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Office of the Vice President

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REMARKS OF THE VICE PRESIDENT  
AT THE  
NATIONAL CONFERENCE ON REGULATORY REFORM  
L'ENFANT PLAZA HOTEL  
WASHINGTON, D. C.

May 26, 1976

I am delighted to welcome all of you to this National Conference on Regulatory Reform. The subject with which you will be dealing is crucial to the growth and strength of our economy, and thus of the Nation itself.

Regulatory reform is an area of special interest and concern to me. As many of you may know, I have the pleasure of serving as Chairman of the National Center for Productivity and the Quality of Working Life. And in carrying out its legislative mandate to help increase this Nation's productivity, the Center has chosen regulatory reform as an area for major concentration of its efforts.

Industry by industry, the Center is organizing task forces made up of management, labor, government regulators and economic and other experts involved in a particular industry. These task forces will identify the industry's major problems stemming from regulation, document the impact of regulation on the industry, and make recommendations for regulatory reform to improve productivity in that industry. Because these task forces will be made up of the people directly dealing with government regulation, the people on the regulatory front-line in a particular industry, I have great confidence in the realism and the relevance of the recommendations they are going to make.

Today, I would like to approach this whole issue of regulatory reform in terms of an historical perspective -- in terms of the forces which have shaped America's growth. Two hundred years ago, brave men signed a landmark manifesto not only for civil liberty but also for economic freedom. Important as it is to commemorate the Declaration of Independence as a landmark for civil rights, it is equally important to recognize it as a charter for economic freedom and opportunity.

The Founding Fathers recognized that individual liberty required economic freedom, that these two were wholly interrelated, and that one could not exist truly without the other. They knew that human dignity is destroyed not alone by suppression of civil rights but also by economic bondage. Our forefathers struggled against a system which sought to regulate their industry and commerce to a design set in London for the benefit of the British. They fought efforts to subject the vast American domain and its people to plans that subordinated America's growth and American aspirations to the service of an oligarchy in far-off England.

The American Declaration of Independence, and the American Constitution that followed 13 years later, were not only historic milestones of a political revolution. They signified a major economic revolution as well, one that challenged government domination of trade, that broke the bonds of British mercantilism, that wiped out the remnants of feudal land laws imposed upon this country, and set loose the forces that ended indentured labor services and ultimately ended human slavery.

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Two hundred years of human liberty and economic freedom produced an American enterprise and social system that has given ordinary individuals the widest possible opportunity under which their drive and productivity have achieved the highest standard of living in the history of man. In these accomplishments, the United States developed a pragmatic balance between personal freedom and the common good.

A realistic examination of the history of the American enterprise system reveals that it was by no means a totally private enterprise endeavor. Government has always played not only a significant but a crucial part in American economic life. The role involved not alone the negatives of restraints but the positives of promotion as well.

This system achieved a productive balance between autonomy in enterprise and governmental direction and restraints in economic activity. These relationships between government and the public have been dynamic -- not static -- a continuing evolution politically and economically.

How does that balance stand today? Are the basic concepts set forth by the Declaration of Independence as sound today as they were 200 years ago? The Federal government has played an extraordinarily constructive and essential role throughout our economic history. The tremendous dedication of loyal civil servants has made government work. And, the need for Federal leadership and creative initiatives continues.

Nevertheless, there are growing and legitimate claims that a dominant central government in Washington is already placing impediments and nonproductive restraints upon individual activity, voluntary association and economic enterprise. There are those who see a danger that this central government and its bureaucracy -- remote from the great productive regions of industry and commerce, remote from the farms, factories, mines and markets, remote from communities and their governments -- is enacting laws and laying down edicts that unnecessarily stifle growth and bear little relevance to the actual scene.

There are those who warn that designs set in Washington are stifling individual and corporate initiative, thereby constraining growth, productivity, and the necessary increase in job opportunities. And so we must ask ourselves: Is there a threat to human liberties today because economic freedoms are being restricted, initiative discouraged and individual creativity thwarted?

