\_\_\_ Please Advise





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.

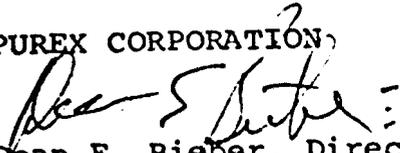
While this authority is most alarming, what is even more alarming is the permission given the states to retain private lawyers to bring such suits before the courts. This permission, if followed to its logical conclusion, undoubtedly will result in many claims that are not justified, causing needless 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

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  
Husman Refrigerator Co.  
12999 St. Charles Rock Road  
Bridgeton, Missouri 63044

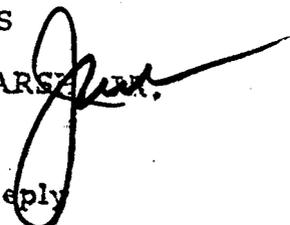
cc: Ed Schmults

dl



September 7

THE WHITE HOUSE  
WASHINGTON

TO: ED SCHMULTS  
FROM: JOHN O. MARSHALL 

For Direct Reply  
 For Draft Response  
 For Your Information  
 Please Advise



# HUSSMANN

REFRIGERATOR CO

1299 ST. CHARLES ROCK ROAD

BRIDGETON, MISSOURI 63044

TEL (314) 291-2000

GORDON R. GARREY

GROUP 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 anti-trust 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

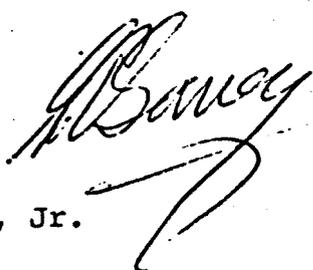
settlements from large corporations to avoid the substantial expenses created, not only in defending the litigation but just in notifying persons who might be interested in the lawsuit--even though that person had no substantial interest in the outcome. The only persons who were benefited were those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



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

cc: Ed Schmults

dl



September 7, 1976

THE WHITE HOUSE  
WASHINGTON

TO: ED SCHMULDS  
FROM: JOHN O. MARCH, JR.

For Direct Reply

For Draft Response

For Your Information

Please Advise





**AGRICULTURAL DIVISION**

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

M. HENDRICKSON  
President  
212-573-2444

September 3, 1976

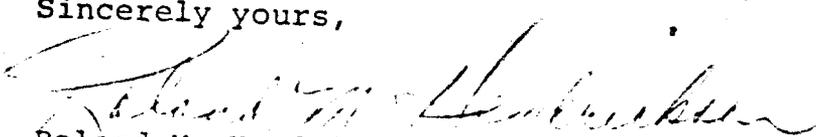
The President  
The White House  
Washington, D.C. 20500

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, 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

cc: Ed Schmults

dl



September 7

THE WHITE HOUSE  
WASHINGTON

TO:

FROM: JOHN O. MASH, JR.

For Direct Reply

For Draft Response

For Your Information

Please Advise



# 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



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

cc: Ed Schmults

dl



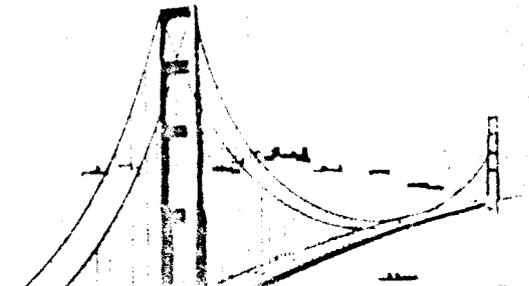
September 7

THE WHITE HOUSE  
WASHINGTON

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

For Direct Reply  
 For Draft Response  
 For Your Information  
 Please Advise





# 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

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

cc: Ed Schmults

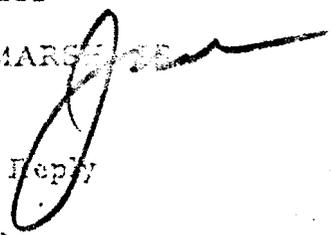
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September 7

