

North Carolina Motor Carriers Association

It is a real pleasure for me to be with you today and to have an opportunity to speak to the members of the North Carolina Motor Carriers Association. You are important to the life and the economy of this State. I believe that all North Carolinians recognize the fact that if your wheels were to stop turning, the economy of this State would also slow to a snail's pace and in short order our society itself would be imobilized.

It is a pleasure for me to be here with you-for you represent a vital part of the free enterprise system in North Carolina. I have long been an advocate of free enterprise and a free market and it pleases me that I now have a chance as Attorney General of this State to work to boost public confidence in our economic system. Areca A

North Carolina Truckers Association

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I'm sure all of you have read and heard a great deal about the work which our office is doing in the area of "Consumer Protection." Let me say to brgin with that anything our office does to protect the consumer also protects the homest businessman and makes for a healthier economic system in our State. Business is better when the public has confidence in the persons they deal with in the marketplace.

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Business is better when people **EMEXTERITIES** believe they will receive a dollars value for a dollar spent. REMEX Business is better when the MEXEXX seller is not the object of suspicion and mistrust.

It would appear at first blush that the establishment of a consumer protection division in the O^Fficeof the Attorney General is an innovation---- that suddenly a new function has been added to an office which is older than this State itself. This is hardly the case, however, for even the most cursory study of the history of the office reveals that protecting the consuming and using public is one of its historic functions.

At common law, it was the responsibility of the Attorney General to protect the publif interest. Though the term "people's attorney" has only recently been used to describe the office of The Attorney General in North Carolina, we find that as early as 1826, the Attorney General---- the people's attorney----was instituting actions to protect the public health, safety, morals and welfare.

And the idea of Consumer Protection is not new to either the General Assembly of this State or to its business community. The General Assembly, throughout the hsitory of this State, has been in the forefront of States in emacting progressive legislation for the protection of the consumer and the business community. In 1913 the General Assembly went on record as favoring a free marketplace when it emacted whetrim stiller legislation pretenting which is still considered among the best in the mation pretentinger prohibiting combinations in restraint of trades----There are many State which envy is our very simple, but effective, statute which provides that "Every contract, combination, in the form of trust or otherwise, or comspiracy in restraint of trade or commerce in the State of North Carolina is hereby declared to be illegal."

There are many States where a businessman whit is illegally driven from the marketplace must take his cause to imm a federal regulatory agencies or the United States Justice Department if he is to find relief. Frankly, that goes against my grain.

I believe in States rights and I also recognize the fact that State's rights ar for responsible States. I am proud that in the area of anti-trust and anti-momophly, North Carolina intervention and moved boldly to promote a free market and to eliminate the memorize necessity for exdessive federal intervention in millimetric phase of the life of our States.

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I am proud of responsive and responsible State Government in North Carolina for I believe that government should be close to the people, responsive to the people, and subject to the wishes of the people. For government to im otherwise, is for it to fail to meet the very pursuant purposes for its being. During the few months I have served as your Attorney General, I have tried to make my actions and my office conform to this Jeffersonian concept, for I believe that as long as those of us who hold the public trust adhere to this philosophy, the people have little to fear f on government.

I have mentioned the action of the 1913 General Assembly, but let's look for a moment at the action taken by a more recent session, the 1969 General Assembly. I have been marpairers surprised to discover that many State legislatures have ±i turned down completely laws prohibiting unfair and decpetive trade practices---- laws protecting bbth businessmen and the consuming public----- laws which sailed through mar the 1969 session of the North Carolina General Assembly with the mathematicesex enthudiastic support of both political parties and almost without opposition from any quarter.

Thank goodness for such a **XHXX** forward-looking group **pf** of legislators. **Transformation** I can't begin to tell you how much **thinx** the enactment of this legislation pleased me for it **xHXX** speaks of local responsibity and the preservation of State's rights and local perogatives. It stands as a reudiation of the philosohpy of "Let **HXXXX** Uncle Sam do it," a philosophy which already **xHX** chipped away at the very foundation of **x** federalism and speeded the centralization in Washingtom of functions which should be carried out by the States. I have ofeth said that the idea of big government doesn't scare me half as much as does the trend immrmdx North of the Potomic to vest more and more authority in the hands of administrative agencies. These The people who man imme these ever-increasing agencies for the most part are not responsive to the people. Because they are not subject to the ballot box , they remain shielded from the voting populace by making a bureaucratic web behind which they remain apart from the people and mfmx often go about immeriritarix thier duties arregentions with amazing detachment from the needs, wishes, or best interests of the taxpayers of this mation. The action of the FTC and mf the FCC in the current contriversy surrounding the tbacco industry is a glowing example, I think.

