

## Maybe what the U.S. economy needs is another Bill Clinton

Kelly McParland | Aug 29, 2012

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When you think about it, it's absurd to expect any average voter to decide which of the two candidates for U.S. president will be better at handling the economy.

People who have spent their lives in the business of budgets and economies can't agree. They can't even come close. Not only can they not agree on what's likely to happen in the future, they can't concur on what happened in the past. The United States government may collect and disseminate more information on the economic state of the nation than any other single entity on earth, yet the biggest brains on the planet can look at them and reach opposite conclusions.

Here's an example. Some time ago *Forbes* magazine ran an article titled, "Who is the Smallest Government Spender Since Eisenhower? Would You Believe it's Barack Obama?" It was accompanied by a chart of annualized growth in federal spending showing that Ronald Reagan and George W. Bush were by far the most profligate spenders, with Reagan boosting expenditures 8.7% in his first term and Bush 8.1% in his second. Obama's number? 1.4%.

Evidently writers at *Forbes* don't read *Forbes*, though, because three weeks after it ran the first article, it ran another titled "President Obama: The Biggest Government Spender in World History."

Both could be accurate of course. If Bush was the biggest spender in U.S. presidential history, and Obama spent one extra dollar (to fight the recession), that would make *him* the most profligate ever. But the confusion goes beyond that. The *Wall Street Journal* has made it clear in any number of ways that it doesn't like Obama or his spending policies. So when Rex Nutting wrote in the Journal's *MarketWatch* feature that the "Obama spending binge never happend," it caused much consternation.

"Almost everyone believes that Obama has presided over a massive increase in federal spending, an "inferno" of spending that threatens our jobs, our businesses and our children's future. Even Democrats seem to think it's true," Nutting wrote.

"But it didn't happen. Although there was a big stimulus bill under Obama, federal spending is rising at the slowest pace since Dwight Eisenhower brought the Korean War to an end in the 1950s."

He went on to provide a number of statistics, then explained: “What people forget (or never knew) is that the first year of every presidential term starts with a budget approved by the previous administration and Congress. The president only begins to shape the budget in his second year. It takes time to develop a budget and steer it through Congress — especially in these days of congressional gridlock.” So many of the spending decisions that caused such outrage in Obama’s first year were actually made by Bush.

Defending Obama is not *Journal* policy, though, so it quickly remedied the situation with a **rebuttal** by Stephen Moore and Art Laffer (of **Laffer curve** fame) which conceded that Mr. Bush had indeed been an appalling spender.

“Mr. Bush and Republicans in Congress capitulated to and even promoted each and every government bailout and populist redistribution canard put before them. It’s a long list, starting with the 2003 trillion-dollar Medicare prescription drug benefit and culminating with the actions taken to stem the 2008 financial meltdown—the \$700 billion Troubled Asset Relief Program, the bailout of insurance giant AIG and government-sponsored lenders Fannie Mae and Freddie Mac, the ill-advised 2008 \$600-per-person tax rebate, the stimulus add-ons to 2007’s housing and farm bills, etc.”

But Obama made it worse — w-a-a-a-y worse, they said, even though his policies were largely a continuation of Bush’s. And Moore/Laffer blame the Bush expenditures on Congress, because that’s where left-wing Democrat demons Nancy Pelosi and Harry Reid were in charge. (Later, when Obama was unable to get congressional approval even to pay the national debt, it was *his* fault, of course, and not the Tea Party zealots who had been voted in at mid-term determined to stymie his every move).

When *Forbes* and the *Wall Street Journal*, two very respected financial publications, can’t even agree with themselves, how is anyone else supposed to decide? In 2005, before Obama was available to blame for the economy, the **Cato Institute**, a libertarian think tank founded by the **Koch brothers**, who most Democrats revile as corporate capitalist bloodsuckers, complained:

“President Bush has presided over the largest overall increase in inflation-adjusted federal spending since Lyndon B. Johnson. Even after excluding spending on defense and homeland security, Bush is still the biggest-spending president in 30 years. His 2006 budget doesn’t cut enough spending to change his place in history, either.

Total government spending grew by 33 percent during Bush’s first term. The federal budget as a share of the economy grew from 18.5 percent of GDP on Clinton’s last day in office to 20.3 percent by the end of Bush’s first term.”

If right-wingers like Cato figure Republicans can’t be trusted with the economy, maybe it’s appropriate that it took the soft-liberal **Washington Post** to analyze the pro-Obama Nutting numbers in detail and declare them wanting. While Bush’s people proposed spending bills, it was Obama’s who passed many of them and wrote the cheques, it notes. How you apportion that money has a major affect on who gets

blamed for the spending. The Bush administration launched **TARP**, which proposed giving hundreds of billions to the banks, but Obama was president when the banks paid it back. So Bush gets tagged with the spending, Obama with a cut because of the payback. Fair? Not really.

There's plenty of that involved. The *Post* argues Obama is an authentic big spender, because he spends more as a percentage of the economy (24%) than the average of other presidents going back 65 years (20%). But he also has the biggest recession in that time, so naturally his percentage will be high.

Perhaps most telling is the fact that Obama mainly looks bad if you compare him to another Democrat, the tight-fisted Bill Clinton, not any of the three previous Republicans. Laffer says it's "amazing" how much government spending fell during Clinton's eight years as president and how low it was when he left office. So maybe what America needs is another Clinton as president? Mention *that* at the GOP convention and watch their faces.