

# Obama — the Great Deregulator?

By Jeff Jacoby

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WHEN PRESIDENT Barack Obama announced last week that he was ordering executive agencies to scrap “outdated” federal regulations “that conflict, that are not worth the cost, or that are just plain dumb,” and to ensure that new rules use the “least burdensome” means of achieving their goals, the response from the right was polite but doubtful.

“This executive order is hardly a war on red tape,” the Competitive Enterprise Institute remarked, noting that it duplicates a Clinton-era order that has been on the books all along. The Cato Institute’s Walter Olson was unimpressed by Obama’s single example of an unwarranted regulation: an EPA rule classifying saccharin as hazardous waste. “It was almost as if his point was to pick a regulation so minor that no one cared much about it one way or the other.” If the president is serious, The Wall Street Journal editorialized, “this will be one of the great policy walkbacks in American history” — but it counseled keeping “a Missouri state of mind.”

The skeptics can hardly be blamed for not rushing to acclaim Obama as the Great Deregulator.

It was only last spring, after all, that The New York Times — in a story headlined “With Obama, Regulations Are Back in Fashion” — was reporting on “the surge in rule-making” and how the administration “has pressed forward on hundreds of new mandates.” In October, a Heritage Foundation report on “Obama’s torrent of new regulation” concluded that the federal regulatory burden was increasing at an unprecedented rate: In fiscal 2010 alone, the administration had adopted 43 major new regulations, at an estimated annual cost to the economy of \$26.5 billion, a record.

And even as Obama promises to throttle back the regulatory overdrive, the White House says that ObamaCare and Dodd-Frank — the massive new laws overhauling health care and the financial industry, which will create scores of new agencies and generate hundreds of new regulations — will not be affected. You don’t have to be an Obama-wary conservative to assume that the impact of the president’s order, as the Times put it last week, “is likely to be more political than substantive.”

Much harder to make sense of is the outraged response on the left.

Public Citizen, the anti-business lobby group founded by Ralph Nader, slammed Obama’s call for restoring “balance” to federal rulemaking as “the wrong way to think about regulation” and accused the administration of “echoing Big Business’s talking points.” Salon’s War Room blog said the president’s call for reviewing burdensome rules “reads like an apology to the business community.” Rena Steinzor, head of the Center for Progressive Reform, suggested that what the nation needs is not less regulation, but more.

“Think about all the disasters that we have suffered in the last couple of years,” she lamented to NPR. “The Deepwater Horizon spill; the collapse of the Big Branch mine; peanut paste with salmonella; Toyotas that suddenly accelerate; cadmium in children’s jewelry. What you see is a massive failure of a regulatory system.”

That may be persuasive to someone who starts from the simplistic premise that disasters are caused by insufficiently aggressive government oversight. But if more regulation is the right response to every corporate debacle or marketplace calamity, then by definition there can *never* be enough government control.

As long as there are human beings, there will be failures, foul-ups, and blunders. It is delusional to imagine that we can always protect ourselves with another federal “czar,” or with more rigorous regulation. Czars and regulators — and politicians — are no more honest or infallible than anyone else, and the harm caused by *their* failures, foul-ups, and blunders can be devastating. To take just one example, think of all the economic agony that could have been avoided in recent years if the government hadn’t deliberately weakened market discipline in its quest to expand homeownership.

“By 2010,” writes former US Senator and Court of Appeals Judge James Buckley in a new book, “the Code of Federal Regulations consisted of 225 volumes containing 35,367 pages of detailed, fine-print regulations.” More than 4,200 proposed rules are currently in the pipeline at federal agencies. There are many ways to characterize the relationship between Americans and their government. “Underregulated” isn’t one of them.

The president’s call for restoring regulatory balance is encouraging, no matter how aghast it leaves his critics on the left. As for the rest of us, we’ll wait to see if he means it.

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