

the wise counsel you have given to every American President since John Kennedy.

In fact, your relationship with our country's leaders, I have learned, goes back even further than that. In January of 1943, at the height of World War II, you were present when your father, Mohammed V, hosted the Casablanca summit between President Roosevelt and Prime Minister Churchill. History does not record what advice you gave President Roosevelt and the Prime Minister, but I did note that, thereafter, the war turned decisively to the Allies' advantage. [Laughter] So, clearly, you gave good advice.

I also noted that when President Roosevelt and Prime Minister Churchill were in Casablanca, Mr. Roosevelt thought he had to come home and go to work, and Prime Minister Churchill made him stay in Morocco for 3 more days to see the beautiful sights. My staff never lets me do that. [Laughter] So we have not made progress in every respect since the 1940's.

Your Majesty, you have written that in the joyous moment following the declaration of Morocco's independence, your father pulled you aside and said, "We have passed through a difficult trial. But the road ahead will be long and hard. We do not have the right to disappoint the faithful and courageous people who have placed their trust in us." For the past 34 years, you have lived by your father's admonition. And by pursuing progress for the Moroccan

people and peace for all the peoples of your region, you have truly fulfilled his legacy.

The American people especially admire your steadfast devotion to securing a comprehensive peace among all the peoples of the Middle East. In a region where passion and hatred have so often overwhelmed cooler heads and clearer minds, yours has always been a voice of reason and tolerance. Quoting from the Koran, you have said, "If two groups of believers fight each other, endeavor to reconcile them." You have been tireless in your pursuit of reconciliation. You have helped the countries of the Middle East turn on the past and start a new chapter of peaceful coexistence.

Your Majesty, you have spoken of your beloved Morocco as a bridge between East and West, between Islam and the Judeo-Christian faiths, between respect for tradition and openness to the future. Under your leadership, that bridge, which runs from the tip of Europe to the sands of the Sahara and joins the Atlantic to the Mediterranean, that bridge has risen high as a beacon of hope.

And for all those reasons, ladies and gentlemen, honored guests, please join me in raising a glass to His Majesty, King Hassan II, to the Prince and the Princess who are here, and to the people of Morocco, who have done so much to build the bridges of understanding and peace.

NOTE: The President spoke at 8:45 p.m. in the State Dining Room at the White House.

Remarks on Regulatory Reform in Arlington, Virginia

March 16, 1995

The President. Thank you, Stu, and, ladies and gentlemen, thank you. Let me first of all say how delighted I am to be in this wonderful place. Among other things, they do their printing here with soy ink, and that's really why we're here, because I come from Arkansas, and my—[laughter]—my farmer friends grow a lot of soybeans, and we're always looking for new markets. And we're just trying to support responsible people who are using great ink.

This is a wonderful story today, and I thank all of these people for hosting us, Stu and all of his partners behind us, to make a point that,

to me, is very, very important. You heard the Vice President say that last month I called together the heads of the Federal regulatory agencies and told them to begin a root-and-branch examination of how we regulate the American people in all the various ways that we do.

I wanted to make this the next big part of the reinventing Government process that the Vice President has overseen so well for the last 2 years. And today, we want to announce the fruits of that process. But it's important to remember what the purpose is. Most Americans are honest people. The free enterprise system

brings us great benefits. But we know we have certain things in common that we have to pursue through the Government that we all are responsible for.

The question is: How can we do it best? Today, we're announcing basically two sets of changes: First of all, some Government-wide regulatory reforms that will cut back on paperwork and trust honest business people as partners, not adversaries and, second, significant reforms in the way we protect the environment and the way we assure safe and high quality drugs and medical devices.

The philosophy that guided these changes is pretty simple: Protect people, not bureaucracy; promote results, not rules; get action, not rhetoric. Wherever possible, try to embrace common sense; it will confound your enemies and elate your friends. *[Laughter]*

Since I became President, I have worked hard on this. You know, I spent 12 years as a Governor of a State where I got to deal with the regulatory apparatus of the Federal Government as it related to both State Government and to every friend I had in every walk of life in my State. And I found that in the environmental area, for example, we often had both the environmentalists and the people who were in business both frustrated by some things that were going on. And I could give you lots of other examples, and all of you can, as well, from your own personal experience.

