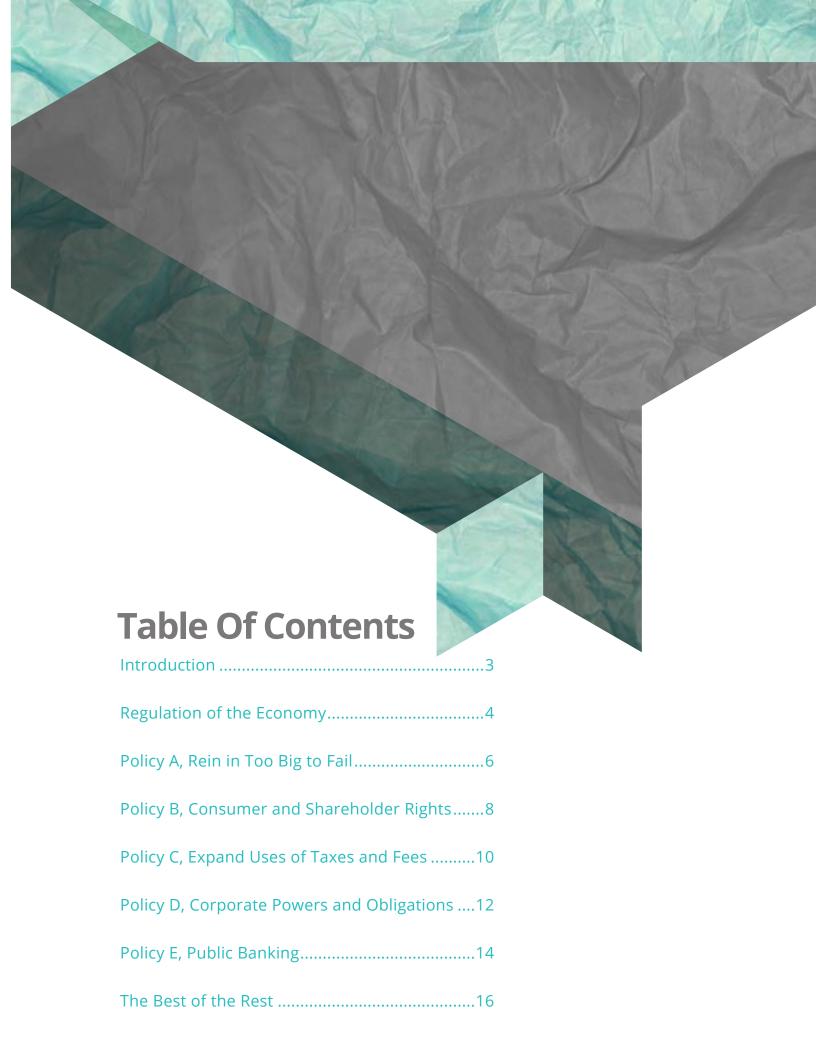
REGULATION OF THE ECONOMY 3.1

Dennis Boyer, IF Fellow and Project Manager August 30, 2020



INTRODUCTION

The Interactivity Foundation (IF) develops discussion guides framed around policy possibilities that are intended to serve as starting points for citizen discussions and not as recommendations for immediate government action. In 2007, IF authorized its Fellow Dennis Boyer to conduct a discussion project on the Future of Regulation. After about eighteen months of panel meetings in Wisconsin, he submitted a discussion guide with that title. Since that time, IF has used that guidebook and many others in citizen discussions.

IF collects and analyzes feedback from those citizen discussions in an attempt to learn what works and what does not work for citizens in terms of presentation and content. IF also receives comments from independent facilitators, public conversation practitioners, and higher education faculty who use discussion guidebooks in the classroom. IF also periodically revisits and updates these guidebooks to take this and other feedback into account.

In the case of the original guidebook Future of Regulation, there were a number of comments concerning the large number of policy possibilities (making discussions lengthy), the complexity and jargon of the subject matter, the desire for a more fleshed out perspective of citizen participation in regulatory matters, and the possible gap between the IF guidebook on regulation and the real-world financial sector issues involved in the economic turmoil and recession in 2008 and thereafter.

