



Written by [William P. Hoar](#) on January 29, 2021

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## Correction, Please

### Diktats to “Build Back Better” Will Be Costly, Intrusive



**Saving the Earth?** The Biden administration intends to join the Paris global-warming agreement, even though treaties need Senate approval and it will do no good at reducing CO<sub>2</sub> emissions because China is building coal-fired power plants by the dozen, with the world’s permission. *(Photo credit: AP Images)*

**Item:** Bloomberg Businessweek for December 18 touted Joe Biden’s selection of John Kerry to be his “climate czar.” The secretary of state under Barack Obama “helped craft the 2016 Paris climate accord,” noted the publication. “The incoming administration is looking,” said the magazine, “at new regulations that could have a big impact on climate emissions, such as standards for pollution from car and power plants. ‘Biden recognizes that we made a down payment in the Obama administration, but also recognizes we need to go much further — as fast as we possibly can,’ says Heather Zichal, a former environmental aide to Obama who previously worked as Kerry’s legislative director.”

**Item:** The same magazine (Bloomberg Businessweek, November 16) declared that Biden “must repair the harm done to the U.S. government under Trump and begin to build a modern, expert-led civil service.” Headings within the piece (written by Romesh Ratnesar, a member of the editorial board of Bloomberg Opinion) set the tone, including: “Empower the Scientists,” “Bring Back the Career Staff,” “Let the Watchdogs Do Their Work,” and “Rejoin the World.”

The piece claims that under Trump career employees were “marginalized” in agencies such as the National Oceanic and Atmospheric Administration, U.S. Geological Survey, and National Park Service, among others. The Centers for Disease Control and Prevention (CDC) and the Food and Drug Administration (FDA) “‘were once the envy of the world,’ says Ali Nouri, president of the Federation of American Scientists. The ‘gold-standard’ agencies ‘have now become politicized under Donald Trump.’”

**Item:** The Biden campaign document “The Biden Plan to Build a Modern, Sustainable Infrastructure and an Equitable Clean Energy Future” is replete with recommendations for subsidies, mandates, and regulations, many about achieving “net-zero greenhouse-gas emissions.”

A major economic regulatory burden that is planned under Biden is a huge increase in the federal minimum wage. As reported by the National Restaurant News for January 8, Biden said he will “push



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*for minimum wage increases, expanded stimulus money and more pandemic relief for restaurants and bars.” The trade publication quoted him saying no one “who works 40 hours a week in America should still live below the poverty line. They are entitled to a minimum of \$15 an hour.”*

**Item:** A CBS News headline dated January 15 declared: “Biden minimum wage proposal could lift more than 1 million workers out of poverty.”

**Correction:** Leftists assure us that the problems with existing mandates will be fixed by a more centralized regulatory regime run by more effective feducrats.

How did we ever survive before we had government bureaus to tell us what to do? The issue has been with us for eons. In 1824, Thomas Jefferson complained that we had “more machinery of government than is necessary, too many parasites living on the labor of the industrious.”

(The number of federal government employees more than doubled between 1802 and 1826 — from 3,905 to 10,415. What would Jefferson think about today? The Environmental Protection Agency alone has a budget of more than \$9 billion and workforce of more than 14,000.)

Even more functionaries and edicts are on the way. For example, Joe Biden and his enablers — amid a pandemic that has put millions of people out of work — have a supposed solution for the unemployment crisis: Let’s make many jobs illegal.

That is what an increased minimum wage does. To be sure, when a minimum wage is boosted, there are benefits. That aspect, and that alone, is what that horribly deceptive CBS News headline (above) emphasizes. Yes, some will get more in their paychecks (that is, if their employer is still in business). That is on the “pro” side. However, there are plenty of “cons” for having a minimum wage and then doubling it.

According to a Congressional Budget Office (CBO) study, while many would get more with a \$15/hour federal minimum, 1.3 million other workers would become jobless, according to the CBO’s median estimate. Indeed, the analysis concluded that as many as 3.7 million jobs might be lost.

