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Remarks on Regulatory Reform

February 21, 1995

Thank you very much. I want to begin by thanking the Vice President for his leadership on this issue. When we formed our partnership back in 1992, and we talked about all the things we wanted to do, and we had a series of long, fascinating conversations in which he talked to me about science and technology and the environment, and I talked to him about education and economic development and reinventing Government. And I told him that when I was a Governor, every couple of years we'd eliminate an agency just to see if anybody noticed. [*Laughter*] And normally, they didn't. And they never did complain when they did notice.

And I asked him if he would—then after we actually won and came here, I asked him if he would get involved with this and really try to make it work for the American people, because I was convinced that there was so much justifiable anxiety out there among our people about the way Government operates, that unless we could change that we'd never be able to maintain the faith of the taxpayers and the integrity of the Federal Government.

I also asked him to do it because he was the only person I could trust to read all 150,000 pages in the Code of Federal Regulations. [*Laughter*] At this very moment, Tipper is being treated for insomnia at the Georgetown Hospital—[*laughter*]—but he's just about through.

I also want to thank all of you who are here who represent really the future of the Federal Government and the future of its ability to maintain the confidence of the American people that we're protecting and promoting their interest and doing it in a way that reinforces instead of defies common sense.

I believe very strongly in the cause of regulatory reform. And as the Vice President said, we've been working at it for about 2 years now. I also believe that we have to hold fast to certain standards. I believe we can bring back common sense and reduce hassle without stripping away safeguards for our children, our workers, our families.

There are proposals pending in the Congress today which go beyond reform to roll back, arguably even to wrecking, and I oppose them. But I believe we have the burden of reform. And that means we have to change in fundamental ways the culture of regulation that has permeated this Government throughout administrations, from administration to administration, from Republicans to Democrats occupying the White House.

The Federal Government to many people is not the President of the United States. It's the person who shows up on the doorstep to check out the bank records or the safety in the factory or the integrity of the workplace or how the nursing home is being run. I believe that we have a serious obligation in this administration to work with the Congress to reduce the burden of regulation and to increase the protection to the public. And we have an obligation on our own to do what we can to change the destructive elements of the culture of regulation that has built up over time and energize the legitimate and decent things that we should be doing here in Washington and, more importantly, that should be being done all across the country.

I thank those who have come here today as examples of the progress which has been made. We do want to get rid of yesterday's Government so we can meet the demands of this new time. We do want results, not rules. We want leaner Government, not meaner Government. At a time when I have said our obligation should be to create more opportunity and also to provide more responsibility, our responsibility here is to expand opportunity, empower people to make the most of their own lives, enhance security, and to do it all while we are shrinking the Federal bureaucracy, to give the people a Government as effective as our finest private companies, to give our taxpayers their money's worth.

Now, everybody has talked about this for years now, but in fact, we have taken steps in the right direction. Already, we have reduced Federal spending by over a quarter of a trillion dollars, reduced the size of the Federal payroll by over 100,000. We are on our way to a reduction in excess of 250,000 in the Federal work force, which will give us by the end of this decade the smallest Federal Government since the Kennedy administration.

Vice President Gore's leadership in the reinventing Government initiatives have already saved taxpayers $63 billion. Some of the more visible changes have been well-noted: the reduction of offices in the Agriculture Department by more than 1,200, throwing away the Government's 10,000-page personnel manual. I haven't heard a single soul complain about it. Nobody has said, "You know, I never thought about the personnel manual, but I just can't bear to live without it now." [*Laughter*] I haven't heard it a single place.

We've worked hard to solve problems that had been long ignored: reforming the pension benefit guarantee system to secure the pensions of 8½ million working Americans whose pensions and retirement were at risk, reforming Government procurement so that the days of the $500 hammer and the $10 glass ashtray are over, turning FEMA from a disaster into a disaster relief agency, breaking gridlock on bills that hung around in Congress for years, 6 or 7 years, like the family leave law, the motor voter law, the Brady bill, and the crime bill.

But maybe the most stubborn problem we face is this problem of regulation. How do we do what we're supposed to do here? How do we help to reinforce the social contract and do our part to work with the private sector to protect the legitimate interests of the American people without literally taking leave of our senses and doing things that drive people up the wall but don't make them safer?