A revised guidebook attempts to address the "user friendliness" concerns. A supplement on citizen participation in regulation will accompany that revision, as will this Regulation of the Economy supplement.

This supplement was made possible by online developmental discussions conducted by two different groups of community organizers and non-profit administrators. They were drawn primarily from the ranks of the <u>Poor People's Campaign</u>, <u>Sunrise Movement</u>, and <u>FairVote</u>, but included voices from consumer protection groups as well.

The project manager also wishes to thank IF Fellow Pete Shively, IF Wisconsin Discussion Project Coordinator James Schneider, and IF Facilitator Karen Stollenwerk for their suggestions and assistance that made this update of our regulation "portfolio" possible.

REGULATION OF THE ECONOMY

In the wake of the disastrous economic events of 2008, many citizens started paying closer attention to parts of economic policy that previously seemed dull and remote from their experience. What happened to my pension value? Why can't I sell my house as I try to move to that new job? Why did my sister lose her home to foreclosure? Where did all the jobs for young people go? Why did we bail out big banks and insurance companies? These were among the questions on the lips of many citizens almost as soon as the first version of the IF Regulation guidebook came out.

Since the 1980s, citizens had been reassured that our economy was largely "self-correcting" through the workings of the "market" and that the collective wisdom represented by the Federal Reserve would oversee orderly growth. In this context, regulation was seen by many as an impediment to prosperity, not a restraint on dangerous excess.

Dazed and confused by our economic crisis, citizens started to hear unfamiliar terms like "too big to fail," "high risk loans," "bubbles," "stimulus," and "quantitative easing." They also discovered (to the surprise of many) that financial institutions were conducting risky unregulated business outside of their core regulated functions, that new (and difficult to understand) financial instruments had growing roles in the economy, that regulatory agencies had not provided needed levels of oversight, and that those rating risks and recommending financial products were not above obscuring essential facts or betting against their own customers.

It is true that there were credible sources who warned us at the time of the very things that later came to pass. But these sources were often marginalized and sometimes attacked within their professions. The "conventional wisdom" and wishful "group-think" may have caused us to ignore many warning signs. Some have observed that those who profited from the speculative runup of profit-taking had plenty of influence and spent freely in the political sphere to minimize taxes and government interventions. And others might point out that the conditions that were harmful to the vast majority of citizens also brought about a major shift in wealth to a very small portion of the populace.

In the broadest sense, much of our regulation concerns the economy. Whether on matters like employment or zoning or food safety, costs are involved and individuals and businesses face consequences and decisions on how to respond. Government as a large employer and underwriter of so much infrastructure and so many services also inevitably shapes the economy. In this discussion guide, however, we will focus more on direct regulation of economic matters that are—or could be—implicated in the post-2008 meltdown and crises since then. And while economic regulation occurs on the state and local levels as well, our federal system has long put the most significant economic regulation in the hands of the national government.

The initial development discussions for this guide drew upon the sense that there are "regulatory toolkits" and "best practices" that allow for concerns to be approached in multiple ways to serve diverse political perspectives. Regulatory discussions often fall back upon metaphors concerning "steering," "braking," and "course corrections." It was understood that citizens' and public officials' senses of how much regulation is needed and of what subject matters may vary over time.

Discussion participants also looked at two fundamental approaches to regulation: goal-based and rule-based. Rule-based regulation most closely resembles what most citizens think regulation is: that is, a highly detailed sets of rules that set out what may and may not be done in a regulated sector. Conversely, goal-based regulation is a more discretionary and adaptive form of regulation that looks to the values and vision behind the regulatory mission and gives regulators some flexibility in how to achieve those goals. Some feel that rule-based regulation inherently causes difficulties when implemented as anything not expressly prohibited is permissible. Others feel that goal-based regulation is an invitation to executive branch over-reach and abuse of discretion.

This supplement flows out of a series of discussions among those with diverse perspectives on what has happened in the economy since 2008. Participants in a first round included several bankers, an investment counselor, an insurance underwriter, a pension manager, several consumer advocates, an economist, an investment broker, a corporate chief financial officer, and an activist from Occupy Wall Street. A second round in 2020, drew upon many from the nonprofit sector dealing with the fallout of the pandemic and the economic dislocations that followed. The third round of community organizers was largely behind this version.

