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September 14, 1976.
M. D.

CONSUMERS AND REGULATORY REFORM

I will not accept any claim that my Administration has not resulted in a better deal for consumers.

I have moved with more vigor and results than any President of this century to provide real relief to the consumer and to small and family businesses by attacking the problem of government interference.

I know that prosperity does not trickle down from Washington. It comes from the energies of the American people. We in Washington must assure that these energies are not stifled by too much interference.

I also know that low prices cannot be dictated from Washington. However, Washington can and should guarantee competition by vigorous enforcement of antitrust laws. Also, we must continue to strip away regulatory controls when they suppress competition.

We've made significant progress in this area, but there is still an enormous amount to do. For example:

- We have repealed the Federal Fair Trade laws which made the consumers pay unnecessarily high prices.
- We have increased civil and criminal penalties for antitrust violations.
- We have brought competition back to the railroads for the first time since 1887.

Although I have brought some extremely capable and independent thinking men and women into the regulatory agencies, there is still a lot of dead wood that needs to be cut out and replaced by people who will fight against the concentration of power in businesses and special interest groups.

And, in this area, as in so many other areas, Congress continues to dig its heels in and oppose my efforts to change some of the archaic and absurd legislation which has been on the books for years.

In May of this year, I sent to Congress the "Agenda for Government Reform Act" which essentially is a master plan for subjecting all government regulations to a systematic reexamination and reform over the next four years. Congress hasn't acted. I hope to receive a mandate from the people this November which I can use to force Congress into action on this and other reform legislation I have already submitted and will continue to propose.

I think it would be useful in this important area of consumerism and government regulation for me to say a word on why Congress has not acted on my proposals. It's not just that they have a 2-to-1 majority from the opposite party; the real problem is that I am asking them to take the hard road of totally reforming the Federal government. Instead, they want the easy way out which, in this case,

is to create another government agency to oversee all the existing agencies and their regulations. The Congress wants to create a consumer protection agency which will simply add to the size of the Federal government, as a substitute for my proposal which is to reexamine all existing agencies and their regulations, with an eye to cutting them back where possible.

I am unalterably opposed to this easy road out. The answer to our problems of Federal regulation and lack of better consumer protection is not to create another Federal agency. The answer is to get rid of the regulations we don't need. The answer is to get rid of the Federal agencies we don't need. The answer is to strictly enforce appropriate laws and regulations to help consumers.

