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## Address Before the Exchange Club

Max S. Baucus

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**[REDACTED]** **March-1978**

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\_\_\_\_\_ **Govt. and Civil Service**

(select subject from controlled vocabulary, if your office has one)

\_\_\_\_\_ **Adress Before the Exchange Club**

\_\_\_\_\_ **03/28/1978**



AN ADDRESS BY  
CONGRESSMAN MAX BAUCUS  
BEFORE THE EXCHANGE CLUB  
NORTHERN HOTEL, BILLINGS  
MARCH 28, 1978

THANK YOU FOR INVITING ME TO SPEAK TO YOU THIS NOON. (MAX,  
MAKE PROPER THANK YOU'S TO OFFICERS, HOSTS, ETC.)

AS YOU MIGHT EXPECT, I'M OFTEN CALLED UPON TO GIVE ADDRESSES  
OF THIS TYPE. IF I HAVE LEARNED ANYTHING FROM MY PAST SPEAKING  
ENGAGEMENTS, IT IS THAT BEING A CONGRESSMAN MAKES ME THINK THAT  
EVERYBODY IS INTERESTED IN EVERYTHING BECAUSE YOUR INTERESTS ARE  
SO VARIED.

ACCORDINGLY, ALL TOO OFTEN I WALK INTO ONE OF THESE LUNCHEON  
ENGAGEMENTS AND SPEAK OF 20 DIFFERENT ISSUES, TEACHING NO ONE  
ANYTHING AND BEWILDERING ALL.

TO AVOID THAT, I HAVE ADOPTED A NEW GUIDING PRINCIPLE FOR  
LUNCHEON ADDRESSES. THE ACRONYM FOR THE PRINCIPLE IS "KISS --  
KEEP IT SIMPLE, STUPID."

FOLLOWING THAT PRINCIPLE, I WOULD LIKE TO FOCUS ON A SINGLE  
THEME TODAY. NAMELY, FEDERAL RED TAPE <sup>&</sup> PAPERWORK -- OR WHY DOES THE  
GOVERNMENT HAVE SO MANY REGULATIONS -- AND SO MANY STUPID ONES,  
AT THAT?

BUT BEFORE I APPROACH THAT SINGLE THEME, I FEEL COMPELLED  
TO ASK A QUESTION. HOW MANY OF YOU KNOW WHAT THE SINGLE MOST  
FREQUENTLY TOLD LIE IS IN AMERICA?

(PAUSE -- WAIT A FEW SECONDS FOR AN ANSWER)

ANSWER: "YOUR CHECK IS IN THE MAIL."

(PAUSE FOR LAUGHTER, HOPEFULLY)

WELL, BACK TO THE SINGLE THEME. I THINK THE SINGLE GREATEST REASON WHY THERE ARE SO MANY PAPERWORK AND RED TAPE REQUIREMENTS PLACED ON SMALL BUSINESSES THROUGHOUT AMERICA IS THAT THE CONGRESS OF THE UNITED STATES IS A LOUSY MANAGER.

THE PROBLEM IN A NUTSHELL IS THIS. CONGRESS FREQUENTLY PASSES WHAT SEEMS TO BE SIMPLE REQUIREMENTS, AND THEN THE RESPONSIBILITY FOR ADMINISTERING THESE REQUIREMENTS ~~IS~~ <sup>IS</sup> TURNED OVER TO THE BUREAUCRACY. ALL TOO OFTEN, THE STATUTORY REQUIRMENTS, ALTHOUGH SIMPLE, ARE TOO GENERAL FOR ADMINISTRATION. ONE ANALOGY MIGHT BE THAT THE CONGRESS MANUFACTURES THE SKELETON, AND THEN IT IS UP TO THE BUREAUCRACY TO PUT THE FLESH ON IT.

IN ANY EVENT, SEEMINGLY SIMPLE STATUTORY REQUIREMENTS ARE TURNED INTO MENACING AND THOROUGHLY INCOMPREHENSIBLE REGULATORY REQUIREMENTS.