POLICY A REIN IN ANYTHING TOO BIG TO FAIL

Large concentrations of financial power in a few institutions endanger the overall economy by increasing the risks of poor decisions and amplifying the harms caused by failure. Concentration may be seen by some as a natural outcome of operation of the market, but others see such concentration as evidence that the market will not and cannot correct itself in a timely way in a major crisis. Regulators need the ability to prevent such concentrations or restrict them in ways that protect the public.

THINKING BEHIND THE POSSIBILITY

Some citizens find it incomprehensible that the failure of a few institutions should be allowed to cause widespread economic crisis. The "Pearl Harbor" analogy was used — recalling the consequences of lining up battleships in one location where they could be conveniently bombed. Much of the reasoning for this possibility also reflected a belief that well-run organizations have developed risk management practices that the financial sector has systematically ignored.

Concerns in this possibility not only reflect matters of size and scale of concentrated economic power, but also of "position" within the overall economy. Among the chief questions was whether the concentration is in a key subsector that many other financial interests depend on and the probability that failure in this key sector will then ripple out nationwide with severe consequences.

These discussions also explored our past experiences with failing banks, railroads, and utilities. There was an understanding that such experiences produced various policy responses, with varying degrees of success. There was also a sense that the lessons learned from such crises tend to be temporary and that safeguards are often abandoned or subjected to "work-a-rounds". The conversation acknowledged the tension in our society between prudent business practices and speculative zeal.



Discussions concerning this policy explored past examples of economic risks and abuses that might be attributed to concentrated economic influence. It was noted that much of what is now recognized as modern regulation (in the form of specialized agencies and rules) arose out of the past examples in areas like railroads and banking. Discussions also led to a sense that the central concern here—widespread danger to the health of the general economy through failure of key sectors—might be addressed through many regulatory approaches and raises, at the outset, the fundamental rules-based regulation versus goal-based regulation contrasts mentioned in the introduction to this supplement.

The discussions behind this policy also generated an appreciation that many regulatory areas—especially those involving broad impacts on the economy—may require use of multiple approaches and implementations. Among the multiple approaches and implementations discussed in this project were the following:

- Dismantle financial institutions that create opportunities for crisis.
- Re-organize and re-invigorate regulatory agencies to reflect current market conditions.
- Oppose weakening of federal Dodd-Frank* legislation that addressed some financial sector abuses.
- Do not socialize risk while privatizing profit, with strong repayment provisions for "bailouts."
- Look to antitrust models that review and approve, limit, or disapprove mergers or acquisitions that may tend to concentrate economic power in risky arrangements.
- Use insurance and bonding models or create financial "authorities" that are, in essence, closely regulated publicprivate entities subject to swift regulator intervention.
- Adapt a "public utility" model of highly regulated monopolies for those portions of the financial sector that are absolutely essential to the public interest.

ON THE OTHER HAND

Some may find this policy totally outside their understanding of how we function as a society and economy. They may worry that such approaches will act to undermine respect for private property and entrepreneurial initiative. Those who developed this policy felt the opposite and that the policy represents the last best hope of preserving broad-based participation in a market economy not dominated by oligarchs.

POLICY B EXPAND CONSUMER PROTECTION AND SHAREHOLDER RIGHTS MODELS

Our understandings of functioning market economies have long included a responsibility of government to protect citizens and consumers from predatory business practices. Many of our concepts of justice are rooted in recognition that outsize power may lead to outsize influence. These fairness and "level playing field" concepts have influenced regulation that seeks to protect those engaged in transactions with large institutions and those who may own small stakes in large enterprises. Regulation can build upon what we have already learned from these consumer protection and shareholder rights models and expand it to other aspects of economic regulation.

THE THINKING BEHIND THE POSSIBILITY

Many feel that the basic framework of the economy is sound even if they feel that additional safeguards against abuse are needed. At the same time there is concern that many of these consumer protection and shareholder rights models are being constantly eroded over time by continuous corporate efforts. Thus there is a feeling that there is a need for vigilance and constant reinvigoration of this regulatory sphere.