TIMETABLE FOR COMPREHENSIVE REFORM PROGRAM

Regulatory

File

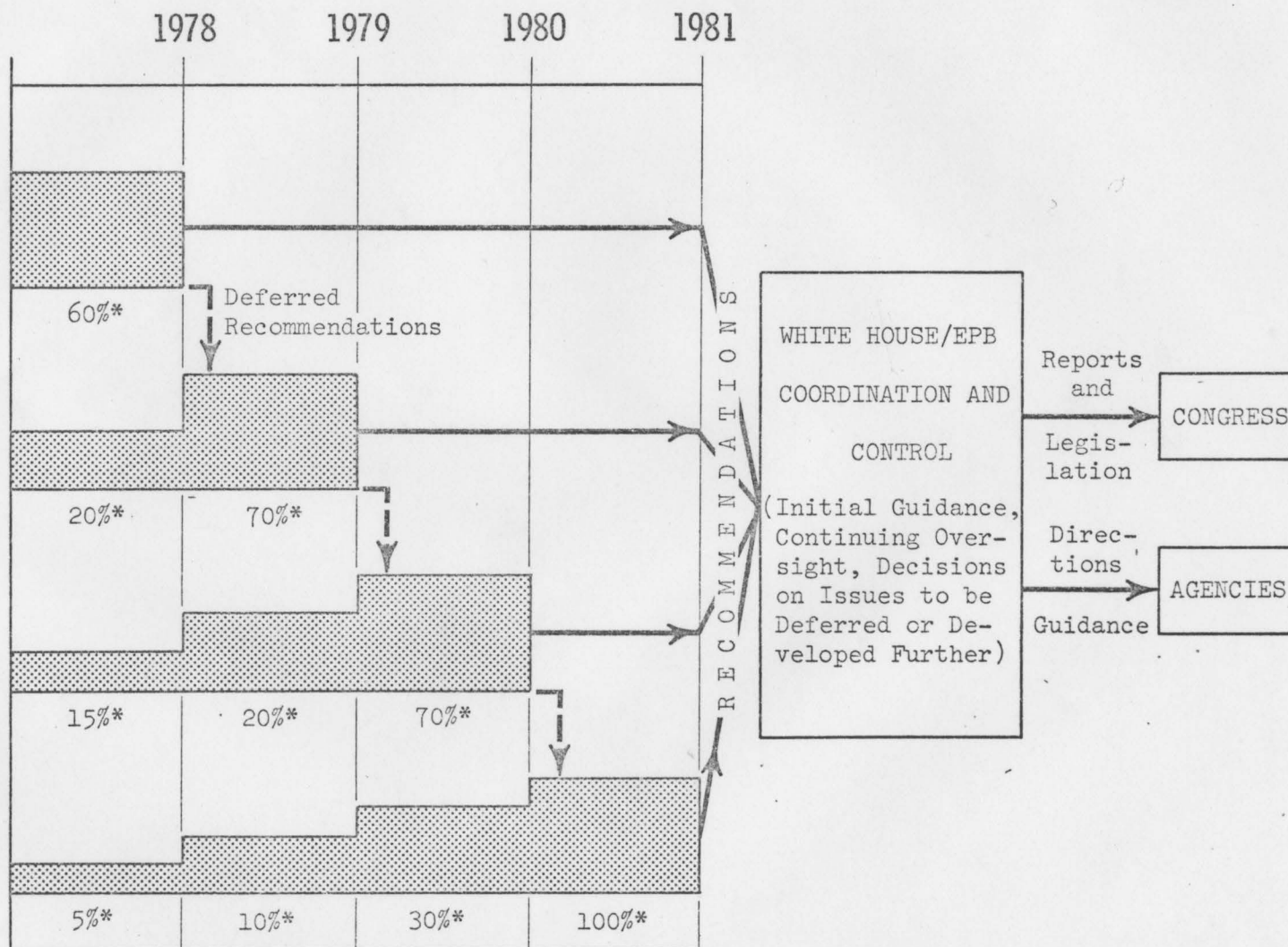
Chart 1

TASK FORCE #1: Transportation and Communications

TASK FORCE #2: Heavy Manufacturing, Agriculture, Mining, Public Utilities

TASK FORCE #3: Light Manufacturing and Construction

TASK FORCE #4: Banking, Insurance, Real Estate, Trade, Services



*Approximate Percentage

Timetable for Comprehensive Reform Program

<u>Year</u>	<u>Principal Sectors of the Economy Investigated</u>	<u>Discussion</u>
1	<u>Transportation and Communications</u> E.g., railroads, motor carriers, airlines, water carriers, pipelines, local and suburban transit systems, broadcast and communication services.	Builds on the Administration's current work to evaluate and restructure the economic regulatory authorities of ICC, CAB, FMC, FCC. Would include analysis of major transportation subsidies (e.g., airlines, rails, and merchant marine) and address problems of transportation safety (FAA, NHTSA, Coast Guard, etc.). (Work would begin on issues of employment standards and health/safety concerns etc. but major recommendations on these would probably be deferred until later years.
2	<u>Agriculture, Mining, Heavy Manufacturing and Public Utilities</u> E.g., crop and livestock producers, forestry, mining, oil and gas extraction, paper, chemicals, petroleum refining, primary metals, electric, gas, and other public utilities.	Year two would address major issues of farm policy including agricultural quotas, price supports and other subsidies (e.g., CCC, ASCS) inspection and grading of products (e.g., APHIS); the environmental and safety issues associated with all use of natural resources (e.g., MESA, EPA), and the major trade-offs associated with environmental and energy related objectives (e.g., FEA, EPA). The analysis would continue to build on employment safety data developed in year 1. It would also outline the government's energy policy beyond decontrol.
3	<u>Light Manufacturing and Construction</u> E.g., food processing, textiles, apparel, printing, and construction	Year three would probably produce most major legislative recommendations dealing with employment (health, safety, compensation standards, etc.) and would address agencies such as OSHA, EEOC, Labor which tend to fall disproportionately on small businesses. Consumer protection issues (labeling, product safety, etc.) will also be considered as they are promoted by agencies such as CPSC, FDA, ATF.
4	<u>Finance, Insurance, Real Estate, Trade and Service Industries</u> E.g., banking, securities, insurance and other financial services, wholesale and retail trade, legal services, etc.	Major issues addressed will most likely be competition between financial institutions (e.g., FHLBB, FDIC, Comptroller), the trade practices and the adequacy of public disclosure (e.g., SEC, Federal Reserve, FTC) and the government's role in distribution and trade.

Steps Required to Implement Presidential
Program of Comprehensive Reforms

I. Task Forces Would

Step 1: Review government agencies/programs affecting the sector/industries under analysis to inventory all relevant federal interventions.

Step 2: Determine initial data needs for description/resolution of principal issues.

Step 3: Develop a preliminary list of major issues needing resolution.

Step 4: Submit preliminary issues to White House/EPB for discussion and decision.

Step 5: Conduct public hearings to receive nationwide comment on list of approved issues and determine additional data needs.

Step 6: Analyze public comment and other available data to develop options on major issues.

Step 7: Prepare list of recommendations/options for review/decision by President, i.e.,

- a comprehensive report on the impact of federal interventions in various sectors of the economy;
- specific recommendations for administrative reforms in the agencies;
- specific recommendations for legislation;
- suggested list of issues to be analyzed further before recommendations are made to Congress.

II. President Would

Step 8: Submit report and desired legislation to Congress in compliance with mandated deadlines.

Step 9: Issue guidance/instructions for administrative changes to Executive Agencies.

Step 10: Assure that deferred recommendations and proposals on cross-cutting issues are assigned to relevant task forces for further analysis before submission to Congress.

III. Congress Would

Step 11: Refer the proposals to committees with jurisdiction and agree to report some legislation to the floor (as pending item of business) by November 15.

Step 12: Pass the President's plan, or one of its own by December 31. If no plan was enacted, the President's plan would go into effect the following March 31 unless specifically disapproved by a joint resolution of Congress.