10 Ways to Super Charge the American Economy

By Jim Powell

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Wise and witty Wall Street Journal columnist Daniel Henninger this declared that economic growth is "the only policy left."

He's spot-on since Obama's progressive pottage has left us with a sluggish economy, unemployment over 9 percent and a 14.3 percent poverty rate – more poor people than we have had in a half-century.

Our economy suffers from an accumulating deadweight of taxes, bailouts, subsidies, mandates and restrictions that have had debilitating unintended consequences. Obama's worst policies aren't the only sources of trouble.

Some hallowed progressive laws going back decades have limited competition, increased the cost of doing business and made it more difficult for employers to hire people, thereby reducing the number of people hired.

Here's my first pass at a list of laws that should be targeted for repeal, to help America achieve a robust recovery and once again become a global pace-setter.

1. Make the Bush tax cuts permanent for all Americans. President Obama wants to let these tax cuts expire for high income investors, entrepreneurs and others whose enterprise is crucial for creating private sector jobs. These people should have the strongest incentives to do what they do best for us.

2. Repeal the Patient Protection and Affordable Health Care Act and the Education Affordability Reconciliation Act (Obamacare). This 2,562-page law expands federal control over one-sixth of the U.S. economy. The trillion dollar cost means higher taxes and fewer jobs. There are perverse incentives for employers to hire fewer full-time people.

3. Repeal the Dodd-Frank Wall Street Reform and Consumer Protection Act. This 2,319-page law expands federal control over the financial sector – another sixth of the economy. The law effectively authorizes more bailouts of "too-big-to-fail" financial institutions, thereby increasing taxes that throttle growth and jobs. New federal agencies will issue thousands of regulations, causing uncertainty that discourages employers from hiring.

4. Abolish the corporate income tax. The U.S. 35 percent corporate income rate is the second-highest among the 30 economically advanced nations in the Organization for Economic Cooperation and Development. Abolishing the corporate income tax will make U.S. companies more competitive. Because their profitability will go up, they'll be able to raise capital more easily – a big boost for hiring. One should note that corporations don't really pay taxes, because they're a cost of business passed along to consumers.

5. Ban collective bargaining in the public sector. Government employees are supposed to serve the public interest, delivering essential services at the lowest possible cost. But as union members, government employees pursue their self-interest by promoting ever higher taxes so they can make more money, enjoy fatter benefits and retire earlier than the taxpayers themselves.

6. Repeal the Fair Labor Standards Act of 1938 (as amended through the Minimum Wage Act of 2007). This law requires employers to pay above-market wages for people with limited skills and experience, which discourages employers from hiring them. That's why unemployment rates for teenagers and minorities are sky-high.

7. Repeal the Sarbanes-Oxley Act of 2002. This law does nothing to prevent corporate financial scandals, since the Securities & Exchange Commission already had the power to enforce accounting standards and require full disclosure, and the Justice Department had the power to handle securities fraud cases. Sarbanes-Oxley mainly increases the cost of recruiting corporate directors, and it has incentives for publicly-traded companies to go private.

8. Repeal the Williams Act of 1968. This helps protect entrenched corporate managers from a takeover via a cash tender offer, by requiring anybody interested in gaining control of a company to disclose plans. The law restrains bidders but not managers. Since a cash tender offer provides a premium over current share prices, shareholders benefit. Takeovers generally force companies to become more efficient.

9. Repeal the Sherman Antitrust Act (1890), the Clayton ACT (1914) and the Robinson-Patman Act (1936). These contradictory laws disrupt markets. A company that charges high prices can be prosecuted for price gouging, a company that charges low prices can be prosecuted for cutthroat competition, and a company that charges the same prices as competitors can be prosecuted for price-fixing. Antitrust zealots have targeted companies like Standard Oil and Microsoft that cut prices.

10. Repeal the Tariff Act of 1930 (Smoot-Hawley) and its amendments. The most effective antitrust policy is free trade, since it enables consumers as well as businesses to shop world markets for the best values they can find. If this hideously complicated law is repealed, American consumers and businesses will no longer be limited to U.S. suppliers or have to pay government-enforced high prices for imported goods.

Many other progressive institutions – such as the Federal Reserve, Social Security and Medicare -- have also had serious unintended consequences and must be addressed. But we can't reform everything at once. Here the aim is identifying laws that seem to have the most direct adverse impact on growth and jobs.

If it seems like I'm going too far, please remember we're in a crisis. I'm well aware that repealing each of these laws would involve epic political battles. If I might paraphrase Thomas Jefferson, we must not expect to be transported from bad times to good times in a feather bed.

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