The need for vigilance underlines the importance of the "watch dog" role of regulation: shining a light on questionable practices and spurring discussions of what should be allowed, what should be prohibited, and what should be monitored for the time being. Such vigilance requires that regulators be equipped with the tools and technologies that place them on equal footing with highly sophisticated private operations.

Reinvigoration of protection models implies an adaptive and nimble regulatory culture. Business operations evolve quickly in the current economy and so must our regulatory response. An almost constant process of review of the efficacy of regulatory operations must be maintained. Advisory panels of independent experts in the regulated field should be empowered to undertake audits and issue recommendations.

DEALING WITHPROTECTION MODELS

Many critics of consumer protection and shareholder's rights models cite the difficulty of holding on to effective regulatory standards over time. These criticisms are almost as old as modern regulation itself, with the longstanding concern over "regulatory capture". "Regulatory capture" is said to have gained the upper hand when regulated industries are able to control regulatory agencies to the point where protections are weakened or even eliminated. In some cases, this state of affairs is accomplished by packing regulatory commissions with "experts" from regulated interests.

There is often a conundrum in these matters as it is sometimes difficult for individuals to accumulate the experience and expertise without having exposure to the regulated sector. At times this contributes to a dizzying feel of the "regulatory revolving door", in which relatively small numbers of experts float among regulatory agencies, regulated interests, think tanks, and related academic departments. Looked at though one lens, this could be a process that contributes toward building expertise.

Another set of issues in weakening protections is the more recent phenomena of "hollowing out" of regulatory agencies. The most obvious forms of this accrue through defunding critical missions. But it has also become more common to allow appointments to go unfilled, to depress agency staff morale, and to "slow-walk" agency rule-making even when circumstances suggest some urgency.

Participants in the developmental process leading to this guide felt that the following considerations should guide a reinvigorated protection model:

- Shift presumptions from what is explicitly forbidden to allowing only what is expressly allowed.
- Transparency in all transactions.
- Do not allow financial institutions to bet against their own customers.
- Active protections from manipulation and abuse.
- End advantages of transaction speed through connectivity.
- Meaningful disclosure of financial terms and credit terms.
- Promote meaningful governance by shareholders.
- · Prohibit high-pressure marketing.
- Provide close scrutiny of new financial instruments and allow their use only after safeguards are imposed.

ON THE OTHER HAND

Some may feel that the notions of "strict protections" and "nimbleness" are impossible to reconcile in the regulatory environment. Even the best intentions to strike a balance might create chaotic conditions where "course corrections" become more like perplexing zig-zags in rule-making and enforcement.

Others may find this policy acceptable in general terms, but feel that it involves fundamental governance issues that will always be subject to political adjustments. In this view "perfect regulation" is transitory and, perhaps, illusionary. It will always remain a work in progress.

POLICY C

EXPAND REGULATORY USES OF TAXES AND FEES

Taxes and fees are, perhaps, among the oldest forms of regulation. To early "rulers" such mechanisms offered, of course, the advantage of generating revenue for societal operating costs. Early forms often involved many forms of coercion and today might seem like "tribute" or "protection rackets". But before long they became part of the bureaucratic toolkit of discouraging some behaviors while incentivizing others, guarding entry to trades and professions, and allocating the costs of infrastructure and security in ways that made sense to those in charge. Other than depriving subjects of life or liberty, it was also one the forms of government action most likely to generate resentment and revolt. While die-hard opponents of taxes and fees are still with us, we have seen over time more acceptance of taxes and fees set through collective processes, be they more or less democratic or authoritarian.

THINKING BEHIND THE POSSIBILITY

Some potential areas of regulation lend themselves to relatively few options. Will we allow the activity, prohibit it, or allow it within certain limits? Other areas of regulation call for more complicated structures of standards and measurements that call for relatively sophisticated monitoring and compliance efforts. Taxes and fees seem to lend themselves to the more straightforward categories where we seek to recoup the social and administrative costs associated with governmental oversight of an activity. At the same time, there may be opportunities to apply some principles of taxation and fees to parts of regulated economic activity where the details of the regulation entail significant administrative expense.

