



“Ten Thousand Commandments” of Federal Regulation

For fiscal year 2009, the Obama administration projects almost \$4 trillion in spending and a deficit of \$1.752 trillion. Those headline-making figures deal with the government’s tax intake, deficit spending, and borrowing. But the latest *Ten Thousand Commandments* points out that “federal environmental, safety and health, and economic regulations cost hundreds of billions of dollars every year over and above the costs of the official federal outlays that dominate the policy agenda now.” Economist Mark Crain roughly estimates that “regulatory compliance costs hit \$1.172 trillion in 2008.”



But that is not all. “The Weidenbaum Center at Washington University in St. Louis and the Mercatus Center at George Mason University in Virginia jointly estimate that agencies spent \$49.1 billion to administer and police the 2008 regulatory enterprise.” Adding that to the estimated \$1.172 trillion spent to comply with federal regulations makes the total regulatory burden equal to \$1.221 trillion, a total that compares to or exceeds “estimated 2008 individual income taxes of \$1.2 trillion.” Many regulatory costs born by business are passed along to consumers just as they pass along other costs such as fuel prices. To think for a moment of an individual paying his federal taxes twice over to cover the cost of regulation conveys how serious the situation is.

The report explains how regulation can be compared to taxation. Imagine that the government wants, for example, automobiles to be more fuel efficient. Rather than implementing a tax to pay for this, Washington can merely issue regulations that require a certain miles-per-gallon rating. The president and Congress don’t need to risk taking blame for trying to pass a new tax, they can just let automakers pass along the cost of regulatory compliance to the consumer. Who pays for what is essentially a hidden taxation within the regulation? Answer: the consumer, the one who is already paying his income tax and who is now forced to subsidize the automaker’s cost of regulatory compliance.

It is precisely this shirking of responsibility, mainly by Congress, that points to one of the biggest problems with federal regulation. The report states: “Although regulatory agencies issued 3,830 final rules in 2008, Congress passed and the President signed into law a comparatively low 285 bills. *Considerable lawmaking power is delegated to unelected bureaucrats at agencies.*” (Emphasis added.) Congress can all too easily lay the blame for unpopular regulations at the feet of the agency that issues them. The Obama administration has estimated that new fuel efficiency standards would add \$1,300 to the cost of new, “greener” vehicles, but there is no one at the National Highway Traffic Safety Administration to hold directly responsible for this.

Echoing the American colonists’ demand for “no taxation without representation,” *Ten Thousand Commandments* recommends instituting a procedure to hold Congress accountable for both the costs and benefits of federal regulations. “Requiring expedited votes on economically significant or



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controversial agency rules before they become binding on the population would reestablish congressional accountability, helping to fulfill a principle of 'no regulation without representation.' "

Now that is a step in the right direction that's worth endorsing with one's "John Hancock."



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