We all want the benefits of regulation. We all want clean air and clean water and safe food and toys that our children can play with. But let's face it, we all know the regulatory system needs repair. Too often the rule writers here in Washington have such detailed lists of do's and don'ts that the do's and don'ts undermine the very objectives they seek to achieve, when clear goals and operation for cooperation would work better. Too often, especially, small businesses face a profusion of overlapping and sometimes conflicting rules. We've tried to set up an effective procedure here for resolving those conflicts, but it drives people crazy. I had somebody just yesterday mention being subject to two directly conflicting rules from two Federal agencies.

We have to move beyond the point where Washington is, to use the Vice President's phrase, the sort of national nanny that can always tell businesses, consumers, and workers not only what to do but exactly how to do it, when, and with a 100-page guideline. And as has already been said, we have begun to take the first steps in doing this.

You've heard about what the Comptroller of the Currency has done. I can tell you one thing: When I was out in New Hampshire in 1992, I heard more grief about the regulation of the private sector by the Comptroller of the Currency than any other single thing. And now every time I go to New England, they say, "We're making money. We're making loans, and we can function, because we finally got somebody down there in Washington who understands how to have responsible and safe banking regulations and still promote economic growth." I hear it every time I go up there, and I thank you, sir, for what you've done on that.

We've got industry and environmentalists alike supporting Carol Browner and the EPA's Common Sense Initiative and our proposed overhauls of the Superfund and the safe drinking water laws which I pray will pass in this session of Congress, and I believe they will, would increase both flexibility and improve results for consumers. We've slashed the small business loan form from an inch thick to a single page.

We haven't had to wait for legislation to streamline all regulations. We've asked regulators and instructed them to use market mechanisms whenever possible and to open up the regulatory process to more public scrutiny and involvement.

HHS has cut its block grant application form in half for maternal and child health programs. EPA is exploring using enforceable contracts instead of regulation to eliminate potential risk. The FAA is reviewing all of its rules to identify those that are out of sync with state-of-the-art technology practices. And there's nothing more maddening to a businessman than being told one thing on Monday by one governmental agency and another thing on Tuesday by another.

Our Labor Department did something unusual about that as it relates to regulations that affect both labor and the environment. They talked to EPA before issuing their asbestos rules, a stunning departure from past practices. So that at least there, there are now no contradictory instructions.

We're also trying to bring common sense in other ways, targeting high-risk areas, focusing, for example, on lead in day care centers rather

than aircraft hangars. We're making school lunches more nutritious but reducing the forms the local schools have to fill out to qualify for the program.

Today we're attempting to work with Members of both parties in Congress to further reform regulation. Soon the Congress will pass legislation so that Washington won't order States to solve problems without giving them the resources to do it. We're working together to pass legislation that ensures that regulation is especially sensitive to the needs of small businesses and to reduce paperwork. But we must clearly do more. We must ask ourselves some questions that are very, very important. And I want to emphasize those here.

Would you take the card down? This is why I asked all of you here, not just to be between me and the press corps. [*Laughter*]

Today, this is what we are now going to do. I am instructing all regulators to go over every single regulation and cut those regulations which are obsolete, to work to reward results, not red-tape, to get out of Washington and go out into the country to create grassroots partnerships with the people who are subject to these regulations and to negotiate rather than dictate wherever possible.

We should ask ourselves—let me go through each one—on the regulations, we should ask ourselves: Do we really need this regulation? Could private businesses do this just as well with some accountability to us? Could State or local government do the job better, making Federal regulation not necessary? I want to really work through these things, and I want you, all of you, to review all these regulations and make a report to me by June 1st, along with any legislative recommendations you need to implement the changes that would be necessary to reduce the regulatory burden on the American people.

Second, I want every one of you to change the way we measure the performance of your agencies and the front-line regulators. I love the comment the Vice President had about people in Customs being evaluated about how many boxes they detain. I believe safety inspections should be judged, for example, by how many companies on their watch comply, not by how many citations our regulators write. We ought to be interested in results, not process.