Some favor taxation and fees over the more complicated forms of regulation because of a perception that they are "leaner" or "less bureaucratic." While these judgments may often be in the eye of the beholder, there is certainly a case to be made that paying a one-time tax or fee may be far less burdensome than studying a hefty compliance manual or scheduling a series of inspectors or auditors.

Further consideration of taxes and fees in regulation require an understanding of the goals of the particular form of regulation. If the goal is to altogether prohibit an activity, then an outright ban is more direct and honest than an excessive tax or fee that amounts to a ban. Conversely, if the goal is to assure that those wishing to carry on an activity have the resources to see it to completion, then high fees may be in order. And some combination of taxes and fees—some substantial—might be justified when the objective is to make sure that those desiring to profit from an activity are the ones paying for the costs of regulating it.

DEALING WITH TAXES AND FEES

For those preoccupied with shrinking the size of government so that it might be drowned in the bathtub, taxes and fees represent yet another slippery slope that can serve big government. One of their biggest fears—though not often found in reality—is that taxes and fees generated to fund a particular regulatory activity might be diverted into the general fund coffers of government to pay for other general public services.

Another concern is that taxes and fees can obscure the public goals served by regulation, turning regulated persons into "paying customers" of the regulatory authority. Some find that particularly the case with forms of regulation that create "barriers to entry," like professional licensing.

Discussions of this policy approach often came up with the idea of a "balancing test"—a set of standards that allow evaluation of regulatory goals, determination that taxes or fees are the best way to fund the regulatory effort, and that generated sufficient revenue to match the fiscal needs of the regulatory program. If the regulatory effort serves broad public purposes, if the regulated interests are not particularly prosperous, and if the funding needs of the regulatory agency are extensive, then taxes and fees alone will not make for a robust regulatory effort.

For this policy, our participants thought that taxes and fees might go beyond their common uses to include the following:

- Impose fees that create "pooled funds" to incentivize innovation, in effect creating "prizes" for breakthroughs and advances in technology and societal well-being.
- Levy taxes or fees on "bad practices" that impose costs on those who create social and environmental problems that are commensurate with the costs of remediation.
- Expand use of pre-assessed "impact fees" where costs to the public for the consequences of private economic activity can be reasonably foreseen.
- Create hybrid models of fees, bonding, and insurance to protect the public from the costs of risky activity.
- Develop a "liquidation fee" that is, in a sense, a form of business sector "capital punishment" where the private economic behavior has been so egregious that a business should not be allowed to continue operation.

ON THE OTHER HAND

Legal dictum has it that "the power to tax is the power to destroy." Some think inevitable that despots will milk their populations of resources through any available means and that taxes and fees hand them the legal tools to do so. Others are concerned that the blunt tools of taxes and fees usually lack any features of progressive taxation or ability-to-pay rationale. What might be a crushing fee to an individual proprietor might be a simple cost of doing business to a larger enterprise. Many participants supported the idea of smaller fees for start-ups and of schedules of fees based on the size of the enterprise.

POLICY D

REORGANIZE CORPORATE POWERS AND OBLIGATIONS

Corporations have become the primary form of business organization operating at large scales at the national and international level. They evolved out of the older form of "charters" that granted collections of individuals the right to band together to operate enterprises independent of government, but still under its protection. In some cases, these entities were granted monopolies within specified territories and even performed government functions. As business operations grew more sophisticated, the vehicle of "incorporation" became a way of limiting liability of owners/shareholders for the acts of the corporation. In the legal sphere of the United States, the jurisprudence of corporate law also grew in unpredictable ways: e.g., corporate "personhood" and business speech as protected speech under the First Amendment of the US Constitution. In the minds of many, these evolving legal doctrines have permitted the ascendancy of business interests over the rights of natural persons.

THE THINKING BEHIND THE POSSIBILITY

In their early forms, corporations could be seen as a form of regulation—at least when they were organized for relatively narrow purposes. As their scopes expanded and they became "umbrellas" for all sorts of business activities, they were often able to leverage their social and economic power to influence public policy. Not surprisingly, this influence was usually in service of further expanding their powers and reach.

