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CPA

THE WHITE HOUSE
WASHINGTON

February 12, 1975

MEMORANDUM FOR:

PAUL O'NEILL

FROM:

PHILIP BUCHEN

P.W.B.

SUBJECT:

Consumer Protection Agency

From the office of John Byington in the office of Virginia Knauer, I have received a copy of your communication of February 3, 1975 addressed to Roy Ash.

I would appreciate your giving this prompt consideration, because I am sure the President would like to move on this initiative. If there are any aspects of the proposal which concern you, I would be happy to discuss them with you.

Attachment



A NOTE FROM
S. JOHN BYINGTON

Phil

This Privacy

Proclamation now

seems finally back

on the track - see

attached. If you

get a chance internally,

please give it a push.

Thanks SJB



THE WHITE HOUSE
WASHINGTON

February 17, 1975

*Ken Lazarus
is reviewing
the memo
in conjunction
with OMB*

MEMORANDUM FOR: Paul O'Neill

THROUGH: Phil Buchen

FROM: Ken Lazarus *KL*

SUBJECT: Consumer Protection Agency

I have reviewed the draft Memorandum for the President from James T. Lynn, which presents several options for decision on an Administration position relative to CPA legislation and offer the following:

First, although I am not familiar with the specific CPA proposals, I question flat statements to the effect that on the merits any such legislation is bad and not needed.

Second, whether an Administration position is responsive only to political needs or reflective of sound public policy, there is simply no reason to limit the focus of Presidential options to four pending legislative items.

Third, the memorandum should be reconstructed--not refurbished--in order to assess the substantive questions which have been caught up in the CPA legislation, e.g., needs, rights and remedies, costs, etc. This would allow the President to formulate a position on issues rather than captions and lay the necessary footing for later tactical decisions.



THE WHITE HOUSE
WASHINGTON

February 12, 1975

MEMORANDUM FOR: KEN LAZARUS

FROM:

PHILIP BUCHEN

P.W.B.

Please prepare suggested comments on the attached Consumer Protection Agency material.

Attachment



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

FEB 7 1975

MEMORANDUM FOR MESSRS. BUCHEN ✓
MARSH
BAROODY
CAVANAUGH

SUBJECT: Consumer Protection Agency

Attached is a draft memorandum for the President on an Administration position on a Consumer Protection Agency.

May I please have your vote and comments by COB, Monday.

~~Signed Paul H. O'Neill~~

Paul H. O'Neill

Attachments



MEMORANDUM FOR THE PRESIDENT

FROM: JAMES T. LYNN

SUBJECT: Administration Position on a Consumer Protection Agency

Congress is expected to take up Consumer Protection Agency (CPA) legislation early in this session. The Administration will be pressed for its position. This memorandum presents several options for decision on an Administration position.

Background. The House passed CPA legislation last March by a vote of 293 to 94. The Senate failed to pass a stronger bill after four attempts at filibuster cloture were defeated, the last by only two votes. The departure of Senator Ervin -- who led the Senate filibuster -- and the makeup of the new Congress could result in passage of a bill early in this Congress, unless the Administration intervenes successfully.

Options. Attachment A identifies the differences among major CPA bills. We believe the options are:

Option 1. Submit a bill along the lines of the Brown version in the 93rd Congress -- a CPA with limited powers, largely an amicus agency.



Option 2. Submit a consumer message summarizing the Administration's consumer proposals, but not endorsing CPA.

Option 3. Do not take a public position on CPA, but informally encourage Senator Dole and others to take the lead in working for a CPA with restricted powers along the lines of the Brown version.

Option 4. Do not communicate an Administration position -- either formally or informally -- at this time.

Option 5. Indicate Administration opposition to CPA legislation and threaten a veto. Also indicate that the Administration has submitted a bill to establish a regulatory agency review commission which shall address the matter of consumer protection in regulatory agency actions.

Major arguments for and against each option are provided at Attachment B.