THE WHITE HOUSE  
WASHINGTON

TO: ED SCHMULTS

FROM: JOHN C. MARSHALL 

           For Direct Reply

           For Draft Response

  XX   For Your Information

           Please Advise



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



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



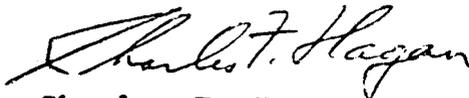
The President  
Page 3  
September 2, 1976

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, 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

cc: Ed Schmults

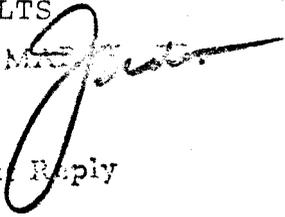
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September 7

THE WHITE HOUSE  
WASHINGTON

TO: ED SCHMULTS

FROM: JOHN O. MAZUCHI 

           For Direct Reply

           For Draft Response

  xx   For Your Information

           Please Advise





**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



September 9, 1976

Dear Mr. Doane:

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 D. Doane  
Johnson Lieber Company  
at Johns Landing  
6105 Southwest Macadam  
Portland, Oregon 97201

d1

cc: Ed Schmults



MERRILL W. HOYT - JIM LARICKS SEP 9 1976

MILITARY  
SALES MANAGEMENT SERVICE  
1025 W. 8th Street  
Kansas City, Missouri-64101

September 8, 1976

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

SUBJECT: Parens Patriae Legislation

Dear Mr. President:

Having reviewed the "Parens Patriae Legislation" recently passed by the Senate, I urge you to veto this legislation when it reaches your desk.

Placing power in States Attorneys to hire private "plaintiff" lawyers with state funds, leaves all businesses, large and small, at the mercy of any unscrupulous attorney and obtain large public paid fees.

Large companies would probably "settle" class action suits, though the action was unwarranted and could be termed "blackmail," rather than face trial costs and possible damages.

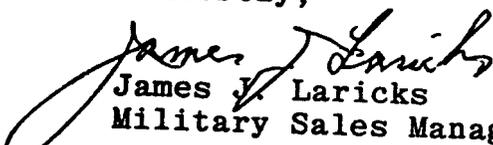
These costs and/or settlements would necessarily be passed along to the public in higher prices.

Small companies facing the same situation would have no choice but to defend themselves and, win or lose, would use funds necessary to continue operations, increase productivity and create more jobs. Some probably would find bankruptcy a necessity.

In summary, if this legislation becomes law, with the exception of "plaintiff attorneys" every other American becomes a victim of increased taxes, further inflated prices, reduced national productivity, and possible loss of jobs.

I am confident from your past actions of vetoing proposed legislation that would be contrary to the equitable benefit to all Americans, you will continue to act accordingly.

Sincerely,

  
James J. Laricks  
Military Sales Manager



JJL/plg

September 9, 1976

Dear Mr. Laricks:

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. James J. Laricks  
Military Sales Manager  
Sales Management Service  
1025 West 8th Street  
Kansas City, Missouri 64101

cc: Ed Schmults

dl



# JOHNSON LIEBER COMPANY

BROKERS • MANUFACTURERS AGENTS



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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 R  
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

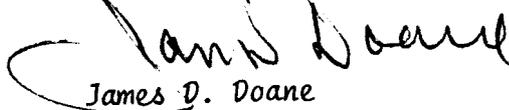
The President  
The White House  
Washington, D. C. 20500

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 10, 1976

Dear Mr. Crane:

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. Harris Crane  
President  
Mid-America Food Brokers, Inc.  
20065 James Cousens Highway  
Detroit, Michigan 48235

cc: Ed Schmullts

dl



# Mid-America Food Brokers, Inc.

September 8, 1976

20065 JAMES COUZENS HIGHWAY  
DETROIT, MICHIGAN 48235  
313/342-4080

COPY

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

Mr. President:

Have been reading much of late concerning "parens patriae". All of the information I have been able to gather has been most frightening as a citizen and also as a small businessman.