Writing for the Foundation for Economic Education (FEE), Brad Palumbo had a more reliable analysis, noting that the timing for such an increase could not be worse. He also quoted Employment Policy Institute Managing Director Michael Saltsman, who commented: “A dramatic increase in the minimum wage even in good economic times has been shown to be harmful. In the current climate, for many employers it could be the final nail in the coffin.”

You won’t see this mentioned in a Biden campaign document or from his administration, but the late economist Murray Rothbard was on target when he observed:

In truth, there is only one way to regard a minimum wage law: it is compulsory unemployment, period. The law says: it is illegal, and therefore criminal, for anyone to hire anyone else below the level of X dollars an hour. This means, plainly and simply, that a large number of free and voluntary wage contracts are now outlawed and hence that there will be a large amount of unemployment. Remember that the minimum wage law provides no jobs; it only outlaws them; and outlawed jobs are the inevitable result.

One mitigating grace is that the entire hike wouldn’t happen all at once.



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No one ever explains why, if \$15/hour is good, the government shouldn't graciously boost it to \$50. Indeed, wouldn't a mandatory 100 Bidenbucks per hour be even better?

There are trade-offs that don't get mentioned when politicians try to bribe voters with their own money. What helps some hurts others, usually those more in need. As observed by Trey Kovacs, a labor policy analyst for the Competitive Enterprise Institute:

Rather than help unskilled and inexperienced workers, a \$15 minimum wage will cut off the first rung of the career ladder for many. By raising the minimum wage, businesses will choose to hire more productive employees. This leaves less productive workers — the target of minimum wage policies — out of a job and deprived of the opportunity to gain the skills necessary to get higher paid employment.

In short, minimum-wage laws serve as a barrier to job opportunities for the least skilled workers and those with the least experience.

That is how federal overregulation generally works. Yet, the authoritarian Left just loves it when the "expert" pen-pushers are authorized to control the plebs, the lower classes in their view. The *Bloomberg Businessweek* piece cited above by Romesh Ratnesar makes it clear that such priorities are integral to the Biden campaign slogan, "build back better."

The supposed experts of the CDC and FDA, as it happens, have not been as adept as you would expect of good bureaucrats. In fact, even the *New York Times* pointed this out March 11, in the New York print edition, headlined "A Lab Pushed for Early Tests, But Federal Officials Said No."

That coverage was summarized well at the time by Ronald Bailey for *Reason*. By January (2020), he related, a Seattle infectious disease specialist named Dr. Helen Chu had collected a huge number of nasal swabs from locals who were experiencing symptoms, as part of a research project on flu. Chu proposed, to federal and state officials, testing those samples for coronavirus infections.

As the *Times* noted, the CDC told Chu "and her team that they could not test the samples unless their laboratory test was approved by the FDA. The FDA refused to approve Chu's test on the grounds that her lab, according to the *Times*, 'was not certified as a clinical laboratory under regulations established by the Centers for Medicare & Medicaid Services, a process that could take months.'"

In the meantime, recounted Bailey, the CDC "required that public health officials could only use the diagnostic test designed by the agency. That test released on February 5, turned out to be badly flawed. The CDC's insistence on a top-down centralized testing regime greatly slowed down the process of disease detection as the infection rate was accelerating."

Does that sound like the "gold-standard agencies" ballyhooed in *Bloomberg Businessweek*?

When you examine the kind of "good bureaucracy" needed for the various Biden plans, and do so honestly, you find that Joe's regulatory state is going to be quite expensive — and that the projected extra burden will hit heavily against middle earners and those with lower incomes.

Casey Mulligan, a professor at the University of Chicago who served as chief economist of the White House Council of Economic Advisers from 2018-2019, has examined both explicit regulations and those that would be necessary to meet Biden's expressed goals. As Mulligan explained in the *Wall Street*



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*Journal* in September, the “poor would suffer most under Mr. Biden’s platform.”