Here in our own land, we run the risk of falling into the trap of thinking that human liberties and economic freedoms can exist one without the other. They never have. They never will. Throughout the world, the thrust for individual liberty has been challenged and blunted by doctrinaire assertions that economic security must be the prime object of society. It is held by some that only centrally-adopted and centrally-directed planning and programming, and implementation by an all-powerful government, can achieve economic security.

The risk here in America is not so much that we will take up the worship of the false gods of totalitarian ideologies. It is more that we may drift into Statism by government's progressively legislating such overwhelming and detailed responsibilities for the ordering of society that liberty will be surrendered in the process.

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It was clear in the hearings on domestic policy, that I held on behalf of President Ford around the country, that there is a growing concern on the part of people in all walks of life -- that due to a great deal of well-intentioned but hastily-enacted legislation, enormous authority has already been delegated to a proliferating governmental bureaucracy -- under myriads of statutes, administrative rules and regulations, resulting in a maze of red tape.

To comply with this ever-changing complex of laws, rules, regulations and orders has already become an ever-growing burden. It perplexes and inhibits individuals. It stymies small business. It stifles initiative and compounds the costs of large and small enterprises alike. Even determining the proper legal mode of conduct is becoming so complex as to be unintelligible.

More and more, the citizen, or his lawyer, or both, must go to the bureaucracy for the answers, and hope that the answers are not contradictory when more than one agency or one level of government is involved. We run the danger of reaching that stage, at which too many other nations have already arrived, where one must go to the offices of the particular ministries to find out what the laws are and how they are being interpreted, and to do this periodically to be sure that the interpretations are still the same.

The genius of the American system lay in the fact that government established a broad framework of policy and law within which individuals, groups and enterprises could operate with great flexibility. It is time to reemphasize this essential concept -- to foster a climate within which enterprise, individual and voluntary group endeavors are stimulated for the productive benefit of all Americans. This does not mean a retreat into the past, a scrapping of social progress, nor abandonment of goals of equity, fairness and progress. It means the development of a framework of law and enlightened regulation geared to today's needs and tomorrow's challenges, that will call into play the energies of the American enterprise system, the dynamism of our industry, the creativity of our labor, the ingenuity of our science and technology. It means that government regulations should not only achieve national social goals but should also promote productivity and increasing job opportunities, rather than hinder them.

Toward that end, I specifically recommend that:

1. The executive and legislative branches of government together with labor and management, science and technology, should in each area of regulation;

(a) Establish clear national objectives and criteria for regulations to achieve them;

(b) Determine the effects of regulation, both intended and unintended;

(c) And change, where necessary, existing laws, rules and procedures to assure that they are promoting, not hindering, the attainment of our overall national objectives.

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2. In the future, any proposed new laws or regulations should be made in light of our broad objectives, instead of the piecemeal, ever-changing process of the past which has hindered productivity and progress.

Twelve days ago the President sent legislation to the Congress that would make a major contribution towards achieving these ends. This legislation called "The Agenda for Government Reform Act" requires the President and the Congress to jointly consider and act on reform proposals in each of the next four years. The President would analyze the total effects of government regulation on major sectors of the economy and the Congress would commit to act upon these proposals.

By setting forth an agenda for action, we will encourage individual Americans in all walks of life -- businessmen, workers, consumers, teachers -- to work in concert with their Government to build a more rational regulatory environment. The question is not, and should not be whether government should play an economic role. The question is how government should be creatively involved in protecting and promoting the freedom, well-being and opportunity of American citizens as individuals as well as protecting our environment and assuring our national security.

In the Declaration of Independence, the Founding Fathers proclaimed the revolutionary truth that human liberty and economic freedoms are inseparable. They saw that expanding economic opportunity in a boundless America would not only provide better living but would be a principal guarantee of human freedom. They saw an America that would not mandate the life style of its people, but encourage them to develop their own. They saw an America that looked to dynamic economic growth for the future well-being of all.

At this Bicentennial, let us rediscover this America. At this conference, you can make an important contribution toward that rediscovery.

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