Right wing politicians in the U.S. have gotten very good at channeling George Orwell: As the world economy teeters on the brink of another economic catastrophe whose precipitating cause was a twenty year project to de-regulate finance in the U.S. and abroad, they insist that the cause of our woes is “job killing” regulations. Never mind that, according to the World Bank, the U.S. ranks 5th in the world in terms of ease of doing business in relation to regulations, and that over the past 5 years, doing business in the U.S. overall has become easier, not harder. The same report shows that in the OECD the ease of doing business has stayed the same or improved since 2006. Yet in the OECD countries 50% more people were unemployed in 2010 than in 2007.

But repeat the “job killing regulation” mantra often enough – and have the echo chamber of the media spread it around relentlessly – and it begins to sink in. All of this serves to soften up the citizenry to accept the corporate goals of killing as many undesirable regulations and to prevent as many new ones. (Of course, they will continue to push for the regulations they like with gusto).

And the corporations and their political allies have been rapaciously successful in their efforts. Every day we see a new headline announcing their increasing success in gutting one component or other of the Dodd-Frank financial reform act and similar measures in Europe: they are undermining position limits on derivatives trading to curb commodity speculation that were to be imposed by the Commodities Futures Trading Commission (CFTC); they are closer to Swiss-cheesing the Volcker Rule that was to limit risky proprietary trading by banks; they are likely to weaken new capital charges for systemically important (what Bill Black calls systemically dangerous) banks; and they have been working tirelessly to reduce funding for financial regulators.

However effective these lobbying campaigns to destroy useful regulations have been, right-wing Republicans and their Democratic allies in Congress have now devised an even more destructive weapon: The Regulatory Accountability Act, sponsored by Senators Rob Portman (R-Ohio), Mark Pryor (D-Ark.), and Susan Collins (R-Maine) and in the House by Reps. Lamar Smith (R-Texas) and Collin Peterson (D-Minnesota). The bill would put even more burden of proof on regulators to show that their regulations have low costs, do not cost jobs, and will not hurt profits. It is
designed to block regulation and could dramatically affect the possibility of implementing financial, health, safety and environmental reforms that are vital to the health of people, the community and the planet. This justification on the grounds of costly and job-killing regulations flies in the face of studies by the Center for Progressive Reform, the Economic Policy Institute, and others on the potential employment and economic benefits of many regulations and the already stringent hoops regulators must jump through to implement them.

Placing more burden of proof on the regulators is especially absurd in the area of financial reform: it presumes against living proof that the financial markets are safe and efficient. In fact, we should be moving in the opposite direction: we should implement a precautionary principle for dangerous financial products by implementing a Financial Products Safety Commission, placing the burden of proof on the creators of financial products to establish that they are safe and effective. Think synthetic collateralized debt obligations (CDOs) and credit default swaps (CDSs) that helped to crash our economy.

Sadly, it seems highly unlikely that our elected officials will move us in the right direction. But if the “Occupy Wall Street” movement grows, we might get a fighting chance.

In the meantime, there is a movement coalescing to fight against this highly destructive set of bills designed to destroy productive regulation: Coalition for Sensible Safeguards. Check it out – on your way down to Occupy Wall Street.