In an effort to avoid what many people feel to occur should "parens patriae" be allowed in legislation, I respectfully and strongly urge that you veto any bill with "parens patriae" as part of it.

Yours truly,

MID-AMERICA FOOD BROKERS, INC.

Harris Crane  
President

HC:is

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



September 10, 1976

Dear Mr. Crane:

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. Harris Crane  
President  
Mid-America Food Brokers, Inc.  
20065 James Couzens Highway  
Detroit, Michigan 48235

cc: Ed Schmwults

dl



# Mid-America Food Brokers, Inc.

September 8, 1976

20065 JAMES COUZENS HIGHWAY  
DETROIT, MICHIGAN 48235  
313/342-4080

COPY

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

Mr. President:

Have been reading much of late concerning "parens patriae". All of the information I have been able to gather has been most frightening as a citizen and also as a small businessman.

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Yours truly,

MID-AMERICA FOOD BROKERS, INC.

Harris Crane  
President

HC:is

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



September 10, 1976

Dear Mr. Costello:

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 G. Marsh, Jr.  
Counsellor to the President

Mr. Thomas P. Costello  
National Can Corporation  
8101 West Higgins Road  
Chicago, Illinois 60631

cc: Ed Schmults

d1



SEP 20 1976

September 8, 1976

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

Dear President Ford:

As Vice President-Grocery Products Group, National Can Corporation and as a concerned citizen, I strongly urge you to oppose the passage of Senate Bill 1284, the Hart-Scott Antitrust Improvements Act, and particularly Title IV of the Act, known as the Parens Patriae Amendment. Title IV would authorize each State Attorney General to bring treble damage suits in Federal District Court in the name of his state, and with the use of state funds, against defendants who have allegedly violated the Sherman Act. This legislation would also allow State Attorneys General to hire private lawyers to bring such suits.

I am deeply concerned that this bill will encourage frivolous class action suits by private attorneys who do not have the best interests of the public at heart as do elected officials. The cost of trying these suits is so enormous that many defendants will accept a settlement rather than go to trial, even though they are certain of winning. Since the various states would be paying the expenses of the suit, plaintiffs' lawyers will not hesitate to go to trial, even though they may be certain of losing. The ultimate loser would be the American consumer/taxpayer. Not only would his taxes be paying the litigation expenses of the plaintiff, but he would also be paying higher prices for goods and services when the cost of defending these suits is ultimately reflected in retail prices. The only winner in suits such as these is the private attorney, whose fee is extraordinarily high. The Tetracycline



The President  
September 8, 1976  
Page Two

class action cases, which have been cited by the proponents of Title IV of 1264 as a model for the fluid recovery mechanisms proposed in the Title, instead demonstrate the terrible inequities which can occur in such suits. The five defendants paid out \$213 million in settlements; of this amount, \$42 million, or 20%, was allocated for plaintiffs' attorney's fees, while only \$28 million, or 13%, was actually paid to consumers.

Unless the State Attorneys General are restricted from hiring private attorneys to prosecute these suits, there can be no assurance that the best interests of the public are being served. There is a substantial danger that a flood of irresponsible lawsuits against business firms will result, causing higher prices for consumers, business failures and further clogging of the already congested federal court system.

I want to stress to you that as a businessman, I favor responsible enforcement of the antitrust laws, since this is ultimately good for business and for the consumer. However, Title IV of S.1284 will engender irresponsible enforcement of the antitrust laws and, in doing so, will be a severe detriment to the very persons that it is supposed to protect--the consumers. It is for this reason that I feel that passage of S.1284 in its present form would be a serious mistake and would be a cruel hoax on the American consuming public. I again appeal to you to oppose its passage.

Very truly yours,

NATIONAL CAN CORPORATION

Thomas F. Costello

TFC/cp



The President  
September 8, 1976  
Page Three

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

bcc: F. Considine - EXEC  
L. Everson - "  
W. Francois - "  
R. Kabaker - "  
R. Lederer - "  
W. Wells - "

