File Editorials

copy to Bowen 1/4/78 - Bristow

 1/6/78

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Government Regulations Afflict U.S.

Legislative bodies at all levels—federal, state and local—enact an estimated 150,000 laws each year. On the average, each new law will require the issuance of 10 regulations. The end result of all this is growth beyond control or comprehension of government regimentation in the United States.

Add to this regulatory entanglement the voluntary standards which are accepted by industries and often adopted by the government. These technical, eye-straining codes determine such details of commerce as the width of tires, space between struts of children's playpens and impact resistance of football helmets.

Even the indomitable Superman has been bound up by the Lilliputians who write the regulations. His derring-do is carefully prescribed by the comic book industry's code of conduct, which mandates that good must triumph over evil. Thus Superman must go on, page after page, overpowering the bad guys who are doomed in advance to defeat.

Every private enterprise of any consequence is now ensnarled in red tape. For the federal government alone, businesses had to prepare 114 million forms last year.

It is the genius of the free economy that it does not require the innovator to secure the permission of organized society to launch his schemes. If he can get a few speculators to bankroll him, he is on his way—free to create if he can. If he succeeds, the rewards for him are spectacular, and society shares in the gain. If he fails, only he and his improvident backers are the losers.

But the difficulty is getting an innovative proposal, or even a routine one, past all those regulations. The rigid observance of rules and procedures requires the interminable seeking of permission for any divergence. Kept within its proper sphere, such rigidity is beneficial. Imposed upon society at large, it results in stagnation, which ends in putrification.

The government clerk seated in his cubicle pondering an application and deciding it runs afoul of regulations is getting a stranglehold upon us. But so gently, prosaically, gradually and invisibly does he tighten his clutches that we never appreciate the extent to which we are in his grip.

We protest only the inconveniences the bureaucrat imposes upon us—the late letter, the length of government lines. This finesse, this capacity to narcotize, makes possible feats of domination unimaginable to Charlemagne or Napoleon.

There are benevolent bureaucrats who protect the public and restrict the predators with fairness and restraint. There are also relentless and rapacious bureaucrats who harass the citizens they are supposed to serve. And finally, there are reluctant regulators who befriend the lawyers and lobbyists of the industries they regulate.

It is not unusual for regulatory agencies to adopt the standards that the industries impose upon themselves. These standards are seldom subjected to the rigorous evaluation that goes into developing government regulations. They are often vague, with no provisions for oversight.

The voluntary standards are coordinated by the American National Standards Institute (ANSI), a nonprofit federation of 985 private professional, scientific and trade groups. One government expert told Senate investigators that ANSI standards appear "to be written by persons who primarily represent the business interest of their own company or industry."

An internal Commerce Department evaluation of voluntary standards cites 28 "so-called horror stories," across the industrial gamut from asbestos cement pipes to hot water heaters. Both the Commerce Department and Federal Trade Commission found that some industries also used voluntary codes to restrict competition and exclude innovators from the marketplace.

One FTC investigator told us that deliberate exclusion was not widespread but that the "aggregate dollar value" of the excluded products was "substantial."

ANSI's legal counsel, William Rockwell, said the "horror stories" are merely allegations. He told our associate Tony Cappacio that complaints against voluntary standards are "usually brought about by guys who want to push themselves into the market politically."

Richard Simpson, former chairman of the Consumer Product Safety Commission, now an ANSI consultant, gave us a more revealing comment. "If you stacked up standards that have been written about as anticompetitive," he said, "the pile would be one inch high. If you stacked up the standards that nobody complained about, the pile would be 100 feet high."

And if you stacked up all the regulations that Americans are expected to live by, you would have another Tower of Babel.