

# Trump is Quietly Deregulating the Administrative State

Most people alive in America today have probably never had the experience of sending a telegram. There are a host of reasons for this, the main one being that the telegram stopped being fashionable decades ago as burgeoning technology replaced its use in the modern world. The very last Western Union telegram was sent 11 years ago.

Over a decade too late, the FCC has finally decided to end burdensome regulations that stifled telegraph technology. As Reuters reported:

*AT&T Inc, originally known as the American Telephone and Telegraph Company, in 2013 lamented the FCC's failure to formally stop enforcing some telegraph rules.*

*'Regulations have a tendency to persist long after they outlived any usefulness and it takes real focus and effort to ultimately remove them from the books even when everyone agrees that it is the common sense thing to do,' the company said.'*

Regulations are far easier to create than they are to dismantle. As Milton Friedman said, "Nothing is so permanent as a temporary government program." Yet lately, there has been an undeniable trend of repealing these types of regulations, the likes of which America hasn't seen since the Reagan Administration. And in the spirit of giving credit where credit is due, this current regulatory rollback is due largely to President Donald Trump.

## Setting a New Record

Ronald Reagan left many legacies during his duration in the

White House. And while many were less than praiseworthy—the War on Drugs springs to mind—he did accomplish some deregulation.

In fact, during the Reagan presidency, both the Federal Register and federal regulations decreased by more than one-third. And as impressive as this record surely was, it's already been broken by Donald Trump.

Upon taking office, Donald Trump signed an executive order telling federal agencies that they must cut two existing regulations for each new regulation proposed. Contained within this executive order was the demand that each federal agency create a task force with the explicit purpose of finding regulations worth slashing. This act was intended to help the newly sworn-in president reach his promise of cutting 70 percent of all federal regulations.

While the talk of regulatory cuts is typical red meat rhetoric, the left was obviously less than pleased with this executive order. A coalition of left-leaning organizations even joined together in February and sued Trump on the grounds that his executive order would potentially “block or force the repeal of regulations needed to protect health, safety, and the environment, across a broad range of topics – from automobile safety, to occupational health, to air pollution, to endangered species.” But the lawsuit did not scare Trump away from his objective.

When Obama had been in office as long as Trump currently has, regulations were 28 percent higher. But since taking office, Trump has repealed hundreds of these regulations.

And when it comes to regulations in general, the score speaks for itself. During the same point of time of their respective presidencies, Obama's regulatory tally was at 1,737 while Trump's is 1,241. And while Reagan's own regulatory cuts were admirable, they still don't compare with Trump's if you judge

them by the same timeframe.

Earlier this October, Trump announced his plans to further cut taxes along with red tape that negatively impacts both businesses and consumers. According to [CEI](#), the current level of federal regulatory burdens have amounted to nearly \$2 trillion. And while business owners may pay the initial costs, it will inevitably trickle down to the consumer. When overhead costs are raised on entrepreneurs, that cost must be made up for somewhere. And as CEI also estimates, these hidden costs can account for about \$15,000 per household in any given year.

As the 2017 fiscal year came to a close this month, the White House also released its initiative to cut more red tape to jumpstart the economy. Obviously, the “do nothing” method is a far cry from Obama’s overbearing regulatory intervention.

However, while this rhetoric is pleasing to much of the American public, which is fed up after almost a decade of a stagnating economy, Congress has yet to act on any substantial reform in either the House or the Senate.

Still, the White House has continued its efforts to encourage regulatory relief by pushing for three specific reform efforts, listed by CEI’s Clyde Wayne Crews as follows:

1. Trump’s January executive order requiring agencies to [eliminate at least two rules for every new regulation adopted](#), and that they ensure net new regulatory costs of zero;
2. A sweeping [Reorganization Executive Order](#) that requires the Office of Management and Budget to submit a plan aimed at streamlining and reducing the size of the administrative state generally. This plan will set the tone for Trump’s budget proposal next year.
3. A [memorandum](#) from the new Office of Information and Regulatory Affairs (OIRA) administrator Neomi Rao

directing agencies, for the first time as far as I can tell, to propose an overall incremental regulatory cost allowance for the agency in the new edition of their “Unified Agenda” on regulations. This report will appear in the fall. Prior editions, since the 1980s, would label rules as “economically significant,” but never has there been such a “regulatory budget.” Rao says, “OMB expects that each agency will [propose a net reduction](#) in total incremental regulatory costs for FY 2018.”

But what is, perhaps most interesting is how silent the media has been. Usually, the media doesn’t miss an opportunity to criticize the president, making it all the more strange that these massive regulation rollbacks have managed to slip under the radar.

### **The Importance of Economic Liberty**

Just as it is important to give credit where credit is due, it is also important to acknowledge that excelling in one area does not negate one’s terrible behavior in another. The appointment of Jeff Sessions by itself is enough of a reason to be wary of Trump. Especially given Sessions’ obsession with reigniting the drug war in a time when [public opinion](#) is overwhelmingly trending in the opposite direction. Though in many capacities this makes one of Trump’s weak points similar to Reagan’s.

And the Sessions issue is just one of many. Diplomacy also appears to be one of Trump’s weak points. Taunting a world leader who is threatening to use nuclear arms against your country may not be the wisest idea, but that hasn’t stopped Trump from referring to Kim Jong Un as “Rocket Man” at the height of tensions. And in general, President Trump’s hawkish foreign policy has made a mockery of candidate Trump’s non-interventionist rhetoric.

But increasing economic freedom is no small feat. If there is

any doubt of this, just look how long it took to deregulate the telegraph industry. Without economic liberty there can be no general freedom, which is precisely why Trump's pushback against the regulatory state is so important.

Our modern economy has no doubt been burdened by regulations that have held back the market and prevented others from even entering the workforce. So as hard as Trump is to stomach most of the time, these regulatory scale-backs are cause for celebration.

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