Third, I want you to convene immediately groups consisting of the frontline regulators and the people affected by their regulations, not lawyers talking to lawyers in Washington or even the rest of us talking to each other in Washington but a conversation that actually takes place around the country, at our cleanup sites, our factories, and our ports. Where this has been done, as we saw here, we have seen stunning results. Most people in business in this country know that there is a reason for these regulations, for these areas of regulations. And most people would be more than happy to work to find a way that would reduce hassle and still achieve the public interest we seek to achieve.

Fourth, I want to move from a process where lawyers write volumes to one where people create partnerships based on common objectives and common sense. I want each regulatory agency head to submit to the White House a list of pending procedures that can be converted into consensual negotiations.

Now, I want to say this again. This is very important. By June 1st, I want to know which obsolete regulations we can cut and which ones you can't cut without help from Congress. We want a system that will reward results, not red-tape. We want to get out of Washington and talk to people who are doing the regulating and who are being regulated on the frontline. That is the only way we will ever change the culture that bothers people. We could stay here from now to kingdom come in this room, and we would never get that done.

And finally, we need to look for the areas in which we can honestly negotiate to produce the desired results rather than dictate.

Finally, the Vice President has been conducting a serious review of regulation in the areas of greatest concern. In the coming months, he will present to me a series of recommendations for regulatory reform on the environment, on health, on food, on financial institutions, on worker safety. And when appropriate and necessary, I will present them to the Congress.

This is what we are going to do, and it is high time. But let me also emphasize what we are not going to do. We have to recognize that, done right, regulation gives our children safer toys and food, protects our workers from injury, protects families from pollution, and that when we fail, it can have disastrous consequences.

The American economy is the envy of the world, in part because of the public health protections put in place over the last 30 years. Toxic emissions by factories have dropped by

more than 50 percent, and lead levels in children's blood have dropped by 70 percent in three decades. Lake Erie, once declared dead, is now teeming with fish. One hundred and twelve thousand people survived car crashes because of auto safety rules. Workplace deaths are down by 50 percent since OSHA was created. Our food is safer, and we know its true nutritional content because the Government stood up for public interests.

These protections are still needed. There's not too little consumer fraud. Toys are not too safe. The environment is still not able to protect itself. Some would use the need for reform as a pretext to gut vital consumer, worker, environmental protections, even things that protect business itself. They don't want reform; they really want rigor mortis.

Some in Congress are pushing a collection of proposals that, taken together, would bring Federal protection of public health and safety to a halt. Later this week, the House will vote on an across-the-board freeze on all Federal regulations. It sounds good, but this stops in its tracks Federal action that protects the environment, protects consumers, and protects workers. For example, it would stop the Government from allocating rights to commercial fishermen. A person who's worked with those folks in Louisiana is here today. It would stop the Government from authorizing burials at Arlington Cemetery. It would stop good regulations, bad regulations, in-between regulations, all regulations. No judgment—sounds good but no judgment. It would even cancel the duck hunting season. That gives me some hope that it will not prevail. [*Laughter*] It would stop new protection from deadly bacteria in our drinking water, stop safer meat and poultry, stop safer cars, stop final implementation of the law that lets parents take a leave to care for a sick child. It would undermine what we're trying to do to promote safety in commuter airlines. If a moratorium takes effect, all these benefits will be on hold for the foreseeable future. Therefore, to me, a moratorium is not acceptable.

I agree with the Republicans in Congress on many things. We do need to change this system. We have been working for 2 years to change it, and believe you me, I know we've got a long way to go. But there is a right way to do it and a wrong way to do it. We can agree on many things, but I am convinced that a moratorium would hurt the broad interests of the American people and would benefit only certain narrow interests who, in the moment, think they would be undermined by having this or that particular regulation pass.

The best thing to do is to change the culture of regulation, to do the four things that I have outlined, not to put these things on hold but to put these things in high gear. That is the right way to do this. I still believe that, working together with Congress, we can achieve real and balanced regulatory reform. But we shouldn't go too far. For example, we want all agencies to carefully compare the cost and benefits of regulations so that we don't impose any unnecessary burdens on business.

