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A Choice, Not an Echo

There are big differences between Barack Obama and Mitt Romney

By Pete du Pont

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As the presidential election is just over six months away and both parties have chosen their candidates, the campaign is now fully with us. We are in a very serious and close presidential race; Barack Obama and Mitt Romney have very different viewpoints, but one thing they probably agree on is that the coming election offers a stark choice of two very different approaches to America's government, its economy and its future.

As we know from the 2008 campaign and his time as president, Mr. Obama believes it is right to "look at raising the capital gains tax for purposes of fairness." He also said in 2008: "I think when you spread the wealth around, it's good for everybody."

Mr. Romney has said that "President Obama's trillion-dollar federal takeover of the U. S. health care system is a disaster for the federal budget, a disaster for the constitutional principles of federalism, and a disaster for the American people."

Mr. Obama's beliefs, as we have seen over the past three years, produce a permanent and growing federal deficit, permanent and growing federal spending, higher taxes for wealthier Americans, and permanent and growing government interference in how individuals, families, and businesses can handle their affairs. The deficits in his administration have come to \$4 trillion in his first three years in office.

Mr. Romney's thinking is very different, stressing more innovation, more individual choices and lower government spending. He proposes to get federal spending to less than 20% of GDP in his first term in office. So perhaps more so than in most elections, which candidate becomes the next president make a large difference in the way our citizens see the course of America's future.

The ObamaCare health statute gives the federal government control of our health-care system, forces people to purchase health insurance, raises taxes, and takes health care decisions away from individuals and even from Congress, since it gives so much discretion to the health and human services secretary.

If the Supreme Court strikes down ObamaCare, Congress and whoever is president in January will have to rethink what to do next. Congress and the president should reorganize the health-care system to give people more choice, spur more innovation, and drive down the costs of health care. Rep. Paul Ryan's plan that is already before the House would get things going in the right direction.

Mr. Romney has said that he would issue an executive order giving ObamaCare waivers to all 50 states and then give each state the power to "craft a health-care reform plan that is best for its own citizens."

The more difficult issue is Washington's spending addiction. The administration has grown federal spending, which was \$3 trillion in 2008, to \$3.5 trillion in 2010, and wants to grow it to \$5.6 trillion less than a decade from now. Put another way, since the 1950s spending as a percent of gross domestic product has hovered about 20%. Under Mr. Obama it shot up to 25%, a level last seen at the end of World War II. As the Romney campaign points out, the spending rate was \$25,000 per household (all figures are in 2012 dollars) just before the recession, and is now about \$30,000 per household and is projected to rise to \$35,000 in the next decade. The Romney answer to all this is to bring federal spending below 20% of GDP by the end of his first term.

What is needed, Mr. Romney says, is first to "cut non-security discretionary spending by 5% across the board." Mr. Romney has three other central thoughts about the federal government. First, the "federal government should stop doing things the American people can't afford." That would include repealing ObamaCare, privatizing the Amtrak railroad system, which today costs us about \$1.6 billion per year, reducing foreign aid by \$100 million every year, and reducing arts subsidies by \$600 million.

Second, empower states to innovate a variety of programs that would save the federal government \$100 billion. Finally, improve the federal government's efficiency and effectiveness by reducing waste and fraud (\$60 billion); aligning federal employee compensation with the private sector (\$47 billion); repealing the Davis-Bacon Act (\$11 billion), which increases the cost of government projects, by returning to market wages; and finally, reducing the federal workforce by 10% via attrition (\$4 billion).

The other important change in the way the federal government decisions cost funds, jobs, and opportunities has to do with the current American tax rates. Individual tax rates are just too high today, and are scheduled to get even higher at the end of the year, so reducing them will help the economy considerably. Mr. Romney wants a permanent, across-the-board 20% cut in marginal rates, elimination of the death tax, and repeal of the Alternative Minimum Tax. America's 35% corporate income tax rate is one of the highest in the world, and it should be reduced from 35% to 25%.

These are just some of the differences between Obama and Romney economic beliefs. American voters in November will have a choice between a candidate who feels government bureaucrats make the best decisions, best allocate the resources, and create jobs better than individuals, families, and businesses, and that significantly increased federal spending that causes onerous debt levels and damaging tax burdens are good economic policies. And there is another candidate who thinks just the opposite, so all those choices will be before all of us in early November.