Decision

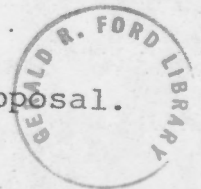
_____ Option 1 - Submit a restricted CPA bill. (Favored by _____)

_____ Option 2 - Submit a consumer message on Administration consumer proposals other than CPA. (Favored by _____)

_____ Option 3 - Work informally for restricted CPA. (Favored by _____)

_____ Option 4 - Do not take position, formally or informally. (Favored by _____)

_____ Option 5 - Indicate opposition to any CPA proposal. (Favored by _____)



Major Differences in CPA Bills

| <u>Issue</u> | <u>S. 200 (Ribicoff)</u> | <u>Dole Bill 93rd Congress</u> | <u>Holifield-Horton Bill 93rd Congress</u> | <u>Brown Amendments 93rd Congress</u> |
|--|---|---|---|---|
| Interrogatory Authority | Independent CPA interrogatory authority | CPA use of host agency interrogatory authority | CPA use of host agency interrogatory authority | No interrogatory authority |
| Term and Removal of CPA Administrator | 4-year term, coterminous with that of President; limitations on President's power to remove | 4-year term | No limitation on President's power to appoint or remove | No limitation on President's power to appoint or remove |
| Budget and Legislation | Annual report to contain simultaneous budget and legislative recommendations to OMB and Congress | Annual report to contain simultaneous budget and legislative recommendations to OMB and Congress | No provision | No provision |
| CPA Right to Obtain Judicial Review of Agency Regulatory Decisions | Right of judicial reviews comparable to that of private parties | Right of judicial reviews comparable to that of private parties | Right of judicial reviews comparable to that of private parties | No right of judicial review of agency actions |
| CPA Judicial Representation | CPA represents itself | CPA represents itself | CPA represents itself | Justice Department discretion to represent CPA |
| Exemptions from CPA Review | CIA, NSA, FBI, labor-related and FCC licensing matters, but only national security and intelligence functions of DoD, State and AEC | CIA, NSA, FBI, labor-related and FCC licensing matters, but only national security and intelligence functions of DoD, State and AEC | CIA, NSA, FBI, labor-related matters, but only national security and intelligence functions of DoD, State and AEC | CIA, NSA, FBI and entire DoD, State and AEC |
| CPA Access to Trade Secrets and Commercial and Financial Information Possessed by Federal Agencies | CPA denied such information <u>only</u> if given to other Federal agency on written promise of confidentiality | CPA denied such information <u>only</u> if given to other Federal agency on written promise of confidentiality | CPA denied such information <u>only</u> if given to other Federal agency on written promise of confidentiality | CPA denied information given both "voluntarily" to a Federal agency, or on a written promise of confidentiality |
| CPA Access to Criminal Investigation Files | Exemption for prosecutorial recommendations only | Exemption for prosecutorial recommendations only | No exemption for criminal investigative files (only for "internal agency policy recommendations," which could be interpreted to mean prosecutorial recommendations) | Full exemption for criminal investigation files |



Options--Administration Position on CPA LegislationOption 1. Submit an Administration bill establishing a restricted Consumer Protection Agency

Pro - Enactment of some form of CPA legislation stands a good chance. An Administration bill would improve the chances for more restrictive final legislation and give the Administration a positive position on a consumer issue. Given the pressure for some type of CPA bill, the Brown amended version represents a "least damage" alternative.

Con - There is a substantial amount of opposition in the business community to any CPA legislation. On the merits, a CPA is not needed nor is it likely to be able to achieve the goals of its proponents. Administration proposed legislation would also be inconsistent with your public opposition to new spending programs. Virtually all of the Brown Amendments were voted down by substantial margins in the House last year, making it unlikely that Congress would accept them.

Option 2. Submit a Consumer Message on Administration consumer proposals other than CPA

Pro - Such a message would provide the Administration with an opportunity to summarize and state the consumer proposals in the 1976 budget and would provide a counterforce to the argument that the Administration is "anti-consumer."



Con - Most of the proposals that would be highlighted in a consumer message have already been undertaken or proposed in the previous Congress. Such a message would be unlikely to satisfy CPA proponents and would draw attention to CPA in the absence of a CPA endorsement.

Option 3. Work Informally for a Restricted CPA

Pro - This option would avoid a Presidential commitment initially, and would allow those who favor a restricted CPA an opportunity to obtain such a bill to test the viability of a restricted CPA option.

Con - It would be difficult to maintain an informal position for legislation.

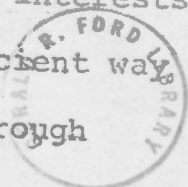
Option 4. Take No Position At this Time

Pro - This option allows you maximum future flexibility and maneuverability, depending on progress of the various CPA bills in the Congress.

