



Hillarynomics

BY RICHARD W. RAHN

PROMISES OF ECONOMIC GROWTH ARE NOT BORNE OUT BY HER PROPOSALS

If Hillary Clinton were to be elected president, what economic policies would she propose and what would be the effect on the economy? To try to get an answer, I have looked at her statements, her campaign website, and her Senate record.

Mrs. Clinton has recognized the major economic problem of slow growth and stagnant incomes, and her economic platform is called, “A plan to raise American incomes.” Unfortunately, the plan is largely a list of feel-good statements with very little specificity and contains nothing that would have a major positive impact on economic growth. (In fact, some of the proposals, such as increasing the minimum wage and overtime rules, would be small negatives). After Mrs. Clinton gave her big economic policy speech in July, the left-leaning Huffington Post featured an article by two of its reporters titled: “Hillary Clinton’s economic speech a total letdown: Wages and inequality get lip service and not much else.” After reading the speech, one can only conclude the authors got it right in the headline.

Hillary has said she is in favor of tax relief for families, yet, unlike many of her Republican rivals, she has failed to provide specific tax cut proposals with numbers other than extending a \$2,500 tax

cut for students to deal with college costs. Her small-business proposals are four, nice, general statements, without specifics.

Hillary Clinton flip-flopped on the Trans-Pacific Partnership (TPP) trade deal this past week. She had supported the TPP when she was secretary of state, and referred to it as the “gold standard in trade agreements” in her book “Hard Choices.” When she came out against it on Oct. 7, she said: “I don’t believe it’s going to meet the high bar I have set,” while admitting she had not read it. In 1996, she was vocal in her support of the North American Free Trade Agreement, yet she has backed away from it in the years since. Both her Senate voting record and rhetoric on trade deals have been inconsistent. She supported free trade agreements with Singapore, Chile, Australia, Morocco and Oman, while she opposed the Central American Free Trade Agreement. One of the planks in her small-business proposal is to expand “access to new markets,” which seems to contradict her newly found opposition to the TPP.

As a senator, Mrs. Clinton voted against two major middle-class tax cuts, the Economic Growth and Tax Relief Reconciliation Act of 2001 and the Jobs and Growth Tax Relief Reconciliation Act of 2003, both of which were passed and signed into law. She has proposed higher capital gains tax rates for some taxpayers, and an end to the “carried interest loophole.” These proposals are a slight negative on economic growth and will not bring in appreciable tax revenue.

During her Senate career, Mrs. Clinton sponsored or co-sponsored more than 800 bills to increase spending (a total of more than \$900 billion), and only 12 bills to decrease spending (for a total of only about \$1 billion). Her net spending sponsorship was also considerably higher than the average Democratic senator. She has made a number of spending increase proposals, such as her “New College Compact,” which she says will cost \$350 billion. She says she will pay for it by closing tax loopholes on “the wealthy.” But without identifying the “loopholes” and the revenues from each of them, the proposal seems hollow.

It is widely recognized that major reasons for the existing slow growth are: a tax system which excessively penalizes labor and capital, excessive regulations not supported by real cost-benefit analysis, and excessive and wasteful government spending. Where are Mrs. Clinton’s serious proposals to deal with these problems, and where in her track record is there evidence that she is more likely to be part of the cure rather than a continuing part of the problem?

A smart, well-educated, young woman friend of mine, who is a strong Hillary supporter (as are many single young women) tells me that she is in favor of Hillary in part because of issues like wage equality and women’s rights. It is worth noting that both with her State Department and congressional staff, of which Hillary had control, on average men were paid significantly more than women. Despite all of the political rhetoric, wage differentials will only be eliminated when women enter high-paying occupations like engineering, technology and finance — and spend as many years in the workforce as men. Issues like abortion are now firmly in the control of the states and courts rather than the president, and whoever wins the presidency, he or she will have virtually no effect on those issues.

If you care about women, minorities (particularly blacks), and even white men, you should vote for the candidate (other things being equal) who is likely to be able to implement the highest growth policies. The economy did very well under the second Bill Clinton administration because he was willing to implement policy changes — a major capital gains tax rate cut and lower government spending as a percentage of gross domestic product — and he continued his free trade policies. Though most of her economic policies lack specifics, Hillary Clinton still has the opportunity to go for growth economics rather than stagnant pander-nomics.

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<http://www.washingtontimes.com/news/2015/oct/12/richard-rahn-hillary-clintons-faulty-economic-prop/>