Mulligan divided the households into five income groups and estimated the cost of the regulations for each quintile. He writes:

The costs to the bottom group amount to 15.3% of its total income — representing a burden equal to all the taxes they currently pay. This group would experience part of the cost as lower wages, but the biggest bite would come in diminished purchasing power due to higher prices for energy, cars and other consumer goods.

The top quintile, by contrast, would suffer the least from regulatory restoration, with labor, energy and other consumer rules amounting to only a 2.2% implicit tax on the highest earners.

Don’t forget that Joe promised, repeatedly, that his administration would not impose new taxation on Americans making less than \$400,000. That was a tall tale, and a costly falsehood to boot.

Similarly, consider a definitive study at the Hoover Institution: “An Analysis of Vice President Biden’s Economic Agenda: The Long Run Impacts of Its Regulation, Taxes, and Spending.” Its authors conclude, relative to the CBO’s 2030 projections, there would be “4.9 million fewer employed individuals, \$2.6 trillion less GDP, and \$1.5 trillion less consumption in that year alone. Median household income in 2030 would be \$6,500 less.”

Also take a look, if you dare, at “moderate” Joe’s climate-change plans. Donald Trump, recall, pulled the United States out of the Paris agreement (and emissions in the United States fell considerably); Biden promises to rejoin. It was the cost to the United States of the Paris pact, especially compared to China, among others, that helped to prompt Trump to leave. As the *Washington Times* recalled, “U.S. participation in the pact would cost the average family of four \$20,000 by 2035, according to the Heritage Foundation.” Yet, noted the newspaper, the “resultant reduction in global temperatures” would be “a nearly unmeasurable 0.015 degrees Celsius in 2100.”

Biden’s additional proposed climate plans are slated to be huge — requiring major new taxation and spending to make a transition from conventional energy. Here’s what we face, as summarized in a Heritage Foundation analysis. The Biden campaign anticipated the spending of

\$2 trillion over four years. That spending equates to roughly \$1.37 billion per day to subsidize politically preferred technologies — everything from renewable power and electric vehicles to energy-efficiency upgrades in buildings.

The huge cost of regulations on the U.S. economy has been studied for many years by Wayne Clyde Crews at the Competitive Enterprise Institute. For an overview of selected findings in the report, a CEI news release summed up selected findings:

The cost of federal regulation to each U.S. household exceeds \$14,000 annually, on average. For perspective, that equals about one-fifth (18 percent) of the average pre-tax household budget and is the second-biggest budget item after housing....

The \$1.9 trillion regulatory burden is equivalent to more than 40 percent of total federal



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spending, which was \$4.447 trillion in 2019.

The \$1.9 trillion “hidden tax” of regulation exceeds the corporate and personal income taxes combined.

As large as the totals are, keep in mind the “number of new, final rules is way down under Trump,” noted Crews.

While Trump deregulated, Biden vows to reregulate. (Trump also cut taxes; Biden promises to raise them.) The numbers above do not include much of whatever actions Biden might impose in conjunction with his \$1.9 trillion “stimulus” package.

Accordingly, if the Biden team does push through a significant part of its counterproductive plans, what it is going to stimulate is increased poverty.



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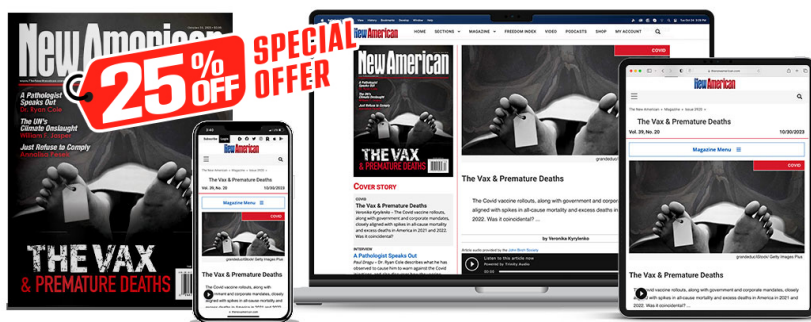
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