Con - Failure to take a public position may be criticized as irresponsible, as well as maneuvering for the defeat of CPA legislation.

Option 5. Oppose Any CPA Legislation

Pro - On the merits, the adversary nature of CPA is the wrong way to assure that regulatory agencies take the interests of consumers into account. A more effective and efficient way would be for the agencies themselves to be forced--through



congressional oversight and appropriate legislation--to organize for and heed consumer concerns. Strong Administration opposition would give opponents of CPA a rallying point.

Con - The Administration runs the risk of being characterized as "anti-consumer," by not having an alternative to CPA legislation. Failure to endorse a restricted CPA bill could result in a much stronger CPA bill coming out of Congress.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

Consumer Protection
File
(initials)

FEB 25 1975

MEMORANDUM FOR Phillip W. Buchen

Subject: Proposed proclamation entitled "Consumer Privacy Code"

I want to let you know where we stand with respect to the proposed proclamation which was referred to us by Mrs. Knauer on February 3. The proposal was referred to several agencies (Commerce, Defense, HEW, Justice, FTC and SBA) for comment and we hope to have their views and be in a position to discuss them with you by March 17.

Paul H. O'Neill

Paul H. O'Neill
Deputy Director



THE WHITE HOUSE
WASHINGTON

March 1, 1975

*Consumer/Reg. Reform
3/3/75*

*Urgent
for
Ken Lazarus*

MEMORANDUM FOR: PHIL BUCHEN ✓
JIM LYNN
JACK MARSH
ALAN GREENSPAN
BILL SEIDMAN
PAUL O'NEILL

FROM: JIM CAVANAUGH

SUBJECT: CONSUMER/REGULATORY REFORM
SPECIAL MESSAGE

The President has asked that options to be included in a possible special message on consumer initiatives and regulatory reform be prepared for his review as soon as possible.

Bill Baroody and Virginia Knauer's staffs have put together the attached set of proposals for that message. Could you please review each option and return your comments and recommendations to Pam Needham, Room 214 OEOB, X6776, by COB, Wednesday March 5.

Many thanks.



Mr. Buchen

Ken did go to
Meeting with
Jack & Marsh

There is to be a 5:30 p. m. meeting
with the President on regulatory reform.
Ken Lazarus wanted to be sure you
were aware of it -- in case you want to
attend.

Eva

Ask Ken to attend. I
will get in late, if at all.



Consumer Regulatory
Message

Bar feling
J.

Friday 3/7/75

BRAR

4:30 Mr. Lazarus thought you should take a look at Option 14 --
which should be discussed further with Marsh. He will
attempt to see Jack on this.

Have Ken let
me know if I'm
to do anything
further on this.
J.



THE WHITE HOUSE

WASHINGTON

March 7, 1975

MEMORANDUM FOR: JIM CAVANAUGH
FROM: KEN LAZARUS *KL*
SUBJECT: Consumer/Regulatory Reform Message

I have reviewed the March 7 draft of the Memorandum for the President on the referenced subject and offer the following comments on behalf of the Counsel's office.

I. Our views on the various options may be outlined as follows:

- (1) Consumer Representation Act of 1975. While we would appreciate the opportunity to consider further the specific remedies which would be created by this Act and have some reservations relative to the size of the office that would be created within the EOP, we support the broad outlines of the proposal.
- (2) Consumer Benefit Analysis. Support.
- (3) Regulatory Reform Commission. Although we support this option, we would suggest that its mandate is logically contingent upon the President's action on other options relevant to regulatory reform. Stated another way, those areas of regulatory reform not dealt with precisely and directly by the President's message ought be drawn within the bailiwick of the Commission for further study. Further, a Task Force might present an attractive alternative to the creation of yet another commission.
- (4) Reform of Surface Transportation Regulation. Support.
- (5) Air Transportation Regulatory Reform. Support.
- (6) Financial Institutions Act. Support.