The history of corporate influence in the United States is not an unbroken line of business strangulation of the public interest. As with much in our history, there has been ebb and flow. Periods of "robber barons" were followed by ascendancy of "progressive reformers." Times of great economic expansion and excesses were often followed by collapse and cautiously picking up the pieces. Competing "myths" have wrestled for domination in our narrative: are we a nation that prizes unbridled competition, or are we guided by notions of fair play.

Yet today we are faced with the prospect that corporations have at long last prevailed in their efforts to gain the upper hand. Our political campaign process is awash in cash. Our "leaders" often seem guided by expediency rather that principles. Our judicial branches seem weaponized on behalf of partisan agendas. And even our most basic components of citizenship, like elections, are subject to distortions such as voter suppression and gerrymandering that, in turn, appear to be the result of the influence of concentrated wealth and power. Many would agree that there is a long list of things that need fixing, and reining in the power of corporations seems like a good place to start.

DEALING WITH RESTRICTIONS ON CORPORATIO

The process of incorporation in the United States is governed by the differing laws of the various states. This has led to anomalies like the disproportionate number of corporations organized under laws of the State of Delaware, which is seen—you guessed it—as a jurisdiction that is very friendly to corporations. More recently, there has been a trend to "offshore" incorporations to even friendlier jurisdictions—like tropical island republics with little or no taxation.

This decentralized legal framework means that to achieve any significant changes in law or policy toward corporations will probably require extensive political strategizing among states and action at the federal (perhaps Constitutional?) level as well. Currently, "bidding wars" often arise among states on policies related to economic development, and corporate law is not immune from these same "raceto-the-bottom" pressures. As mentioned previously, the courts in the United States have been active participants in the expansion of corporate power and often treat corporations as a sacred instrument of economic rights. Thus the obstacles to achieving this possibility are significant, but the times nonetheless seem ripe to at least discuss a different way of doing the nation's business.

Discussion of ways in which corporate powers might be "tamed" and be made to serve society (instead of the other way around) included the following "limits":

- Nationalize corporate formation to create one system of incorporation for any corporation touching upon interstate commerce.
- Disallow any compromise of incorporation duties and obligations through any treaty or regulation by an international body
- Limit corporate powers to those set forth in an
- initial "chartering" authorization.
 Abolish corporate "personhood" as equivalent to the rights afforded natural persons.
- Develop and enact "public benefit" tests to evaluate and adjudicate whether corporations are serving the goals set forth in their initial charters.
- Allow for special categories of "social responsibility charters" that incentivize creation of corporate entities that agree to operate at higher standards.
- Enlarge the "duties and obligations" of corporations and their officers beyond shareholder profit and include duties to communities, employees, consumers, and other stakeholders.

ON THE OTHER HAND

Some might feel that this possibility violates the sanctity of private property and would start us down a road to collectivization. They may feel that corporations are the engines that built the United States and that these limitations would redefine who we are and how our society functions. They may also feel that such limitations would curtail the incentives that spur innovation and hard work, and that any abuses can be curbed without wholesale alteration of corporate fundamentals.

POLICY E CREATE A SYSTEM OF PUBLIC BANKING

A great many of the concerns generated by regulation of the economy have originated in our financial institutions and their related mechanisms. For our purposes here we will refer to "banks" and "banking" even where the transactions and underlying business operations bear little resemblance to the public's understanding what a **bank** can or should do. Gradual "blurring" of the meaning of banking has added to the confusion over the years as banks started to engage in business activities long thought to be in separate domains. Problems often arose both where the expanded activities involved risks above and beyond those usually undertaken in banking and where the risks involved undermined the financial soundness of the banks themselves.

THINKING BEHIND THE POSSIBILITY

The economic history of the United States has often centered on crises involving—and sometimes engendered by—banks in various forms. In different eras, this has taken the form of bank failures, "runs" on banks (where depositors rush to withdraw their funds), manipulation by wealthy individuals and interests, and poor lending practices on the one hand and rough treatment of borrowers on the other hand.

In the early days of the United States, there were a number of controversies that centered on banking, including the idea of a "national bank." Some historians would say that the underlying issues of banking were second only to slavery as dividing issues in early United States politics. And other historians might add that issues of banking were closely connected to later controversies concerning currency issuance and early monetary policy.

