

Today's editorial in the WSJ by the president of the United States can be understood on at least two levels.

On one level it is an exercise in reasoned persuasion, on the basis of sound evidence and logic, to move the economic policy in a more sensible direction. If this is the intention, it must be judged an abysmal failure. As my annotations below suggest, the reasoning is faulty, the assertions are vague and unsupported, and the

On a second level, this is a rhetorical play – a big one. I have said for a while that one of my biggest fears is that Obama will reinvent himself as a candidate of the “moderate middle” and regain the support of the “moderate” and independents and win reelection in 2012. It seems to me this editorial is all about reelection. All form and no substance, it is an attempt to appeal to those who are worried about his commitment to a healthy economy. It is an attempt to allay these fears while not alienating the anti-business crowd too much. He is cleverly walking a tightrope, looking right and left and hoping not to fall.

Will it work?

PL.

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OPINION

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Toward a 21st-Century Regulatory System

If the FDA deems saccharin safe enough for coffee, then the EPA should not treat it as hazardous waste.

By **BARACK OBAMA**

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 world has ever known. That vibrant entrepreneurialism is the key to our continued global leadership and the success of our people.

But throughout our history, one of the reasons the free market has worked is that we have sought the proper balance. We have preserved freedom of commerce while applying those rules and regulations necessary to protect the public against threats to our health and safety and to safeguard people and businesses from abuse.

From child labor laws to the Clean Air Act to our most recent strictures against hidden fees and penalties by credit card companies, we have, from time to time, embraced common sense rules of the road that strengthen our country without unduly interfering with the pursuit of progress and the growth of our economy.

Sometimes, those rules have gotten out of balance, placing unreasonable burdens on business—burdens that have stifled innovation and have had a chilling effect on growth and jobs. At other

Comment [1]: Who can argue with this? A great starting point.

Comment [2]: Now we introduce some doubts.

Comment [3]: According to whom?

Comment [4]: There are only two arguments that can be offered to support any kind of government regulation.

1. Without it certain kind of social benefits will be lost – social benefits that everyone (without exception?) wants and that would not be available without government provision. Examples are: national defense, literacy, vaccinations, etc.

2. Regulations are necessary to protect people because **they are too stupid or too uninformed to protect themselves.** Government knows better. The argument in the text uses is based on this.

Comment [5]: Whom did they really help?

Comment [6]: Maybe!

Comment [7]: Which clearly have adverse consequences that may hurt those it is designed to help. See [here](#).

Comment [8]: This claim is dangerously false.

Comment [9]: Who should decide this?

times, we have failed to meet our basic responsibility to protect the public interest, leading to disastrous consequences. Such was the case in the run-up to the financial crisis from which we are still recovering. There, a lack of proper oversight and transparency nearly led to the collapse of the financial markets and a full-scale Depression.

Over the past two years, the goal of my administration has been to strike the right balance. And today, I am signing an executive order that makes clear that this is the operating principle of our government.

This order requires that federal agencies ensure that regulations protect our safety, health and environment while promoting economic growth. And it orders a government-wide review of the rules already on the books to remove outdated regulations that stifle job creation and make our economy less competitive. It's a review that will help bring order to regulations that have become a patchwork of overlapping rules, the result of tinkering by administrations and legislators of both parties and the influence of special interests in Washington over decades.

Where necessary, we won't shy away from addressing obvious gaps: new safety rules for infant formula; procedures to stop preventable infections in hospitals; efforts to target chronic violators of workplace safety laws. But we are also making it our mission to root out regulations that conflict, that are not worth the cost, or that are just plain dumb.

For instance, the FDA has long considered saccharin, the artificial sweetener, safe for people to consume. Yet for years, the EPA made companies treat saccharin like other dangerous chemicals. Well, if it goes in your coffee, it is not hazardous waste. The EPA wisely eliminated this rule last month.

But creating a 21st-century regulatory system is about more than which rules to add and which rules to subtract. As the executive order I am signing makes clear, we are seeking more affordable, less intrusive means to achieve the same ends—giving careful consideration to benefits and costs. This means writing rules with more input from experts, businesses and ordinary citizens. It means using disclosure as a tool to inform consumers of their choices, rather than restricting those choices. And it means making sure the government does more of its work online, just like companies are doing.

We're also getting rid of absurd and unnecessary paperwork requirements that waste time and money. We're looking at the system as a whole to make sure we avoid excessive, inconsistent and redundant regulation. And finally, today I am directing federal agencies to do more to account for—and reduce—the burdens regulations may place on small businesses. Small firms drive growth and create most new jobs in this country. We need to make sure nothing stands in their way.

One important example of this overall approach is the fuel-economy standards for cars and trucks. When I took office, the country faced years of litigation and confusion because of conflicting rules set by Congress, federal regulators and states.

The EPA and the Department of Transportation worked with auto makers, labor unions, states like California, and environmental advocates this past spring to turn a tangle of rules into one aggressive new standard. It was a victory for car companies that wanted regulatory certainty; for consumers who will pay less at the pump; for our security, as we save 1.8 billion barrels of oil; and for the environment as we reduce pollution. Another example: Tomorrow the FDA will lay

Comment [10]: This is essentially a misdiagnosis – overregulation produced the irresponsible behavior that could then not be monitored or controlled. Also, no mention of the sweeping home ownership regulations that completely changed the way the home finance industry did business. Or the committing of U.S. taxpayers to FANNIE and FREDDIE finance fiascos.

Comment [11]: Maybe this is a joke! Obamacare, Dodd-Frank, Unions, EPA, ... the right balance?

Comment [12]: And how exactly do they do that?

Comment [13]: Hopefully this can't hurt, and may simplify matters – at least for a while. pefully this can't hurt, and may simplify matters – at least for a while.

Comment [14]: If this were the worst of it we would all be in very good shape. The FDA and the EPA are two of the most intrusive agencies in our history. The costs they have imposed on us is incalculable.

Comment [15]: Would that be a first?

Comment [16]: This basically amounts to discriminating against large businesses. Why?

Comment [17]: Bad example. What is the justification for fuel economy standards? Why is the Federal Government involved in this? If ever a set of regulations was not needed it is this.

Comment [18]: Another joke? Less than what?

Comment [19]: What are we saving them for? Whom are we saving them for?

Comment [20]: Why is the FDA involved in this? Couldn't Consumer Reports do the job?

out a new effort to improve the process for approving medical devices, to keep patients safer while getting innovative and life-saving products to market faster.

Despite a lot of heated rhetoric, our efforts over the past two years to modernize our regulations have led to smarter—and in some cases tougher—rules to protect our health, safety and environment. Yet according to current estimates of their economic impact, the benefits of these regulations exceed their costs by billions of dollars.

This is the lesson of our history: Our economy is not a zero-sum game. Regulations do have costs; often, as a country, we have to make tough decisions about whether those costs are necessary. But what is clear is that we can strike the right balance. We can make our economy stronger and more competitive, while meeting our fundamental responsibilities to one another.

Mr. Obama is president of the United States.

Comment [21]: Who is "our?" In what ways have we protected our health, safety and environment? I doubt this assertion could meet any standard of proof.

Comment [22]: Then why is your administration so big on redistributing income?

Comment [23]: Who?

Comment [24]: How? On the basis of what information; relying on whose actions? Who is we?