

2 on Hill Hit White House

By Mary Russel

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The chairman of the House Government Operations Committee and the committee's ranking Republican member jointly blasted the White House for joining with business lobbyists in a last-ditch effort to sabotage a bill establishing a Consumer Protection Agency.

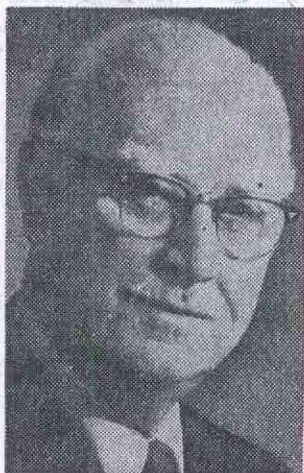
Rep. Chet Holifield (D-Calif.), chairman of the committee which is scheduled to begin final drafting of the bill Tuesday, and Rep. Frank Horton (R-N.Y.) charged the White House with "knuckling under" to pressure from business by recommending amendments which would dilute the power of the proposed agency.

The weakening amendments were "strongly recommended" in a letter Roy Ash, director of the Office of Management and Budget, sent to Holifield Wednesday, the day before the committee was originally scheduled to take up the bill.

Holifield and Horton point out that they had worked with the Senate, business and consumer groups and the Administration to carefully construct a compromise measure on the beleaguered Consumer Protection Agency bill.

"We believed the White House was sincerely trying to work with us on the legislation," Holifield and Horton said in their joint statement. "We view this as backing away from our previous joint efforts on this legislation and as a knuckling under of the White House to some business lobbyists."

"This apparent White House change of heart in response to



CHET HOLIFIELD



FRANK HORTON

... charge White House with "knuckling under."

business pressure was announced at the last minute and without any prior consultation with the bill's principal backers."

The establishment of a Consumer Protection Agency has been an issue in Congress for the past five years. At different times each House has passed a bill.

The last time the House passed a bill, it resulted in deeply bitter feelings between Holifield and Rep. Benjamin S. Rosenthal (D-N.Y.), a member of the committee. Rosenthal had introduced a strong bill which had the backing of consumer advocate Ralph Nader. But Holifield offered a considerably milder bill which later passed.

Rosenthal accused Holifield of selling out the consumer interests and in Jan., 1973, unsuccessfully tried to unseat Holifield as chairman of the committee.

fied called Ash to the Hill Thursday and "lectured" him for two hours.

But "no commitment was asked for and none was given," Holifield said.

Holifield predicts "the committee will come out with a bill on Tuesday, but had we not had this bombshell thrown into our midst it would have passed by a bigger margin. Still, I feel a goodly number of Republicans will support the bill."

The new proposal would set up an agency allowed to intervene on behalf of consumers in a wide range of administrative proceedings. It adopted several positions endorsed by consumer groups and labor unions, including provisions strengthening the CPA's power to gather information from business, broadening the scope of hearings in which the CPA can intervene and narrowing the number of cases in which federal agencies can deny CPA access to "trade secrets."

At the same time the bill would not provide for intervention in state and local proceedings, not for financial aid to assist state and local consumer protection programs, nor for a term of office for the Presidentially appointed administrator.

Holifield and Horton said they had blunted efforts by both business and consumer groups "to derail the bill by arguing for positions that would disrupt the carefully constructed compromise."

The White House letter "revived" the efforts of the business community "to unravel this compromise bill," they said.

This year, Holifield, who is retiring at the end of this session, and Rosenthal worked out a compromise version that sought to take a middle road stance between the business and consumer interests, and the White House, who had played a role in scuttling a similar bill in the Senate last time around.

The compromise passed the subcommittee unanimously on Feb. 27. Sources close to the situation say business lobbyists were caught off guard by the extent of the consensus and began working furiously to launch an effort to weaken or stop the bill, and asked the White House for help.

But the White House intervention through Ash's letter, left some Republicans "furious, but still squirming at the prospects of having to vote against the bill," the sources said.

An angry Horton and Holifield