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THE PRESIDENT HAS SEEN...

THE WHITE HOUSE
WASHINGTON

November 3, 1974

ME

MEMORANDUM FOR THE PRESIDENT

THROUGH: WILLIAM E. TIMMONS BT

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.

A

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. "