

Regulatory Review Is Urged



HAROLD WILLIAMS
... calls for "law reform"

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A systematic evaluation of federal regulatory policy, along the lines of the congressional budget process, is the only way to answer the calls for regulatory reform, Harold Williams, chairman of the Securities and Exchange Commission, said yesterday.

With a swipe at existing proposals by the Carter administration and others, Williams said his was a call for "law reform" and not "regulatory reform."

Williams, in a speech to the National Press Club, said many of the current proposals to revive the regulatory process are "ill-advised, ineffective and will produce undesirable consequences."

Williams was critical of proposals to grant either Congress or the president a veto over new agency rules.

He said "sunset" suggestions for increasing judicial review of regulations would only overcrowd the courts and add to regulatory delay.

"What we need today, rather than new legal constraints on the regulatory process, is a mechanism to make choices and to periodically review their effectiveness and continued relevance," Williams said.

During a question-and-answer period after his speech, Williams reiterated his hope that the SEC would list a moratorium on the growth of stock options trading by the end of the year. Williams said the SEC staff is reviewing a second set of proposed rule changes in options regulation and said he hopes the staff work will be prompt.

Williams' proposal, presented yesterday for the first time, calls for enactment of legislation that would set up a regular review of all regulatory programs.

Williams said his program, unlike the sunset proposals, would force Congress to act affirmatively, rather than

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putting an agency out of business through inaction.

Specifically, Williams said the president should be required to prepare for each congressional session a "state of regulation" report.

The report would contain an assessment of regulatory policy prepared in the context of broader national objectives, and would propose new laws, revisions of old ones to address presidential concerns.

Under the Williams proposal, Congress also would set up a joint committee on federal regulation or new committees in each house to respond to presidential proposals. Then each house would pro-

vide direction, through a resolution, for the specific congressional committee with oversight responsibilities.

Noting the growing numbers of congressional committees, Williams said the "present structure does not encourage or facilitate overall consideration of broad areas of regulatory policy.

"The proposed structure would enable Congress to focus on the whole of federal regulation and would enable the president to provide meaningful leadership in this critical area of national priorities," Williams said.

Williams said regulatory agencies fail to look at their regulations in

terms of larger societal questions and have set inconsistent policies, as a result.

"Inevitably, there are flaws in this regulatory pattern—flaws of both excess and insufficiency," Williams said. "And unquestionably, some regulation has outlived its usefulness and needs to be modified, curtailed or even abolished."

Williams said that regulatory problems cannot be cured without a broad means of evaluating their impact.

"If we settle for one of the many quick fixes which seem expedient, the underlying deterioration will continue," he said.