



# Best Stimulus Would Be To Slash Unneeded, Costly Government Regulations

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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.

## The Rule Tax

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 we do that 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."

Leviathan Lives

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

The seemingly harmless Treasury Department tops the list of Washington regulators, with 487 rules completed or in process last year, followed by the Commerce Department, whose other main purpose is to pass out corporate welfare, with 415 rules. The Departments of Interior, Agriculture and Transportation come next.

Crews estimated total regulatory costs at \$1.8 trillion. That's about eight times as much as collected by the corporate income tax, half of all federal spending, and more than a 10th of the GDP.

Unfortunately, the Obama administration is creating a regulatory surge. Last year the Federal Register ran 78,961 pages, the fourth highest in U.S. history.

The good news is that the number is down. In 2010 the Obama administration set the all-time record, of 81,405. In 2011 the administration set the second highest ever, of 81,247. (The third highest was in 2008, on George W. Bush's watch.)

James Gattuso and Diane Katz of the Heritage Foundation recently reviewed the administration's record: "Annual regulatory costs increased by more than \$23.5 billion during President Barack Obama's fourth year in office—and by a total of nearly \$70 billion during the first term."

On the other side were just two rules cutting costs, by \$81 million.

Republican presidents also are to blame. However, reported Gattuso and Katz, the Obama record "is likely unmatched by any administration in the nation's history."

One of the most striking features of regulation today is how Americans are losing control over their own government. Last year, observed Crews, Congress approved 127 laws. At the same time, regulatory agencies issued 3,708 rules.

Jonathan Turley of George Washington Law School recently wrote of the "rise of the fourth branch." He explained: "Our carefully constructed system of checks and balances is being negated by the rise of a fourth branch, an administrative state of sprawling departments and agencies that govern with increasing autonomy and decreasing transparency."

Limiting regulation is as important as limiting spending. The most important single step would be to roll back federal responsibility. Uncle Sam should do less.

Rules, at least major ones, should require congressional approval. Congress should sunset regulations. Crews also advocated greater transparency, or "openness about regulatory facts and figures."

Taking these steps would offer a regulatory stimulus to the economy. Rolling back regulation also would act as a freedom stimulus for our nation.