Public oversight of banking was of great concern to many 19th century popular movements. The concern manifested itself in numerous proposals for democratically controlled banking commissions, cooperative savings and lending institutions, and even publicly owned and operated banks. In a few cases during the populist and progressive eras, the proposals took form in actual practice. Such efforts were generally opposed by financial and economic elites. But the current and persistent problems of credit and debt are raising fresh interest in the idea of banks to operate in the public interest.

DEALING WITH THE ISSUES OF PUBLIC BANKING

Many citizens view banking through the lenses of saving and borrowing, and those are indeed among the most common functions of local banks. A brief detour through the history of saving and borrowing reveals little tidbits like that the US Postal Service was once a significant savings institution; that there are large "banks for banks;" and that credit unions grew out of periods of distrust of banks and interest in cooperative institutions. There are also matters that relate to "central banks" (like the Federal Reserve) and "development banks" that serve other economic purposes.

It was not easy discussing this matter of public banking without reference to matters of scale and function. Some thought the focus should be on a "national bank" or a system of "nationalized banks." Others preferred to look at creation of state and local systems of banking, particularly in parts of the United States not well served by the large banking institutions that now dominate banking.

It is easy to get lost in the details of whether or not such new systems should participate in the Federal Deposit Insurance Corporation (FDIC) or be part of the Federal Reserve system. Or for matter, should public banks be "full-service" banks offering the full array of services or confine themselves to a narrower band of functions that serve recognized local needs? Participants in our developmental discussions came up with the following discussion ideas:

- Encourage states and large municipalities to create public banks to maximize their financial independence from private banks.
- Stress the primary roles of public banks as holders of public funds, as "secondary lenders" of debt (buying the mortgages and other loans made by local banks), and as lowering the cost of borrowing for public entities within a state. (the North Dakota model)
- Consider the secondary roles of public banks as consumer debt consolidators, refinancing agents for student debt, and financiers of economic development, as determined by local needs.
- Develop public bank programs that facilitate employee ownership
 of enterprise, especially of local banks, and institute loan programs
 that encourage local residents to buy local banks that would
 otherwise be acquired by large private national institutions.
- Create "national economic distress" programs that put "backstops" in place prior to emergencies, including plans for "nationalization" or acquisition of equity stakes in large institutions that are "too big to fail" (see Policy A).
- Develop a public banking component in plans for dealing with climate change, particularly for financing the retirement of carbon intensive energy assets and cessation of extractive activities.

ON THE OTHER HAND

As with Policy D (reorganizing corporate activity), the outlines of this policy are a major departure from how banking in the United States has taken place. Some may feel that the departure is too great for a market economy. Others may be more concerned about how these changes might affect the standing of the United States as a world economic powerhouse. In that light, public banking might be seen as a "devolution" that creates a network of powerful state economies and leaves behind many other states as "backwaters."

THE BEST OF THE REST

The discussions that developed the different policies and possibilities described on the preceding pages of this discussion guide also generated a number of other ideas that may be worthy of additional exploration. Our last discussion series did not reject these "other" concepts, but those participants did not feel that they could fully develop these concepts in ways consistent with the other material in this supplement. In some cases there was some confusion about whether the regulatory framing was indeed focused on regulation of the economy or whether it was better addressed in other IF discussion materials. These other concepts included the following:

Strengthen Link Between National Economic Interest and National Security

- Review and sanction formation of entities and completion of transactions based on whether they make the nation more secure in the broadest terms.
- Revisit international trade agreements with these criteria in mind.
- Frequent review of impacts.

Protect the Regulators from Politics

- · Protect whistle-blowers.
- Draw appointees from recommendations of neutral bodies, not elected officials.
- Rely on expert advisory bodies for anticipatory thinking and review.

Get Government Out of the Economy

- · Let the market work in an unfettered way.
- · Abolish the Federal Reserve.
- Abolish or downsize most regulatory agencies that regulate financial institutions, transactions, and economic activity.

Broaden Public Participation in Regulation

(the focus of a separate supplement)

- More citizen representation on regulatory boards and commissions.
- Expand ability of stockholders and stakeholders to meaningfully participate in corporate governance.
- Grant "standing" to representatives of citizen advocacy groups in most regulatory proceedings.

