

THE WHITE HOUSE

WASHINGTON

November 3, 1974

MEMORANDUM FOR THE PRESIDENT

THROUGH: WILLIAM E. TIMMONS
FROM: TOM C. KOROLOGOS **TK**
SUBJECT: Anti-Trust Penalty Increases

You asked me on Air Force One last evening to check the status of the increase in penalties for violation of the Sherman Anti-trust Act and to follow-up with Jake Garn in Salt Lake City on your speech comments on that subject. (Tab-A contains the anti-trust portion of the text).

Actually, for the past five years, the Justice Department has been advocating legislation to increase the penalties for violation of anti-trust provisions from \$50,000 up to \$500,000.

It turns out that on October 11, 1974, the full House Judiciary Committee reported out S. 782, a Senate passed bill on consent decrees, containing a second Title increasing anti-trust fines up to \$500,000.

Since your anti-inflation speech, Justice has worked with Rodino to get him to accept an amendment increasing the penalty to \$1 (m) million. S. 782 is on the House Consent Calendar and when they come back from recess, Justice says Rodino will move the \$1 (m) million proposal as a committee amendment. In addition to the \$1 (m) million fine it is believed Rodino will offer an increase in the criminal penalty from a 1-year misdemeanor to a 5-year maximum felony penalty.

This agreement was worked out with Rodino's people last week.

I passed all of this along to Jake Garn's people today in case Owens is aware of the activity. I do not think Owens has enough time to do much of anything since there is only one day left. I also told Jake to refer any press or Owens' calls on the subject to the White House.

EXCERPT FROM SALT LAKE CITY REMARKS ON NOVEMBER 2, 1974

"Now, one important recommendation in my inflation-fighting and energy-saving program, one of the 31 proposals that I made was to tighten up and to increase the penalties for anti-trust price fixing action.

That legislation has been lying dormant in the House Committee on the Judiciary. I think it is legitimate to ask every Member of that committee, why haven't they acted.

If we can do something about price fixing; if we can do something about the anti-trust action -- and let me illustrate what I recommend -- that we increase the penalties for violation from \$50,000 to \$1 million -- and nothing has happened in the Congress or in the Committee on the Judiciary. "

January 29, 1976

SUBJECT: ANTI-TRUST BILL

This morning the New York Times carried a story stating that, because of pressure from influential Wall Street figures, Secretary Simon has indicated to the Senate Judiciary Committee that the Administration might withdraw support of a corporate merger antitrust bill presently being worked on.

Is the Administration bowing to political pressure from Wall Street?

GUIDANCE: At this point the Administration has not changed or retreated from its original position (endorsement of the anti-merger section). It is important to note, however, that the bill has been undergoing some changes in committee, and its fate in the House is particularly uncertain. However, the Administration is keeping it under constant review.

ME

ANTITRUST LEGISLATION

Question:

As you know, the Senate is currently considering S. 1284, an omnibus antitrust bill. What is your position on this legislation?

Answer:

This measure is a complex proposal which does not lend itself to concise comment. However, permit me to comment briefly on certain key features of the bill.

With certain exceptions, I support the civil investigative demand features of the bill. In this respect, the bill is substantially similar to legislation that I submitted at the beginning of the Congress. These provisions would provide important tools to the Justice Department in enforcing our antitrust laws.


On the other hand, I have serious reservations, as well as specific objections, concerning the so-called parens patriae title of the bill. I am also opposed to that feature of the legislation which would change long standing legal procedures and impose a mandatory stay period in merger cases. While these provisions have been improved, I continue to believe they are unsound and not in the best interests of our economy.

During the last two years I have sought to improve federal enforcement efforts in the antitrust area. For example, in December 1974 I signed a bill which increased the maximum penalties for antitrust violations. However, as I have indicated, in several respects I question whether S. 1284 is a responsible way to vigorously enforce the antitrust laws.

Schmults 6/4/76

THE WHITE HOUSE
WASHINGTON

September 14, 1976

MEMORANDUM FOR: RON NESSEN
FROM: ED SCHMULTS 
SUBJECT: Suggested Statement for you
 to use on the Hart-Scott-Rodino
 Antitrust Improvement Act of
 1976 (H.R. 8532)

Assuming you do not want to specifically defend against Carter's statement yesterday that Republicans "have stood in the way of [antitrust] enforcement", I suggest you use the following statement to comment on the Administration's position on the above bill:

The Hart-Scott-Rodino Antitrust Improvement Act of 1976 which passed the Senate on September 8 has three major titles. The first title -- containing amendments to the Antitrust Civil Process Act -- is basically an Administration bill which we, of course, support.


The second title on pre-merger notifications has been amended to delete provisions that were objectionable to the Administration.

The President has expressed serious reservations concerning the concept embodied in the so-called *parens patriae* provisions of the third title. This title has been modified in response to a number of specific objections raised by the President.

The bill has not yet passed the House. Thus, the President will have to review the final bill if it passes the Congress before any decision can be reached whether in toto it represents a responsible way to enforce the federal antitrust laws.

*- do we support the
 action of 11 Repub. in H.
 A internal bill matter - not appropriate 2 comment.*

September 17, 1976

MEMORANDUM FOR: RON NESSEN
FROM: ED SCHMULTS 
SUBJECT: Suggested Statement for you
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 1976 (H.R. 8532)

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The President has expressed serious reservations concerning the concept embodied in the so-called *parens patriae* provisions of the third title. This title has been modified in response to a number of specific objections raised by the President.

The bill has just passed the House. The President will have to review the final bill once it reaches the White House before any decision can be reached whether in toto it represents a responsible way to enforce the federal antitrust laws.

