# Obama orders further deregulation of US economy

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On Tuesday, President Obama issued an executive order requiring a review of all existing government regulations. The order was accompanied by an op-ed piece published in the *Wall Street Journal* in which Obama made clear his intention to water down or remove regulations on behalf of the most powerful financial and corporate interests.

The executive order, among other things, requires that each federal agency "adopt a regulation only upon a reasoned determination that its benefits justify its costs." Under the system of so-called "cost-benefit analysis" any improvements in workplace, environmental or public health conditions must be weighed against the financial costs to big business.

Under the order, regulators should "specify performance objectives, rather than specifying the behavior or manner of compliance that regulated entities must adopt," and should furthermore "identify and assess available alternatives to direct regulation, including providing economic incentives to encourage the desired behavior." In other words, corporations should not be compelled to abide by health, safety and environmental standards, but only encouraged to meet non-binding "performance objectives," and be paid for it to boot.

Finally, regulations should be based upon "open exchange" with "affected stakeholders in the private sector" (i.e., banks and corporations), and prior to rule implementation regulators should "seek the views of those who are likely to be affected." Agencies will also be required to find "regulatory approaches that reduce burdens," a task they will no doubt accomplish with the assistance of corporate lobbyists.

There is absolutely nothing in the order requiring or even suggesting that agencies beef up their regulatory capacity. This, after the decades-long evisceration of government regulation—conducted by Democratic and Republican administrations alike—has produced one social disaster after another. The last few years alone include the 2007 collapse of the subprime mortgage lending Ponzi scheme, which has resulted in the worst social crisis since the Great Depression; the April 20 BP Deepwater Horizon blowout that killed 11 workers and produced the worst environmental catastrophe in US history; the April 5 explosion at the Upper Big Branch mine in West Virginia that killed 29 in the deadliest US coal mine disaster in decades; and the 2010 recall of millions of poisoned food products by Wright County Egg, Hillandale Farms and Tyson Foods.

Obama began his *Wall Street Journal* column with a rendering of US history that could have been delivered at a gathering of college Republicans. "For two centuries, America's free market has not only been the source of dazzling ideas and path-breaking products, it has also been the greatest force for prosperity the worl d has ever known," Obama declared. "That vibrant entrepreneurialism is the key to our continued global leadership and the success of our people."

The claim that the capitalist "free market" has been "the greatest force for prosperity the world has ever known" begs the question, prosperity for whom? The last three decades have seen the deregulation of the airlines, the finance industry, coal mining, oil production, and virtually every other sector of the economy. This has led to unfathomable riches for America's ruling elite. For the working class, however, the wonders of the market have produced greater exploitation and death and maiming in the workplace, along with the poisoning of the food supply and eco-system.

Obama's editorial never mentions the words “worker,” “factory,” “mine,” “food,” or “toxins.” Instead, the column was replete with the sort of coded language and euphemisms aimed to curry favor with the financial and corporate elite.

In touting his executive order, Obama said it would “remove outdated regulations that stifle job creation and make our economy less competitive [and] root out regulations that conflict, that are not worth the cost, or that are just plain dumb.”

The notion that government regulation is “stifling job creation” has become a shibboleth of the media. US corporations are hoarding over $2 trillion in cash, the result of the Wall Street bailout, corporate tax cuts, and an 80 percent run-up in the stock market since March 2009. The story goes that businesses are hesitant to invest this money in production, and thereby bring down the 9.4 percent unemployment rate, because of uncertainty created by the Obama administration’s health care “reform” and the Dodd-Frank financial “overhaul.” The finance industry, in particular, has launched an intense campaign against the largely symbolic restrictions of the new financial legislation.

Federal agencies responsible to write the regulations for the enforcement of the Dodd-Frank law—the Securities and Exchange Commission (SEC) and Commodity Futures Trading Commission (CFTC)—have missed their mandated deadlines. Given Obama’s executive order this raises the possibility that finance industry lobbyists will be directly involved in drafting the rules.

“We are seeking more affordable, less intrusive means to achieve the same ends,” Obama wrote. “This means writing rules with more input from experts, businesses and ordinary citizens.”

“More affordable, less intrusive” regulations means, quite simply, that regulatory agencies—from the SEC, to the CFTC, to the Occupational Safety and Health Administration and the Environmental Protection Agency—will see their already severely underfunded budgets slashed further. Their work will be increasingly carried out by “experts” and “businesses” who will write and enforce their own rules.

In Obama’s telling, it is big business that must be protected from the government. His executive order will “safeguard people and businesses from abuse” arising from “regulations that have become a patchwork of overlapping rules, the result of tinkering by administrations and legislators of both parties.” All of this is rhetoric long espoused by right-wing ideologues.

The American financial aristocracy seeks the elimination of all restrictions on its ability to make money. If its stranglehold over the economy is not broken, the disasters of the past three years—financial panics, industrial disasters, food poisoning, environmental catastrophes—will be repeated with even more devastating consequences.

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