

## GUEST VIEW

# I love government regulations

By Roland F. Chase

You think I'm kidding? I'm not. I really love government regulations.

Well, OK, not all government regulations. Some of them are, let's say, misguided, or excessive, or even just plain stupid. But most government regulations are not like that at all. In fact, many government regulations are absolutely necessary for the normal kind of civilized life that we all want to have.

Let me give you two examples. Soon after I graduated from college, a new medicine, thalidomide, was put on the market by several drug manufacturers. From 1957 until 1961 it was sold in a number of countries around the world, but not in the United States. Why not? It was blocked by government regulations.

It turned out that a pharmacologist in the U.S. Food and Drug Administration, Dr. Frances Kelsey, refused to give her stamp of approval to thalidomide because she believed it was unsafe. So FDA regulations prohibited its sale in this country.

There was no such problem in other countries — that is, no problem of government regulations standing in the way. But there was a problem with the drug itself. When taken by pregnant women, it often resulted in severe birth defects — missing limbs and extra appendages, like fingers and toes and little arms sticking out of infant bodies at strange places. Some babies were born with no limbs at all.

In Germany alone, approximately 2,500 thalidomide babies were born. In the United States, 17 children, whose mothers were apparently living in



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Europe during pregnancy, were born with thalidomide birth defects. For standing firm against drug industry pressure, Dr. Kelsey received the President's Award for Distinguished Federal Civilian Service.

So Dr. Kelsey is one of my heroes of government regulation.

The hero of my second example of great government regulations is unknown. But you'll recognize the need for the regulation right away.

When I was growing up, our first refrigerator, a Frigidaire, had a door handle that snapped shut when you closed it. And I mean it snapped shut tight, with a latch, to keep the warm air out. That's the way appliance manufacturers decided to make them in those days, and no government regulation stood in the way.

So what happened when this kind of refrigerator was left in a vacant house or discarded at the end of its useful life? From 1946 to 1953 there were 85 recorded deaths of children suffocating in closed refrigerators. They made such wonderful hiding places for games of hide and seek.

Fortunately, a Congress that was not afraid to regulate private industry enacted the Refrigerator Safety Act in 1956. This government regulation required that all refrigerators be manufactured with doors that can be pushed

open from the inside. (Of course, cities and towns also got into the act, passing regulations requiring doors to be removed from discarded refrigerators.)

The result? Thanks to this government regulation, deaths of children suffocating in refrigerators dropped to almost zero.

You see why I love (some) government regulations? American industry coupled with free enterprise has given us the highest standard of living in the world, but it still needs regulating for the common good.

Today, one of the areas of under-regulation is the financial services industry, including banks, investment companies and big mortgage lenders. True, this kind of government regulation does not have the emotional pull of preventing the birth of grossly deformed children or saving the lives of small children trapped in a refrigerator and doomed to beat their little fists against an airtight door.

But stronger government regulation of the financial services industry would help preserve family savings, prevent unnecessary foreclosure of homes, and hopefully put some reasonable limits on the grossly inflated earnings of those whose companies caused us such financial misery in the past few years.

So let's hear it for government regulation! Instead of railing against the whole idea of government regulation, let's focus on (1) pruning out the few truly unnecessary or harmful regulations; (2) fine-tuning and enforcing the many regulations that effectively deal with real problems; and (3) adopting some new regulations where needed to protect American citizens from the excesses of enormously powerful corporations.

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