IF CONGRESS IS SUCH A LOUSY MANAGER, WHAT BASIC MANAGEMENT PRINCIPLES IS IT VIOLATING? I'VE ALWAYS UNDERSTOOD THAT THERE ARE TWO BASIC SCHOOLS OF THOUGHT FOR EMPLOYER-EMPLOYEE MANAGEMENT PHILOSOPHIES. ON THE ONE HAND, THERE IS WHAT I CALL THE "HAWK SCHOOL" -- THAT IS, "WATCH THEM LIKE A HAWK AND DON'T LET THEM GET AWAY WITH ANYTHING." SECONDLY, THERE IS WHAT I CALL THE ACCOUNTABILITY SCHOOL -- NAMELY, "TRUST YOUR EMPLOYEES; LET THEM DO THEIR OWN THING; BUT MAKE SURE YOU HOLD THEM ACCOUNTABLE."

SOME OF YOU MAY BE ASKING, "WHICH SCHOOL OF THOUGHT DO I THINK IS MOST APPLICABLE FOR CONGRESS TO FOLLOW?"

WELL, AS YOU MIGHT EXPECT, BEING AN ELECTED OFFICIAL, I WILL TAKE THE MIDDLE ROAD. IN SHORT, I THINK THAT BOTH SCHOOLS OF THOUGHT ARE APPLICABLE TO CONGRESS, AND BOTH PRINCIPLES ARE BEING SERIOUSLY VIOLATED.

LET ME TAKE THE "HAWK" SCHOOL FIRST.

CONGRESS HAS EXERCISED ALMOST NO OVERSIGHT OVER FEDERAL AGENCIES. LAWS ARE PASSED, AND BY THE TIME THE REGULATIONS AND REQUIREMENTS FOR THOSE LAWS ARE PUT INTO FORCE, THE LAWMAKERS HAVE MOVED ON TO ANOTHER AREA IN WHICH TO PASS LAWS.

TO MY WAY OF THINKING, WE NOW HAVE ENOUGH LAWS TO SOLVE (IF NOT CAUSE) MOST OF AMERICA'S PROBLEMS. I THINK THAT CONGRESS SHOULD BE SPENDING MORE TIME NOT PASSING NEW LAWS, BUT OVERSEEING OLD ONES.

FORTUNATELY, I SEE SOME PROGRESS IN THIS AREA. A FEW YEARS AGO A NUMBER OF US IN CONGRESS PROPOSED CERTAIN REFORMS CALLING FOR GREATER OVERSIGHT. AMONG THESE REFORMS WERE SUNSET REQUIREMENTS WHICH WOULD ABOLISH FEDERAL AGENCIES AFTER A CERTAIN PERIOD OF YEARS, IN THE EVENT THAT THESE AGENCIES WERE UNABLE TO JUSTIFY THEIR EXISTENCE.

A SECOND, AND PERHAPS MORE PRACTICAL, REQUIREMENT WOULD BE TO ESTABLISH THE "CONGRESSIONAL VETO" OVER GOVERNMENT REGULATIONS. THERE USED TO BE CONSIDERABLE RESISTANCE AGAINST THE CONGRESSIONAL VETO NOTION -- I SUPPOSE THAT SOME OF MY FELLOW HOUSE MEMBERS THOUGHT IT WAS TOO MUCH WORK FOR THEM. BUT THAT RESISTANCE IS ERODING.

FOR EXAMPLE, LAST WEEK THE HOUSE DECISIVELY DEFEATED A CONFERENCE REPORT REGARDING THE FEDERAL TRADE COMMISSION -- SOLELY ON THE GROUNDS THAT THE SENATE HAD DELETED THE REQUIREMENT THAT ALL FTC REGULATIONS BE APPROVED BY BOTH HOUSES.

IN THE PAST COUPLE OF YEARS, THERE HAVE BEEN AN INCREASING NUMBER OF STATUTES ENACTED WHICH PROVIDE THAT THE REGULATORY AND/OR EXECUTIVE AGENCY MUST PRESENT THEIR REGULATIONS TO CONGRESS BEFORE

THEY GO INTO FORCE.

SO WHAT DOES THIS ALL HAVE TO DO WITH THE HAWK SCHOOL? QUITE SIMPLY, IT IS THIS. CONGRESS SHOULD NOT LET EXECUTIVE AGENCIES OPERATE UNILATERALLY TO ENACT REGULATIONS. CONGRESS MUST WATCH THEM CLOSELY, AND WE HAVE TO THINK OF MORE AND MORE WAYS TO MAKE SURE THE CONGRESS DOES THIS.

