



Written by [Michael Tennant](#) on September 8, 2011

Romney's Economic Program: Tinkering, Not Fundamental Reform

To his credit, Romney seems to grasp that the private sector, not government, is the source of American prosperity. In the [summary](#) of his agenda found on his website, Romney says that his plan “does not promise the immediate creation of some imaginary number of jobs, because government cannot create jobs — at least not productive ones that contribute to our long-term prosperity. It is economic growth, not government growth, that provides productive opportunities for American workers.” (This did not, however, stop Romney from claiming that his plan would [create 11 million jobs](#) during his first four years in office.)



The problem is that Romney's proposals to foster such private-sector growth are “surprisingly timid and tactical considering our economic predicament,” the [Wall Street Journal](#) editorialized. “They're a technocrat's guide more than a reform manifesto.” This is appropriate given that Romney seems to have few “core beliefs beyond faith in his own managerial expertise,” the paper adds. Put more bluntly, “Romney's philosophy is that he's the best one to manage big government,” Tea Party Nation founder [Judson Phillips](#) told McClatchy Newspapers.

Romney's tax policy, for instance, calls for a freeze on marginal income tax rates, a lower corporate income tax rate, and a repeal of the estate tax. Romney also says he would “eliminate taxes on interest, dividends, and capital gains for low- and middle-income taxpayers,” i.e., those earning less than \$200,000 a year. “This eviscerates most of the tax cut's economic impact and also suggests that he's afraid of Mr. Obama's class warfare rhetoric,” the *Journal* observes. “He even picked Mr. Obama's trademark income threshold for the capital gains cut-off.”

Romney pledges to “cut spending and cap it at 20 percent of GDP” — still an enormous outflow — but then offers only one specific means of achieving that goal: “cut[ting] non-security discretionary spending by 5 percent,” which would save about \$20 billion per year, barely a drop in the bucket of red ink in the federal budget. Defense spending, which totals roughly [\\$1 trillion](#) per year, remains off-limits: An essay in Romney's [full-length plan](#) by Idaho Sen. Jim Risch cautions against “slashing the military budget” as a way to reduce deficits. As to entitlements, Romney says only that he would convert Medicaid into a block grant program. Adds the *Journal*:

He praises Paul Ryan for making “important strides” on Medicare but says his plan “will differ,” without offering details. He also says there are a “number of options” to reform Social Security without endorsing any of them. We are told those specifics will come later. It's hardly unusual for candidates to avoid committing to difficult proposals, but it won't help Mr. Romney contrast his leadership with Mr. Obama's.



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Like every other presidential candidate for the past few decades, Romney calls for “regulatory reform.” Of course, that doesn’t mean wiping out reams of regulations, retaining only those few that actually comply with the Constitution. For Romney it seems merely to mean a return to 2008 levels of regulation: He promises to “tear down the vast edifice of regulations the Obama Administration has imposed on the economy” and “initiate the immediate review of all Obama-era regulations with the goal of eliminating any that unduly burden the economy and job creation.” (Obama promised to do the same thing with earlier regulations, yet the Federal Register has grown apace.) Even newly proposed regulations will not be tested against the Constitution on Romney’s watch; he will, he claims, “impose a regulatory cap on all agencies at zero dollars, meaning that an agency issuing a new regulation must go through a budget-like process and identify offsetting cost reductions from the existing regulatory burden.”

The Constitution, in fact, gets rather short shrift in Romney’s program. It’s mentioned all of five times in the 88 pages of his plan, and three of those are in the context of the chimerical Balanced Budget Amendment that Romney supports.

Romney does name some specific regulations he would reform, mostly to the good. On his first day in office, Romney says, he would issue executive orders (1) “to return the maximum possible authority to the states to innovate and design health care solutions that work best for them” in order to “pave the way to end Obamacare”; (2) “to implement a process for rapid issuance of drilling permits”; and (3) to “[reverse] the executive orders issued by President Obama that tilt the playing field in favor of organized labor.” He also pledges to “significantly expand the areas available for energy development” and otherwise to work to improve America’s energy production.

On the other hand, he says he will issue an executive order that “directs the Department of the Treasury to list China as a currency manipulator in its biannual report and directs the Department of Commerce to assess countervailing duties on Chinese imports if China does not quickly move to float its currency.” The *Journal* calls this Romney’s “most troubling proposal,” noting that “giving Americans the impression that a trade war will bring ... jobs back to the U.S. is offering false hope.” Americans, not the Chinese, will be the ones stuck paying the tariffs, after all.

This also seems to run counter to Romney’s stated preference for free trade. But then like any good technocrat, he isn’t in favor of genuine free trade but of managed trade — hence his touting of the North American Free Trade Agreement as an example of free trade. He wants to implement pending “free trade agreements” with Colombia, Panama, and South Korea and — invoking the magic name of the 40th President — create the “Reagan Economic Zone,” which he describes as “a multilateral trading bloc open to any country committed to the principles of open markets and free enterprise.” Under any fair reading of that description, the United States would surely be denied admission, proving that both “free trade” and “free enterprise” do not mean the same thing to Romney as they do to average Americans.

“Any American living through this economic crisis,” Romney’s plan concludes, “will immediately recognize the severity of the break that Mitt Romney proposes from our current course.” On the contrary, as Reich points out, Romney’s agenda “has been standard Republican fare for decades” — decades in which, despite such rhetoric from the GOP, the federal government has gobbled up more and more of our money and liberty. Romney’s plan — a few good ideas, a few bad ideas, and a heaping helping of boilerplate about cutting highly nonspecific spending and regulations — seems unlikely to alter America’s course significantly.



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