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We have said that our legislators have been responsive and have moved effectively to preimterize promote free trade and commerce and to protect the consuming public and the honest husinessman. But what of the business community, itself? What has it done in this area?

The business community in North Carolin a has been active also. For many years, it has voluntarily accessed iterfor itself to establish Better Business Bureaus, Chambers of Commerce, and Merchants Associations, to receive complaints, to stop unethical practices, and to maintain high ethical standards within the business community. I think we should note that before the office of the Attorney General Action

began to involve itself more actively in this area, these business-supported organizations were carrying the entire burden, THEIR During the last years and months, for example, the Better Business Bureau in several North Carolina cities took on singlehandedly sex fly-by-night operators who were preying upon buyers in this Stateand freeze carrying millions of dollars out of North Carolina--millions of dollars which would wrx ordinarily have gone into the marketerefix cash registers of honest businessmen---millions of dollars which consumer whould have ordinarily zoods have exchanged for valuable merchanding but instead traded for worthless schemes and **while** shabby merchadise. They took these unscrupuloud operators on singlehandedly and they mahaged to at laast create a holding action until the legislature could provide the tools for these our office to move against these shadey dealers.

We are proud that the business community in this State long ago moved to maintain its own ethical standards and that we have received the support of the business community as we have acted in their begalf and in the beahlf of the using and consuming public.

Consumer protection, then, is not a new thing in North Carolina. What is new is the philosophy that the Attorney General--the people's attorney---- shpuld move to enforce the laws and policies of this State and the business community which are designed:

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- (1) to protect the using and consuming public from fraud and despair deception;
- (2) to represent the using and consuming and using public's interests before agencies which regulate industries which directly affect the health and well@being of all our citizens; and
- (3) to maintain and open and competitive marketplace where businessman can determine for themselves
 - (a) what products and services they want to sell;
 - (b) the quality thereof;
 - (c) the prices thereof;

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- (d) the warranties they wish to attach thereto; and
- (e) the services the businessman wishes to render to the public regarding either his product or his services.

Let us consider for a moment how we intend to accomplish these objectives.

(1) We shall appear for and on behalf of the using and consuming public before Federal and State regulatory agenicies in jurical-type proceedings when a regulated industry appreas before an agency to either decrease its services or incrase its charges for services rendered.

But why should someone appear on behalf of the public? Why not just let the regulatory agency hear the evidence of the petitioner and then determine whether what he requests is also in the best interests of the people?

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Our legal system in this nation is basically an minnerry adversary system. We have always believed that a fair trial, a fair hearing, herfare requires that each side of a controversy be heard and considered and given its full weight and value. We believe that before a judge, or a commissioner, can guage the full force of an argument, that it must be presented to him with partizan zeal. A junigers judge in a courtroom, or a commissioner in a hearing room, in my opincon cannot know how strong an argument is until he has heard it from the lips of one who has dedicated all the powers of his mind to thus its formulatiom.

Simply stated, the adversary system insure that all the facts are before the persons who will ultimately make the decision, mutathet and militimetfectexeretereter that all the facts are presented with equal zeal and with equal persuasiveness, ment

In a systement released by a Committee of the American Ermx Bar Association it was pijnted out how"in the absence of an adversary myntmexx presentation, there is a strong tendency by a deciding offical to reach a conclusion at an early stage and to adhere to that conslusion in the face of conflicting considerations later developed. In the language of the Committee:

> "What generally occurs in practice is that at some early point a familiar pattern will seen to emerge

from the evidence; an accustomed intract label is waiting for the case and , without/further proofs, this label is promptly assigned to it....(W)hat statts as a preliminary diagnosis designed to direct the inquiry tends, quickly and imperceptibly,

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to become a foxed conclusion, as all that confirms the diagnosis makes a strong imprint on the mind, while all that runs counter to it is received with diverted attention."

In the words of the Bar Committee,

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"An adversary methodax presentation seems the only effective means for combating this natural human tendency to judge too swiftly in the terms of the familiar that which is not yet fully known. The arguments of the counsel hold the case, as it were, in suspension between two opposing interpretations of it. While the proper classification of the case is thus kept unresolved, there is time to explore all its peculiarities and nuances."

(here lait other three ways we will move from the Chapel Hill speech)

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