- (7) Announce Legislation to be Submitted to Reform the Robinson-Patman Act. Support.
- (8) Provide for Easier Deviation from Food Standards in Order to Develop New Foods. Oppose.
- (9) Establish Intergovernmental Task Force on State and Local Regulatory Reform Leading to a White House Conference. Support.
- (10) Announce Administration Support for Special Senate Committee on Regulatory Reform. Oppose. It would appear inappropriate and futile for the President to comment on the internal operations of the Senate.
- (11) Propose Legislation to Streamline Hearing Procedures Under the Federal Food, Drug, and Cosmetic Act. Although we support this option, it might be more appropriate to include the item within a related proposal due to its relevant insignificance.
- (12) Repeal Federal Law Allowing for State Resale Price Maintenance Laws (with fair trade laws). Support.
- (13) Submit Legislation to Prohibit Pyramid Sales Transactions. Support. However, we anticipate difficulty in creating a legislative scheme to prohibit "transactions in which the incentive for the buyer of a distributorship is the prospect of monetary gain from the sale of further distributorships," absent the presence of fraud.
- (14) Announce Decision on Auto No-Fault Legislation. Treated at II below.
- (15) Announce a Review of Antitrust Immunities to be Completed in Ninety Days. Support with some reservation on the need for announcing a deadline.
- (16) Announce Intention to Veto Any Legislation Which Unnecessarily Raises Prices to the Consumer or Restricts Production. This is not properly an option but should be woven into the general rhetoric of the message. Oppose



(17) Propose Changes in the Federal Reporting Act and Federal Register to Give the Public Better Notice and Clearer Understanding of Proposed Federal Decisions. Oppose. On the merits we see no need for this type of legislation and, on a political level, the option will likely have no utility.

(18) Prohibit States and Localities from not Permitting the Advertising of Prescription Drug Prices. Oppose. This issue should be woven into the agenda of the inter-governmental task force referred to in Option (9) above.

(19) Make Note of the National Appliance and Motor Vehicle Energy Labeling Act of 1975. Support.

(20) Resubmit Drug Identification Act. Support.

(21) Note that the Administration Plans to Resubmit Medical Services Legislation. Oppose.

(22) Propose Legislation Aimed at Product Testing in the Private Sector -- A Consumer Product Test Methods Act Such as Has Been Supported by the National Bureau of Standards. Oppose.

(23) Improved Quality Grading Systems of Packaged Foods. Support.

(24) Improve the System for Disseminating Product Recall and Hazardous Information and Follow-up. Support.

II. Discussion of No-Fault (Option 14). At the current time, there is simply an inadequate foundation upon which the President can construct a firm position on this issue. The threshold question relative to S. 354, the pending bill to establish a national No-Fault Insurance Act, is whether Federal, as opposed to State, action is appropriate. Assuming that Federal legislation would not be inconsistent with the sound precepts of Federalism, the second issue posed by the measure is the constitutionality of the role of the Federal Government which is contemplated by the "national standards approach." This approach would authorize a State to



enact legislation which meets Federal standards but in the absence of enactment of State law, the Federal model would be imposed upon a State and State personnel would also be required to enforce it. Finally, No-Fault presents a third series of issues, including enforcement mechanisms, costs, certain potential inequities and its impact upon competitive markets.

During his recent confirmation hearings, Transportation Secretary Coleman indicated to Senator Magnuson, the principal sponsor of S. 354, that he would promptly initiate a study of the bill and communicate his recommendations to the President. As the Cabinet member who will be most directly involved in this area, Mr. Coleman should have the opportunity to take a new look at No-Fault and to make his views known.

At the current time, the President should direct Secretary Coleman and Attorney General Levi to examine the threshold issue presented by No-Fault, i. e., the Federalism issue, and report back within a reasonable period of time. In the event the conclusion is reached that the Federal Government should develop a nationwide No-Fault insurance program, further issues can be examined in order to construct a realistic and workable legislative proposal.

It should be noted that Senators Eastland and Hruska have communicated an interest in the No-Fault issue directly to the President and have requested the opportunity to present their case in opposition prior to any Presidential decision on the subject. The President assured them that they would have such an opportunity. This is certainly not the time to further alienate conservative forces in the Senate.



Wednesday 7/30/75

1:15 You had called to talk with Mr. Quern about the
Consumer Protection Agency Legislation.

His office advises that Kathleen Ryan on the Domestic
Council would be the person to call.

6563



FOR IMMEDIATE RELEASE

APRIL 17, 1975

Office of the White House Press Secretary

THE WHITE HOUSE

TEXT OF A LETTER FROM THE PRESIDENT
TO THREE MEMBERS OF CONGRESS

April 17, 1975

Dear Mr. Chairman:

In the interest of protecting the American consumer, I am directing department and agency heads, in coordination with the Domestic Council, to review Executive branch procedures to make certain that consumer interests receive full consideration in all Government actions.

