

U.S. needs deregulatory stimulus

By: Doug Bandow

The U.S. economic recovery remains anemic, so President Barack Obama wants Washington to spend more money. Of course, if the economy was booming, he would want the federal government to spend even more money.

The president recently offered the GOP a deal: Reform corporate taxes and have Uncle Sam “invest” the extra money to “create” jobs. Which is what his \$800 billion “stimulus” bill was supposed to do.

Although the deficit has fallen this year — revenues are significantly higher than expected — the Congressional Budget Office figures that the annual deficit will begin climbing again in 2015 on its way back to \$1 trillion.

There may never be a time when Washington will not be “stimulating” the economy.

Unfortunately, government cannot create self-sustaining economic growth.

If all that is needed for prosperity is to increase the amount of money in circulation, then the Air Force should “bomb” America with \$100 bills.

Rather than expand government, a true economic “stimulus” would promote the private sector. One way would be to reduce the regulatory burden on U.S. companies.

Regulation is an indirect tax, discouraging economic activity. When the government makes it more expensive to create businesses, develop products, expand operations, employ people, and market goods and services, there will be less commerce, meaning fewer and lower paying jobs.

Clyde Wayne Crews of the Competitive Enterprise Institute recently published the “Ten Thousand Commandments: An Annual Snapshot of the Federal Regulatory State.”

It is filled with bad news.

The national government has turned into a vehicle for most everyone to attempt to live at most everyone else’s expense.

Special interests have learned that they can use federal rulemaking to enrich themselves and/or impoverish their rivals.

Increasingly there seems to be little that we do which lies outside of Washington's control. Wrote Crews: "The government's reach extends well beyond Washington's taxes, deficits, and borrowing. Federal environmental, safety and health, and economic regulations cost hundreds of billions, perhaps trillions, of dollars annually over and above the official federal outlays that dominate policy debate."

The federal bureaucracy has become Thomas Hobbes' Leviathan: 15 departments, 69 agencies, and 383 civilian sub-agencies, employing 2.84 million people.

Doug Bandow is a Senior Fellow at the Cato Institute and a former Special Assistant to President Ronald Reagan.