SO LET ME MOVE ON NOW TO THE "ACCOUNTABILITY" SCHOOL. MOST PRIVATE EMPLOYERS FOLLOW THE MOST SENSIBLE TYPE OF ACCOUNTABILITY: NAMELY, IF YOUR BUSINESS ISN'T PROFITABLE, EITHER YOU OR YOUR EMPLOYEES ARE NOT DOING A GOOD JOB. UNFORTUNATELY, THERE IS NOT SUCH A GOOD MEASURE IN PUBLIC SERVICE AS PROFITABILITY.

SURE, THERE ARE A NUMBER OF NEW MANAGEMENT SCHEMES BEING OFFERED TO HELP CONTROL GOVERNMENT EFFICIENCY. ONE OF THE MORE ENCOURAGING OF THESE SCHEMES IS ZERO-BASE BUDGETING -- A MANAGEMENT TOOL WHICH REQUIRES ALL FEDERAL AGENCIES TO PRESENT THEIR BUDGETS STARTING FROM ZERO. ~~THIS AVOIDS~~ **THIS AVOIDS BUREAUCRATIC** ~~THE~~ **THE** ASSUMPTION THAT EVERYTHING THAT THEY'VE SPENT IN THE PAST IS JUSTIFIED, AND ALL THEY HAVE TO ARGUE ABOUT IS HOW MUCH MORE THEY'LL GET EACH YEAR.

(MAX, IF YOU WANT, YOU CAN SAY A FEW WORDS HERE ABOUT YOUR EFFORTS IN CONNECTION WITH ZBB)

BUT I HAVE A SLIGHTLY DIFFERENT VIEW AS TO WHY THE ACCOUNTABILITY SCHOOL IS NOT WORKING WITH CONGRESS. INDIVIDUAL CONGRESSMEN THINK THAT THE BEST MEASURE OF ACCOUNTABILITY IS WHETHER THEY GET REELECTED EACH YEAR. WHILE THAT MAY BE TRUE ON A PERSONAL BASIS, IT DOESN'T EXPLAIN AT ALL WHY THE AMERICAN ATTITUDE TOWARD CONGRESS HAS TURNED INCREASINGLY NEGATIVE THROUGHOUT THE YEARS. ONLY 15 YEARS AGO, MOST AMERICAN PEOPLE, WHEN ASKED, THOUGHT THE CONGRESS WAS DOING A GOOD JOB. IT SHOULD COME AS NO SURPRISE TO

YOU THAT LESS THAN 15% OF THE PEOPLE ASKED TODAY WOULD RESPOND IN A SIMILAR FASHION.

I THINK THE MAIN REASON THAT CONGRESS IS GETTING SUCH LOW RATINGS IS THAT, AS A COLLECTIVE BODY, MEMBERS OF CONGRESS HAVE NO IDEA HOW THEIR STATUTORY REQUIREMENTS HAVE CAUSED SUCH A JUNGLE OF PAPERWORK AND RED TAPE REQUIREMENTS.

### CONGRESSIONAL EXEMPTIONS PROPOSAL

I WOULD LIKE TO PRESENT TODAY WHAT I BELIEVE IS A POSSIBLE SOLUTION TO THE PROBLEM OF AN INSENSITIVE CONGRESS. I BELIEVE THE ROOT OF ~~THE~~<sup>CONGRESS'</sup> INSENSITIVITY IS THAT MEMBERS OF CONGRESS ARE IMMUNE FROM THEIR OWN REQUIREMENTS.

A FREQUENTLY FOLLOWED TACTIC IN ESTABLISHING STATUTORY REQUIREMENTS IS TO EXEMPT CONGRESS AND ~~THEIR~~<sup>ITS</sup> EMPLOYEES FROM FOLLOWING THESE REQUIREMENTS. THIS HAS PROMPTED MANY POTOMAC PUNDITS TO CALL CONGRESS THE "LAST PLANTATION."

IN MANY WAYS, I THINK THIS IS AN APT CHARACTERIZATION. CONGRESS RULES DICTATORIALLY. MOST OF THE MEMBERS THINK THEY ARE BEING BENEVOLENT, BUT THEY DON'T KNOW WHAT THEIR SUBJECTS REALLY THINK.