To be frank, I recognize the legitimate public and Congressional concerns that departments and agencies be more responsive to the interests of consumers. This must be changed. Therefore, I am asking agency heads to examine the specific efforts they are making now to represent the consumer in their agencies' decisions and activities and to work with Virginia Knauer, my Special Assistant for Consumer Affairs, in instituting additional efforts which the agencies can undertake to better represent consumer interests.

In examining their present procedures and in establishing new ones, department and agency heads will follow these guidelines:

All consumer interests should receive a fair chance to be heard in the Government decision making process; and

The costs and administrative requirements of Federal rules and regulations on the private sector should be held to a minimum.

Regulatory reform is one of the most important vehicles for improving consumer protection. Outdated regulatory practices lead to higher prices and reduced services. I urge the Congress to enact a number of specific legislative proposals in this regard, including the bill I submitted in January to establish a Regulatory Review Commission. I renew my request to the Congress to repeal outdated fair trade laws which raise prices and to reform many of the existing banking laws and regulations which penalize small savers. I will soon request legislation to overhaul our system of transportation regulation to allow freer competition, improved services, and lower prices.

I also intend to ask the chairmen and members of the independent regulatory agencies to meet with me to discuss ways they can make immediate improvements in the regulatory process. I am determined that the public will receive the most efficient and effective public service at the least cost.

In view of the steps that are being taken by the Executive department to make Government-wide improvements in the quality of service to the consumer, I am requesting that the Congress postpone further action on S. 200, which would create a new Federal Agency for Consumer Advocacy.

more

(OVER)



I do not believe that we need yet another Federal bureaucracy in Washington, with its attendant costs of \$60 million for the first three years and hundreds of additional Federal employees, in order to achieve better consumer representation and protection in Government. At a time when we are trying to cut down on both the size and the cost of Government, it would be unsound to add another layer of bureaucracy instead of improving the underlying structure.

It is my conviction that the best way to protect the consumer is to improve the existing institutions of Government, not to add more Government.

I look forward to working with you, the members of your Committee, and the Congress in advancing the interests of all consumers within our existing departments and agencies.

Sincerely,

GERALD R. FORD

The Honorable Abraham A. Ribicoff
Chairman
Senate Government Operations Committee
United States Senate
Washington, D.C. 20510

The Honorable Jack Brooks
Chairman
House Government Operations Committee
House of Representatives
Washington, D.C. 20515

The Honorable Harley O. Staggers
Chairman
House Interstate and Foreign Commerce Committee
House of Representatives
Washington, D.C. 20515

#

JUNE 17, 1975

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

P. 1:4

THE WHITE HOUSE
PRESS CONFERENCE
OF
HUGH SCOTT
SENATOR FROM THE
STATE OF PENNSYLVANIA
AND
JOHN RHODES
REPRESENTATIVE FROM THE
STATE OF ARIZONA
THE BRIEFING ROOM

9:49 A.M. EDT

MR. HUSHEN: Good morning.

Ron will be down in a minute and we will fill you in on his aspects of it.

The meeting lasted approximately one hour and 40 minutes. We have the minority leaders, Congressman Rhodes and Senator Scott, here to brief you on what transpired.

CONGRESSMAN RHODES: There were three subjects considered. I will take up two of them and leave one for Senator Scott.

The consumer legislation was discussed, and the President made it very plain that he is not in favor of the creation of a new agency for consumerism. He stated that he is engaged now in trying to get the various departments of the Executive Branch to set up beefed-up agencies within their own branches to monitor consumer matters and to be concerned about the interests of the consumer in their particular bailiwicks.

We also discussed the housing bill. The Secretary of HUD, Mrs. Hills, was present and outlined in some detail the provisions of the housing bill. The indication was that there will be a veto of that housing bill.

Senator Scott?

MORE

(OVER)

ARARY

SENATOR SCOTT: On the matter of crime legislation, the President and the Attorney General briefed us on a coming message which will address itself to matters already under consideration in the Senate, S. 1.

It will recommend revisions of the Federal code. It will involve some very tough recommendations designed to promote domestic tranquility. It recognizes the serious nature of increases in crime.

The program will be a strong message that will involve recommendations for mandatory prison sentences, particularly in the areas of violent crimes and recidivists.

There may be provisions barring parole in certain instances. There will be exceptions for obvious and humanitarian reasons -- the mentally defective, the fringe involvements, those under 18 and so forth.