Our goal is to get rid of yesterday's Government so that we're capable of meeting the problems of today and the challenges of tomorrow. We want a Government that offers opportunity, demands responsibility, and shrinks bureaucracy, one that embodies the New Covenant I've been talking about, more opportunity and more responsibility with a less bureaucratic Government. I think Government can be as innovative as the best of our private sector businesses. I think Government can discard volume after volume of rules and, instead, set clear goals and challenge people to come up with their own ways to meet them. That kind of Government will be very different from the old one-size-fits-all bureaucracy. But it also would be different from the new proposals for one-size-fits-all deregulation and cutbacks.

I want to see a different approach. I want a Government that is limited but effective, that is lean but not mean, that does what it should do better and simply stops doing things that

it shouldn't be doing in the first place, that protects consumers and workers, the environment, without burdening business, choking innovation, or wasting the money of the American taxpayers.

We do need to reduce paperwork and unnecessary regulation. I don't think we want to freeze efforts to protect our children from unsafe toys or unsafe food. We do need to carefully analyze the risks, the costs, the benefits of everything we do, but I don't think it's a better approach to pile on dozens of new procedural requirements. That will only run up legal bills and weaken the public trust. Paralysis by process is not common sense.

So as I said before, reform, yes, and let's do it with a bipartisan flair, but let's don't roll back our commitment to the things that make life worth living here. We all want water we can drink and air we can breathe, food we can eat, and a place we can work in and feel safe and secure. But we know that the way we have sought these goals through Government often, often has frustrated the very goals we seek. The way our regulatory system has grown into a dense jungle of rules and regulations, precise lists of "do this" and "don't do that" can trip up even the most well-intentioned business person.

Can you imagine a fellow like this, running a shop like this on the cutting edge of the environment, is afraid to call the Federal Government for advice? There is no better example of what has been wrong. Here's a guy who's tried to do right, wants to do more right, and is afraid that if he does it, he'll be punished for doing it. It really is true that often in the Government no good deed goes unpunished. *[Laughter]* So it's time to stop doing things that drive people up the wall.

A few weeks ago, my good friend the Governor of Florida, who is also on this journey with us and has talked to me for more than—oh, I don't know—10 years we've been working on these issues, long before I ever thought of running for President, gave me this remarkable book that is now sweeping the country, "The Death of Common Sense." It makes an interesting point, the book does. It says that in our entirely understandable and necessary desire to protect the public, we have put in place a system that very often requires those who are carrying it out to defy common sense, unduly bur-

den private taxpayers, and undermine the very objectives we are seeking to achieve.

Now, the author of that book, Philip Howard, has made a major contribution to the American debate on this. He's here with us today. He has done some work with the Vice President's National Performance Review, and I'd like to ask him to stand and be recognized. And thank you, sir, for doing this. *[Applause]*

Over the last 2 years, we've tried to get this Government of ours into some kind of shape. We have lowered the deficit by \$600 billion, and we've reduced the size of the Federal bureaucracy by over 100,000. We're on the way to reducing the Federal work force by more than a quarter of a million. It'll be the smallest it's been since President Kennedy was here when our budgets are finally implemented.

Now, we've tried to do more than that. We've tried to do more than just cut. We've tried to change the way the Government works. We've tried to spend more money, for example, on education and training and research and technology, the things that we believe will raise incomes, offer more people opportunity, and protect the environment while we grow the economy. I don't think we should apologize for that. We should exercise judgment and common sense about what we cut and what we spend money on.

We also are trying to change the regulatory environment. I was proud to sign the first bill this new Congress passed, which applies to Congress most of the laws they impose on the private sector. I think that will have a very salutary impact on the deliberations of Congress.

We are about to get a bill out of the Congress which will restrict the ability of Congress to impose mandates on State and local governments that are unfunded; I think that is a good idea. And maybe most important of all, we're working hard, as the Vice President has said, to eliminate rules that are obsolete, to simplify rules that are too complicated, to cut paperwork wherever we can, in short, just to change the way Government works.

