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**Deregulating by Deferring to Discretion: The Impact of the *Chevron* Doctrine on American Financial Institutions, 1968-1987**

This paper breaks from extant histories of deregulation by considering the interplay of administrative politics and judicial interpretation in the restructuring of American financial services during the 1980s. Conventional accounts of deregulation underscore the influence of powerful subcommittee chairmen and enterprising executives, but I argue that regulatory reform also occurred when an increasingly laxist judiciary gave new Republican agencies the requisite discretion to chip away at old statutes. In particular the paper examines how new doctrines in the field of administrative law that mandated heightened deference from the federal judiciary shielded the Federal Reserve from review when the agency reinterpreted the Glass-Steagall and Bank Holding Company Acts to allow struggling commercial banks into securities trading. In chronicling the bureaucratic and judicial undoing of New Deal banking laws I highlight an important paradox in America's recent history of regulatory restructuring; that is, the pivot to 'freer markets' has often been achieved through the expansion of federal administrative capacities. The ultimate irony is that opponents of 'big government' have made ample use of state machinery to serve their anti-statist means.