It is expected there will be recommendations for mandatory provisions having to do with skyjacking and drug dealing, for example.

The problem for improving the offices of prosecutors and of dealing more effectively with recidivists will be taken up. There will be no requests for registration for guns of gun owners and whatever provisions will be in there are yet to be developed, other than that.

There will be some strict standards for sentencing by judges. I, as a former prosecutor, made the point that I think the greatest flaws in the criminal justice system probably are lenient judges, such as one judge in Washington with hundreds of cases who has not yet, I believe, sentenced anyone to prison as a violator, or, if so, in an extraordinarily limited number of cases.

We will try to comprise these suggestions in the present S. 1 in the Senate, and it may well include, as I said, Federal rules on civil procedure. We regard criminal law enforcement in large part as still a problem under the laws of the cities and States, and we believe that the Law Enforcement Assistance Administration Act is working, and is useful, and is helpful.

We also may be asked to consider provisions for compensation of victims of crime, such as 12 States already have.

MORE

Q Could you elaborate on that phrase, "mandatory provisions for skyjacking and drug dealing"? How tough will the mandatory provisions be?

SENATOR SCOTT: We are only told that they will be tough, that they will recommend that judges be required to impose mandatory sentences upon conviction.

Q Isn't there an optional death sentence now for skyjacking, optional? Is that right, sir?

SENATOR SCOTT: I think that is right.

Q It is not mandatory?

SENATOR SCOTT: I think it is optional. It requires a finding.

Q When is this going to Congress?

SENATOR SCOTT: Hopefully this week.

Q Why will the housing bill be vetoed, and how much money is in that?

CONGRESSMAN RHODES: It is very hard to cost it out, Helen. There are so many programs that involve commitments in future years. The main reason for the veto is that the provisions do not appear to really be calculated to take care of the problem.

It is not a well-considered bill, and we are also told that the housing starts which we can expect for the balance of the year, according to the best forecasts, are such that again, perhaps the impact of the bill will come just at the time when the starts are picking up anyway and might possibly have a deleterious effect on the inflationary side of the economy.

MORE



Q Will this give help to about 400,000 middle income people?

CONGRESSMAN RHODES: There are provisions for subsidies for interest which would; I believe the limitation is such that about 400,000 mortgages could possibly come under that.

There will be a substitute bill prepared, by the way, which we assume will accompany the veto message. The Administration is not unmindful of the need for housing legislation, but it would not care to have this particular bill become law.

SENATOR SCOTT: And the need for foreclosure assistance.

Q Is this bill now on the President's desk?

CONGRESSMAN RHODES: It is.

Q When is he expected to veto it?

CONGRESSMAN RHODES: He has until the 24th.

Q What is the price tag on that bill?

CONGRESSMAN RHODES: I don't think it is possible to price it out. There are various contingencies involved. The best estimate is around \$2 billion, I am told.

Q Are those the only three subjects that you mentioned, the only subjects discussed?

SENATOR SCOTT: They are the only three subjects, so questions on any other subjects would be, actually, super arrogation. (Laughter.)

Q Who was the Judge in Washington you were referring to?

SENATOR SCOTT: I don't remember his name. He was referred to by one of the Members of the House, I believe, in the meeting today, and someone said, as I recall it, there were 72 cases without a single jail sentence -- one went to jail out of 72. I don't know what he did to offend that judge.

Q Why is he against registering guns?

SENATOR SCOTT: The President didn't say why he was against it, but I believe that as a Member of Congress he had long held that same position that legitimate owners of guns are not the criminals involved.

MORE

Q Legitimate owners of the kinds of weapons which do not figure generally in crime; it is not like these short guns, particularly in cities.

Q LBJ said he couldn't understand. You know, if you register for fishing licenses and so forth, what is the real objection?

SENATOR SCOTT: I think the real objection is the very great fear which is expressed constantly in Pennsylvania by thousands of people, that it would lead to strong government interference into their rights under the Constitution to bear arms, and would lead under certain kinds of governments to a seizure of citizens' weapons and that it does not serve a purpose of crime prevention.

Most of the people who write me, for example, would favor increasing penalties and new criminal statutes imposing additional penalties for crimes committed with a weapon. They are for law enforcement, but they are very fearful that a strong and authoritarian-minded government someday might seize the citizen's means of defending himself against a form of tyrannist oppression.

