

US Supreme Court attacks federal regulation of corporate interests

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In a much anticipated and deeply reactionary ruling handed down Friday, the US Supreme Court overturned a 40-year precedent so as to weaken federal regulation of corporations and banks over a broad swath of issues, including public health, worker safety, wage and hours standards, environmental policy, abortion and birth control, consumer rights, food and drug standards, and business oversight.

In deciding for the plaintiffs in *Loper Bright Enterprises v. Raimondo*, Chief Justice John Roberts explicitly wrote that “Chevron is overruled,” referring to the so-called “Chevron deference” doctrine stemming from the 1984 *Chevron v. Natural Resources Defense Council* ruling. That decision declared that courts were obliged to defer to federal regulatory agencies in interpreting laws that Congress had left vague, acknowledging the agencies’ scientific expertise.

Roberts wrote: “Agencies have no special competence in resolving statutory ambiguities. Courts do.” This is tantamount to an open invitation to corporate lobbyists and special interest groups to flood the courts with challenges to government regulations that cut across their profit interests, regardless the cost to the health and well-being of the general population. It is also intended to frustrate the implementation of new regulations by requiring that they be sanctioned by legislative and judicial review.

Roberts was joined by the rest of the six-justice right-wing supermajority on the court, Clarence Thomas, Samuel Alito, Neil Gorsuch, Brett Kavanaugh and Amy Coney Barrett. The three moderates—Sonia Sotomayor, Ketanji Brown Jackson and Justice Elena Kagan—dissented, with Sotomayor and Brown Jackson joining the dissenting opinion drafted by Kagan.

The court considered *Loper Bright Enterprises v. Raimondo* together with a nearly identical case, *Relentless v. Department of Commerce*. Both cases involved a 1976 federal law that requires herring boats to carry federal observers to collect data used to prevent overfishing.

Under a 2020 regulation interpreting the law, companies that owned the boats were required not only to transport the

observers, but also to pay \$700 a day for their oversight. Fishing companies in New Jersey and Rhode Island sued, saying the 1976 law did not authorize the National Marine Fisheries Service to impose the fee.

The case was backed financially and ushered through the courts by two interest groups, the Cause of Action Institute and the New Civil Liberties Alliance, both of which have ties to the network of foundations and groups funded by the billionaire right-wing oil magnate Charles Koch (estimated net worth: \$64.9 billion). All of the lower courts, including the D.C. Court of Appeals, basing themselves on the *Chevron* precedent, ruled, as expected, for the government and against the claimants. This paved the way for the right-wing majority on the Supreme Court to take the case and use it to overthrow *Chevron*.

According to the *New York Times*, *Chevron v. Natural Resources Defense Council* is one of the most cited precedents in American law, underpinning 70 Supreme Court decisions and roughly 17,000 in the lower courts. The Supreme Court has now overturned major precedents in each of the last three terms: on abortion in 2022, on affirmative action in 2023 and now on the power of administrative agencies.

The court, unelected, with appointed justices who have lifetime tenure, embodies the profoundly undemocratic character of so-called “American democracy.” Its most openly fascistic members, Clarence Thomas and Samuel Alito, are both deeply implicated in Donald Trump’s attempted coup of January 6, 2021. They are also the most corrupt, having taken the first and third most bribes from right-wing corporate billionaires on a court that has, according to Fix the Court, received a combined \$3 million in gifts over the past two decades. Thomas, the senior justice, himself accounts for \$2.4 million of the total just on the basis of documented bribes.

The gutting of federal oversight of business and destruction of regulatory restraints on profit-making and the enrichment of the corporate elite are part of an ongoing and accelerating social counterrevolution. Essentially, the legal

and governmental superstructure of capitalism, particularly in the United States, is being brought into line with the underlying oligarchic character of the economy. Past reforms, bound up with mass struggles of the working class and in themselves limited and highly inadequate, are being brushed aside in line with the increasingly parasitic character of the American capitalist economy and its domination by massive blocs of capital.

Driven by the loss of its global industrial supremacy and its massive indebtedness, the crisis-ridden American ruling class is turning ever more ruthlessly to global imperialist war and plunder abroad, and class war and dictatorship against its chief enemy, the American working class.

As the *World Socialist Web Site* Editorial Board explained in its 2024 New Year Statement:

The United States is home to the highest concentration of billionaires in the world, whose collective wealth, according to Americans for Tax Fairness, rose to \$5.2 trillion in November 2023, the highest amount ever recorded. As of the third quarter of 2023, the top 10 percent of the US population owned two-thirds of total wealth, while the bottom half owned only 2.6 percent.

Even more significant is the scale of resources controlled by giant banks and financial institutions. JPMorgan Chase, the world's largest bank, controls \$3.7 trillion in assets, more than the GDP of Britain. Private equity firms Vanguard and BlackRock control a combined \$17.1 trillion in assets. Behind the crumbling façade of the two-party system, the US oligarchy exercises dictatorial rule over society.

Making no attempt to cloak its enthusiasm, the *Wall Street Journal* reported Friday's high court ruling overturning *Chevron* in glowing terms:

The Supreme Court upended the federal regulatory framework in place for 40 years, expanding the power of federal judges to overturn agency decisions over environmental, consumer and workplace safety policy, among other areas...

Although neutral on its face, as a practical matter the decision offers another tool to business interests looking for conservative-leaning federal courts to block environmental, consumer or workplace safety regulations they consider too costly.

On the other side, the American Public Health Association and the American Cancer Society issued a joint statement Friday declaring:

We anticipate that today's ruling will cause significant disruption to publicly funded health insurance programs, to the stability of this country's health care and food and drug review systems, and to the health and well-being of the patients and consumers we serve.

Stephen Hall, legal director of Better Markets, which pushes for tougher regulation, said:

This decision threatens to return the United States to the 1910s, when the government had very limited ability to protect the health, safety, and welfare of America.

Two other rulings handed down last week underscore the pro-corporate and anti-social agenda of the Supreme Court's assault on government regulatory powers. On Thursday, the right-wing majority overturned the ability of the Securities and Exchange Commission (SEC) to enforce its rules for financial markets by means of in-house tribunals before expert administrative judges. Instead, the court ruled, the SEC had to sue accused violators in federal court before juries.

The same day, the court in a 5-4 vote put on hold an initiative of the Environmental Protection Agency (EPA) to reduce smog-forming pollution from power plants and factories that blows across state lines. The court sided with states, trade associations and companies that asked for a pause on the agency's "good neighbor" plan while they challenge it in a lower court.



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