this, not like they never made any decisions. They've been quite active in this area. We can go further; I am prepared to do it. But I think it's—I am just bringing it out as a reason for further caution.

Thank you very much.

NOTE: The President spoke at 2:43 p.m. in the Oval Office at the White House.

Message to the House of Representatives Returning Without Approval Product Liability Legislation

May 2, 1996

To the House of Representatives:

I am returning herewith without my approval H.R. 956, the “Common Sense Product Liability Legal Reform Act of 1996.”

I support real commonsense product liability reform. To deserve that label, however, legislation must adequately protect the interests of consumers, in addition to the interests of manufacturers and sellers. Further, the legislation must respect the important role of the States in our Federal system. The Congress could have passed such legislation, appropriately limited in scope and balanced in application, meeting these tests. Had the Congress done so, I would have signed the bill gladly. The Congress, however, chose not to do so, deciding instead to retain provisions in the bill that I made clear I could not accept.

This bill inappropriately intrudes on State authority, and does so in a way that tilts the legal playing field against consumers. While some Federal action in this area is proper because no one State can alleviate nationwide problems in the tort system, the States should have, as they always have had, primary responsibility for tort law. The States traditionally have handled this job well, serving as laboratories for new ideas and making needed reforms. This bill unduly interferes with that process in products cases; moreover, it does so in a way that particularly disadvantages consumers. As a rule, this bill displaces State law only when that law is more favorable to consumers; it defers to State law when that law is more helpful to manufacturers and sellers. I cannot accept, absent compelling reasons, such a one-way street of federalism.

Apart from this general problem of displacing State authority in an unbalanced manner, specific provisions of H.R. 956 unfairly disadvantage consumers and their families. Consumers should be able to count on the safety of the products they purchase. And if these products are defective and cause harm, consumers should be able to get adequate compensation for their losses. Certain provisions in this bill work against these goals, preventing some injured persons from recovering the full measure of their damages and increasing the possibility that defective goods will come onto the market as a result of intentional misconduct.

In particular, I object to the following provisions of the bill, which subject consumers to too great a risk of harm.

First, as I previously have stated, I oppose wholly eliminating joint liability of noneconomic damages such as pain and suffering because such a change would prevent many persons from receiving full compensation for injury. When one wrongdoer cannot pay its portion of the judgment, the other wrongdoers, and not the innocent victim, should have to shoulder that part of the award. Traditional law accomplishes this result. In contrast, this bill would leave the victim to bear these damages on his or her own. Given how often companies that manufacture defective products go bankrupt, this provision has potentially large consequences.

This provision is all the more troubling because it unfairly discriminates against the most vulnerable members of our society—the elderly, the poor, children, and nonworking women—whose injuries often involve mostly noneconomic losses. There is no reason for this kind of discrimination. Noneconomic damages are as real and as important to victims as economic damages. We should not create a tort system in which people with the greatest need of protection stand the least chance of receiving it.
Second, as I also have stated, I oppose arbitrary ceilings on punitive damages, because they endanger the safety of the public. Capping punitive damages undermines their very purpose, which is to punish and thereby deter egregious misconduct. The provision of the bill allowing judges to exceed the cap if certain factors are present helps to mitigate, but does not cure this problem, given the clear intent of the Congress, as expressed in the Statement of Managers, that judges should use this authority only in the most unusual cases.

In addition, I am concerned that the Conference Report fails to fix an oversight in title II of the bill, which limits actions against suppliers of materials used in devices implanted in the body. In general, title II is a laudable attempt to ensure the supply of materials needed to make life-saving medical devices, such as artificial heart valves. But as I believe even many supporters of the bill agree, a supplier of materials who knew or should have known that the materials, as implanted, would cause injury should not receive any protection from suit. Title II’s protections must be clearly limited to nonnegligent suppliers.

My opposition to these Senate-passed provisions were known prior to the Conference on the bill. But instead of addressing these issues, the Conference Committee took several steps backward in the direction of the bill approved by the House.

First, the Conference Report seems to expand the scope of the bill, inappropriately applying the limits on punitive and noneconomic damages to lawsuits, where, for example, a gun dealer has knowingly sold a gun to a convicted felon or a bar owner has knowingly served a drink to an obviously inebriated customer. I believe even many supporters of the bill agree, a supplier of materials who knew or should have known that the materials, as implanted, would cause injury should not receive any protection from suit. Title II’s protections must be clearly limited to nonnegligent suppliers.

In recent weeks, I have heard from many victims of defective products whose efforts to recover compensation would have been frustrated by this bill. I have heard from a woman whose suits against makers of defective contraceptive devices—and the punitive damages awarded in those suits—forced the products off the market, in a way that this bill’s cap on punitives would make much harder. I have heard from persons who have been harmed by products that are more than 15 years old, who under this bill could not bring suit at all.

Injured people cannot be left to suffer in this fashion; furthermore, the few companies that cause these injuries cannot be left, through lack of a deterrent, to engage in misconduct. I therefore must return the bill that has been presented to me. This bill would undermine the ability of courts to provide relief to victims of harmful products and thereby endanger the health and safety of the entire American public. There is nothing common sense about such reforms to product liability law.

WILLIAM J. CLINTON

The White House,

May 2, 1996.