Most of the people I grew up with, who all write me with their great ideas now that I've become President, are just out there living in this country, making a living, raising their families, obeying the law, and doing the best they can. I believe their biggest objection to Government is not the size of it but the way it regulates, the way it operates in their own lives.

And I have done my best, relying on the extraordinary leadership of the Vice President and the National Performance Review staff and all the people who have been introduced here, particularly from the SBA and the EPA and the FDA and the Office of Management and Budget, to try to change this.

Let me just give you some examples. We want economic development. We've got the most active Commerce Department in American history. But the Commerce Department is also cutting the rules for businesses in half. That will also develop the economy. We want nutritious food, and the USDA has raised food safety standards, but they're also making it easier to import safe fruits and vegetables. We ought to repeal silly rules. The Department of the Interior just eliminated feather import quotas for exotic birds and a lot of other things as well.

So what are we going to do now? Today we're announcing the first big steps of what I assure you is just the beginning of a process that we intend to continue for as long as we have the public trust. First, we want to do something that recognizes that most of the businesses in this country are small, most of them want to do the right thing, and most of the new jobs are being created by them. We want to get our enforcers out of the business of mindlessly writing traffic tickets and into the business of achieving results. We're going to let these regulators apply common sense.

Two of the three problems Mr. Howard talks about in his book are addressed here today. One is that in our attempt to try to tell people how we think the Government should regulate, we have tried to imagine all conceivable permutations of things that could occur and then write rules to cover them. The other is that we've been far more obsessed—the Government has in the past—with process than results. That's the general problem I might add, of Washington, DC, not confined entirely to the Government. *[Laughter]*

Today we are ordering a Government-wide policy. Enforcers will be given the authority to waive up to 100 percent of punitive fines for small businesses so that a business person who acts in good faith can put his energy into fixing the problem, not fighting with a regulator. In other words, if they want to spend the fine money fixing the problem, better they should keep it and fix the problem than give it to the Government.

Similarly, regulators will be given the discretion to waive fines for small businesses altogether if it's a first-time violation and the firms quickly and sincerely move to correct the problem. Let me be clear: These changes will not be an excuse for violating criminal laws; they won't be an amnesty for businesses that harm public health; they won't enable people to undermine the safety of the public while their competitors play by the rules. But we will stop playing "gotcha" with decent, honest business people who want to be good citizens. Compliance, not punishment, should be our objective.

The second thing we want to do is to curb the Government's appetite for paperwork. We are going to have each agency allow regularly scheduled reports to the Government to be cut in half, unless there is some important public purpose that won't permit it. In other words, if people file quarterly reports, we want the agency to say file them twice a year; if they file them twice a year, file annual reports. The Vice President likes that. We'll leave more trees up, and we'll save more time for small business. Time is money. Time is the most important thing we have.

You know, we got rid of the Federal personnel manuals. I forget—the Vice President knows better than I do—I forget how many thousands of pages.

The Vice President. Ten thousand pages.

The President. Ten thousand pages. You know, I have yet to have the first Federal employee come up and attack me for that. [Laughter] I've yet to have the first citizen say, "How dare you waste my money. With this new arbitrary system, you got rid of these 10,000 pages. I can't sleep at night for thinking about it being gone." [Laughter] And believe me, nobody will notice this as long as we take care to protect the public health, the public safety, and the public interest.

The second thing I want to talk about are fundamental reforms in the area of the environment and drug and medical services. Environmental regulation touches every part of our lives. And this is a moment of transition in our environmental policy. The modern era began in 1970 with Earth Day, the passage of landmark legislation and the creation of the Environmental Protection Agency.

The results, we should never forget, are a great American success story, envied and copied around the world. Because we made a common

commitment to protect the environment, people are living longer and living better, and we have a chance to pass the country along to our children and grandchildren in far better shape than would have been the case otherwise. But the methods that worked in the past aren't necessarily adequate to the present day.

Our environmental programs must work better and cost less to meet the challenges of the future. Today we are announcing a landmark package of 25 environmental reforms. Let me describe them in general terms.

First we recognize that market mechanisms generally make more sense than micromanagement by the Government. Letting utilities buy and sell their rights under the Clean Air Act, for example, has saved utilities and their customers \$2 billion and given us cleaner air. Today we will dramatically extend this market concept to other areas of clean air and water protection.