LET ME OFFER YOU AN EXAMPLE. DID YOU KNOW THAT CONGRESS WAS EXEMPT FROM OSHA? I HAVE NEVER HAD AN OSHA INSPECTOR WALK INTO MY OFFICE AND LOOK TO SEE IF I WAS PROVIDING A SAFE AND HEALTHY WORKING ENVIRONMENT FOR MY EMPLOYEES.

SIMILARLY, DID YOU KNOW THAT CONGRESS IS EXEMPT FROM FEDERAL PROHIBITIONS AGAINST DISCRIMINATION ON THE BASIS OF HANDICAPPED? ... AGE? ... SEX? ... RELIGION? ... NATIONAL ORIGIN?

WELL, THE ANSWER IS THAT CONGRESS IS EXEMPT FROM THESE PROHIBITIONS.

IF A MEMBER OF CONGRESS WANTS TO, HE OR SHE CAN DISCRIMINATE AGAINST ANY OF THEIR EMPLOYEES.

I THINK IT IS TIME THAT THESE EXEMPTIONS BE ELIMINATED, AND I AM PROPOSING LEGISLATION NEXT WEEK TO DO JUST THAT.

THE BILL I WILL BE OFFERING NEXT MONDAY WILL SEEK TO ELIMINATE THE CONGRESSIONAL EXEMPTION FROM SUCH STATUTORY REQUIREMENTS AS THE FAIR LABOR STANDARDS ACT. IF EMPLOYERS THROUGHOUT AMERICA HAVE TO PROVIDE A MINIMUM WAGE OR MAKE SURE THAT THEIR EMPLOYEES ARE GIVEN EQUAL PAY FOR EQUAL WORK, THEN IT IS ONLY FAIR THAT CONGRESS BE SUBJECTED TO THOSE SAME REQUIREMENTS. IF THOSE REQUIREMENTS MAKE SENSE, AND IF THOSE REQUIREMENTS ARE ADMINISTERED IN A SENSIBLE FASHION, THEN THERE IS NO REASON WHY MEMBERS OF CONGRESS CAN'T COMPLY WITH THEM.

MY LEGISLATION WILL ALSO SEEK TO ELIMINATE THE CONGRESSIONAL EXEMPTION FROM OSHA. MY RATIONALE FOR THIS IS THE SAME AS THAT OFFERED FOR THE FAIR LABOR STANDARDS ACT. NAMELY, IF IT MAKES SENSE TO PROVIDE A SAFE AND HEALTHY WORKING ENVIRONMENT FOR ALL EMPLOYEES OF PRIVATE INDUSTRY, THEN IT MAKES SENSE TO HAVE THOSE REQUIREMENTS APPLY TO MEMBERS OF CONGRESS, AS WELL.

MY LEGISLATION WOULD ALSO ELIMINATE THE EXEMPTIONS THAT CONGRESS NOW ENJOYS FROM THE CIVIL RIGHTS ACTS WHICH PROHIBIT DISCRIMINATION ON THE BASIS OF SEX, HANDICAP, RELIGION, AGE, RACE AND NATIONAL ORIGIN.

THESE PROPOSALS MAY NOT MAKE ME POPULAR WITH MY COLLEAGUES, BUT I THINK MANY OF THEM ARE BEGINNING TO SEE THE MISTAKE THAT CONGRESS HAS MADE IN CONTINUING TO PROVIDE EXEMPTIONS FROM FEDERAL REQUIREMENTS.



CONGRESS CANNOT LIVE IN AN IVORY TOWER. ITS WORK AFFECTS THE WORK OF ALL AMERICANS, AND IT HAS TO UNDERSTAND EXACTLY WHAT THOSE EFFECTS ARE.

HOPEFULLY, MY LEGISLATION WILL SERVE TO SENSITIZE CONGRESS TO THE IMPACT OF THE PAPERWORK AND RED TAPE REQUIREMENTS THAT ITS STATUTES GENERATE.

ONCE AGAIN, I AM DELIGHTED HAVE THE OPPORTUNITY TO SPEAK BEFORE YOU TODAY. I HOPE MY SHORT ADDRESS HAS GIVEN YOU SOME IDEAS ON WHY WE HAVE SO MANY PAPERWORK AND RED TAPE REQUIREMENTS AND WHAT WE CAN DO TO MINIMIZE THEM.