Q Do you believe that? Are you against the registration yourself?

SENATOR SCOTT: I think it could happen.

Q Are you against registration?

SENATOR SCOTT: I am against registration of guns for legitimate owners, yes, but I would not be against the so-called Saturday night special sort of thing. I would think if properly drawn we could have such legislation. That is my personal opinion.

Q Senator, the subject of the latest endorsement of the Vice President didn't come up today, I guess?

SENATOR SCOTT: No, the Vice President was there and he and the President seemed quite happy with each other. (Laughter.) I think there is a continuance of a joyful and cherished situation.

Q I notice all that joviality this morning. What is the cause of that?

SENATOR SCOTT: Everybody likes each other, and aside from that, I think we have some reason to feel that we are the only cohesive force in town. (Laughter.) After all, there is a joke, you know -- the difference between the new Democratic Members of the House and the Boy Scout troop in that the Boy Scout troop is led by adults.

MORE

Q You have even lost all your attack. I always expect you to come up here and slash at the Democrats.

SENATOR SCOTT: We love most of them for their mistakes. (Laughter.)

Q This brings up a question, and I am not exactly sure how to word it, but you say you didn't talk about anything but these three subjects?

SENATOR SCOTT: That is right.

Q The country is facing this energy crisis, for months now, all year. There have been weekly trips down to the White House by the Republicans and by the bipartisan leadership. They come out and say that things are looking good, we are on the same track, we are going to get this thing worked out.

Here we are. Not a thing is worked out in energy. Are you ever going to get anything done on the Hill?

SENATOR SCOTT: My dear interlocutory friend, I would point out that practically every meeting we have held has been on energy. There are times when you do have to veer and take other subjects up. All our other meetings seem to have been on energy or foreign policy. We have not said all is well. We have said the President has a program for energy.

I have said several times now that Congress has not produced enough energy to light a five-watt bulb. It is true. I know in the Senate they are desperately searching for an energy bill, any energy bill to put on the calendar next week. Almost anything as an excuse will do, but no energy legislation is being enacted for one reason -- that is the Congress has not got the guts to demand sacrifices from the American people.

You will not conserve energy. You will not find alternative sources of energy without being prepared for sacrifices, and I am prepared to vote for them.

Q What will be the outcome of this if they are not prepared? They are in control.

SENATOR SCOTT: I think the public has to summon its patience, if not its tolerance, and realize that behind the green curtain they brought this disaster upon themselves. They elected an uncontrollable landslide of ebullient but ineffective would-be legislators who have fallen flat on their faces, collectively, and in many cases individually. The thump has been heard throughout Washington.

Q Congressman, what is the state of the aid to Turkey situation in the House now?

CONGRESSMAN RHODES: Actually, there appears to be no action in the House at all on the subject. There have been various meetings. We could discuss that, too, because we have many times. But thus far there is no sign of any movement. The majority seems to just be content to rock along on this as they appear to be rocking along on a lot of other subjects that are of importance to the country.

Q Was this recent announcement by Turkey this morning -- do you think that will make any difference on Capitol Hill?

CONGRESSMAN RHODES: I can't really be sure. I don't know what will impress these people. I have not been able to find the formula yet.

SENATOR SCOTT: They better take that announcement from Turkey very seriously because action is imminent.

Q Gentlemen, the President is giving a speech, even as we speak now, on the economy. He is saying that the recession is at an end. The indicators indicate this?

SENATOR SCOTT: It is pretty much indicators, right.

Q What are you getting from back home? Do you think the recession is over? Do you think the people really believe the recession is over?

SENATOR SCOTT: I would say my mail shows an increasing number of people feel we are bottoming out. They are thinking in terms of the future and, hopefully, of a better future. The stressful note is lessening in the mail that I am getting and the three-month indicators are working.

I told the leaders of Japanese industry last October -- and I met with almost all of the heads of Ibotsu -- I thought we would start coming out of the recession in June or July in the following year -- that is now -- and the people would recognize that about September. I still think that estimate is on target.

CONGRESSMAN RHODES: There seems to be a great resurgence of consumer confidence, at least in the mail I get. I don't know whether it has made itself manifest in the retail sales figures, but my feeling as to the reaction of my people in my own district is that they do feel that the recession has bottomed out.

THE PRESS: Thank you, gentlemen.

END

(AT 10:05 A.M. EDT)