Second, too many businesses are afraid to come to the EPA for help in cleaning up their act because they're afraid they'll be punished. That's the story you just heard. We're going to open compliance centers to help small businesses and say to them, "If you discover a problem, you'll have 180 days to fix it with no punitive fine."

And third, because you shouldn't need a forest full of paper to protect the environment, EPA will cut its paperwork requirements on businesses and communities by 25 percent, that is 20 million hours of work for businesses and communities that will be saved for other purposes next year.

While these steps will improve the current system, others will move well beyond it to a shift in the way we actually think about regulation. EPA will launch a pilot program called Project XL, excellence and leadership, which is simple but revolutionary. They will say to the companies in the pilot and, hopefully, eventually, the companies all across the country, "Here is the pollution reduction goal. If you can figure out how to meet it, you can throw out the EPA rulebook. You figure out how to meet the goal."

I want to say, especially here, how much I appreciate both the environmental groups and the business groups that are here. We know that pollution prevention pays. We know pollution prevention and reduction is a great source of job creation for America, as well as a guaran-

tee for our children that this country will be worth living in.

We also ought to be smart enough to know that people who are living with the consequences of this might be able to figure out how to fix it better than folks who are writing rules about it. So we're going to see if we can figure out how to do it in this way.

The other set of major reforms we're talking about involve the realms of drugs and medical devices. When I was running for President, I don't know how many Americans I had come up to me and talk to me about this all over the country but especially in places where a lot of this kind of work is done. There was a time when consumers might find that their food was adulterated, their drugs were quackery or had dreadful side effects.

Today, Americans don't have to worry about the safety or effectiveness when they buy anything from cough syrups to the latest antibiotics or pacemakers. The Food and Drug Administration has made American Drugs and medical devices the envy of the world and in demand all over the world. And we should never forget that, either. And we are going to stick with the standards we have, the highest in the world. But strong standards need not mean business as usual in every area.

Today we are announcing a set of reforms that will make our high-quality drugs and medical devices available to consumers more quickly and more cheaply. First, FDA will stop using a full-blown review every time a biotech drug company makes a minor and risk-free manufacturing change in an established drug.

Second, FDA will stop requiring costly assessments on drugs that obviously have no significant impact on the environment.

Third, FDA will eliminate 600 pages of cumbersome regulations controlling the production of antibiotics and other drugs. And I'll give you \$100 if anybody comes up to you and complains within the next 12 months—[*laughter*—when you do that.

And finally, 140 categories of medical devices that pose low risk to patients, from finger exercisers to oxygen masks, will no longer need preapproval by FDA before they are put on the market.

These FDA reforms, and others we'll announce in the next few weeks, will keep quality at world-class levels and save industry and consumers nearly half a billion dollars a year. And I am pleased, again, to say that there are representatives from the drug and medical device industry here as well. We appreciate your support.

I am very, very excited about this. These changes, taken together, represent real and fundamental reform. Now, they lack the sledgehammer subtlety of a moratorium, but if we're going to be responsible, we ought to fix the problem, not just seek to freeze the problem. To go from yesterday's Government to tomorrow's Government we need movement, not paralysis. We need to continue our commitment to a Government that works better, costs less, reflects our values, and can make a difference and that doesn't drive us up the wall but drives us into the future together. That is common sense, and we can give it to the American people together.

Thank you very much.

NOTE: The President spoke at 10:47 a.m. at Custom Print, Inc. In his remarks, he referred to Stu McMichael, owner of the company."

Remarks to the National Conference of State Legislatures

March 16, 1995

Thank you, Jane Campbell, and thank you, Senator Lack, and thank you to the other leaders of the NCSL for meeting me outside. And welcome, all of you, to Washington. I know you just heard from Secretary Reich. He actually—he hasn't been here? [*Laughter*] That gives me something else to make fun of my staff about.

That's what it says. Let me try—what else does it say? Maybe I should put my glasses on, and it will come out differently. [*Laughter*]

Let me say, I am delighted to see all of you. I'm about as happy to see you as you acted like you were to see me. [*Laughter*] I loved the legislative process when I was Governor,