But the Contract With America, literally read, could pile so many new requirements on Government that nothing would ever get done. It would add to the very things that people have been complaining about for years—too many lawsuits, everything winds up in court. The contract, literally read, would override every single health and safety law in the books; distort the process by giving industry-paid scientists undue influence over rules that govern their employers; in the name of private property, could literally bust the budget by requiring the Government to pay polluters every time an environmental law puts limits on profits.

These are extreme proposals. They go too far. They would cost lives and dollars. A small army of special interest lobbyists knows they can never get away with an outright repeal of consumer or environmental protection. But why bother if you can paralyze the Government by process? Surely, after years and years and years of people screaming about excessive governmental process, we won't just go to an even bigger round of process to tilt the process itself in another direction. We cannot strip away safeguards for families in this country.

Here in our audience today are real people on whose behalf we act or we might have acted. There's a father in this audience whose son died from *E. coli* bacteria in food that might have been discovered if our proposed rule had been in effect when his son ate the contaminated food. There are people here whose lives were saved by air bags. Let's not forget these people as we cut redtape and bureaucracy. There's a woman here who is a breast cancer survivor who lost a child to cancer, who lives in an area unusually high in the density of people

who suffer from cancer. Let's not forget the kind of work that still needs to be done.

At every stage in the history of this country, our Government has always had to change to meet the needs of changing times. And we need to change now. We need a Government that's smaller and more entrepreneurial, that provides a lot less hassle, that realizes that there are an awful lot of people out there in the private sector who have enlightened views and they want to do the right thing and they need to be helped instead of hindered in that.

I would never defend the culture of this community when it is wrong. But let us also not forget that as we strive for a Government that is costing less and is more flexible, that is producing better results and not more rules, that we have a job to do for the American people and that people are entitled to protection. So I echo again what the Vice President said earlier: Reform, yes. Bring it on. Roll back, no. There is too much good to do to turn this noble enterprise into something that we would live to regret. Let us instead work to do what must be done.

Thank you very much.

NOTE: The President spoke at 12:40 p.m. in Room 450 of the Old Executive Office Building.

Remarks Announcing the Appointment of Laura D'Andrea Tyson as National Economic Adviser and an Exchange With Reporters

February 21, 1995

The President. Good afternoon. I am pleased to announce today my decision to appoint Dr. Laura Tyson, the Chair of the Council of Economic Advisers, to be the new Special Assistant to the President for Economic Policy and the chair of the National Economic Council.

When I became President I believed that to have a sound economic policy, our economic policymakers had to work together as a solid and carefully coordinated team. To that end, I established the National Economic Council to play a coordinating role in economic policymaking, similar to the role the National Security Council has played in defense and foreign policy for 47 years. I believe that was clearly the right decision. It added discipline, direction, and strength, as well as sweep to the administration's economic policymaking.

For 2 years, under the leadership of Robert Rubin, now the Secretary of the Treasury, we did work together as a team. We had talent. We had discipline. We had common vision, and we have produced results. We had an economic strategy that focused on the expansion of trade, technology, and educational opportunities and the reduction in the Government deficit and the size and sweep of adverse governmental policies. We had $600 billion plus in deficit reduction to which we have proposed another over $80 billion in deficit reduction. We've done more to open the world's markets to our products and services than any administration in a generation. We have reduced taxes on 15 million American working families and made tax cuts available to 9 out of 10 small businesses that invest more in their business. The economy in the last 2 years has created about 6 million new jobs, with the lowest combination of inflation and unemployment in 25 years.

Reversing the economic policies of the previous 12 years did not come easily. It required tough choices. Many of them were unpopular in the short run, but the results have clearly been felt. We were able to make those choices and follow through on them in the face of relentless predictions that they would produce recessions and produce disasters, because of the hard work of the outstanding members of our economic team.

One of the most important members of that team was Laura Tyson. She came to our administration from the University of California where she's a professor of economics and business administration. I found when I met her in the Presidential campaign that she had an exceptionally analytic mind and an understanding of the underlying global economic and political realities affecting our ability to compete and our economic future. She has been a very credible voice for us on the economy, and I have appreciated