

White House Backs Consumer Agency In a Policy Shift

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WASHINGTON, Sept., 28

—The White House, in a policy shift, announced its support today of legislation to create an independent Federal agency with authority to advocate and defend consumer interests.

Mrs. Virginia H. Knauer, President Nixon's special assistant for consumer affairs, issued a statement endorsing an independent agency bill approved yesterday by the House Government Operations Committee.

She called it a "balanced and responsible proposal which will go far towards guaranteeing the consumer a strong voice in Government activities affecting consumer interests."

Ralph Nader, the consumer advocate who helped draft an earlier and stronger version of the measure, said Mrs. Knauer's statement was "a reflection on how weak the bill is." Otherwise White

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CONSUMER AGENCY BACKED BY NIXON

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House opposition to the concept of an independent agency, he contended, would not have been overcome.

With today, the Administration had opposed the concept on the ground that it would unnecessarily add new machinery to the Federal bureaucracy. It had also shared the fears of business that an independent agency might encourage the harassment and over-regulation of business.

Last year President Nixon proposed a new division in the Justice Department instead of an independent agency. He withdrew that recommendation in a special message last February and promised to offer an alternative plan in April, but did not do so.

In the February message, the President suggested that the Federal Trade Commission be assigned consumer advocacy functions if Congress decided to act before his final recommendations were ready.

Administration officials declined to go beyond Mrs. Knauer's statement in explanation of the policy shift.

In describing the pending bill as "balanced," Mrs. Knauer noted that some critics "are contending that it goes too far" while others "charge it doesn't go far enough."

"This bill," she added, "provides important gains for the consumer. It is compatible with the way Government functions and will permit Government to continue operating as efficiently as possible but with increased responsiveness to consumer needs."

The central and most controversial section of the measure would authorize the new agency to intervene on behalf of the consumer in proceedings before Federal regulatory agencies and courts.

Proposed Functions

The agency would also sponsor tests of consumer products for safety and in some instances for other characteristics; conduct surveys, investigations and consumer information programs; process and publicize consumer complaints, and issue reports on the safety and performance of consumer products.

Mr. Nader and Representative Benjamin S. Rosenthal, Democrat of Queens, are protesting limitations on the new agency's authority to intervene in regulatory proceedings of other Federal agencies.

At issue are provisions that would bar the agency from participating in investigatory and other preliminary activities of regulatory bodies.

A equally important issue, in their view, is a prohibition against the agency's intervention as a full party, with rights to present witnesses and provide evidence, in formal proceedings initiated primarily for the imposition of a fine or other penalty.

"It is not surprising," Mr. Rosenthal said in a statement, "that the Nixon Administration supports the adulterated version of the consumer agency legislation, since it concocted the weakening ingredients."

"During the time that this legislation was meaningful, the Administration opposed it with all the resources at its command," he continued. "Six weeks ago the Administration succeeded in surreptitiously stripping the legislation of its potential for helping consumers. What remains now is the mere shell of what could have been an effective consumer protection agency."

Mr. Nader contended that the "consumer's voice" in regulatory proceedings had been reduced to "a consumer's squeak."