



Romney: Man of Pastel

By Michael Tanner

Now that Mitt Romney has officially clinched the Republican nomination, most of the political Right has rallied around him, out of antipathy for President Obama if for no other reason. Recent polls show that if the election were held today Romney would receive 90 percent of the Republican vote, and three-quarters of the vote from self-described conservatives. One can expect even more conservatives and Republicans to “come home,” as the bitterness of the primary season fades, and the contrast with Obama becomes clearer.

Yet, for anyone concerned with the size, cost, and intrusiveness of government, dark clouds continue to hang over the Romney campaign.

For example, if as is often said, “personnel is policy,” Romney’s decision to name former Utah governor Michael Leavitt to lead his presidential transition team is particularly disturbing, especially since Politico reports that Leavitt may become White House chief of staff if Romney wins.

As George W. Bush’s Secretary of HHS, Leavitt was a principle architect of the Medicare prescription-drug benefit, which created the first new federal entitlement program since the Great Society. And Leavitt continues to call the program “a success,” despite the fact that it will add as much as \$17 trillion to Medicare’s unfunded liabilities.

As governor, Leavitt was a tax-and-spend liberal. During his ten years in office, real spending per capita rose by nearly a third. Leavitt pushed for higher taxes on Internet sales, gasoline, and cigarettes. And, as head of the National Governors Association, he lobbied for a federal law to allow states to tax out-of-state Internet companies. He also blocked several attempts by the Utah legislature to cut taxes, including a \$25 million state income tax cut in 2001. Between 1996 and 2002, Leavitt never received a grade higher than “C” on Cato’s Fiscal Report Card, and twice earned a failing grade. In 2000, he ranked below Vermont’s Howard Dean, and, in 2002, he scored lower than 7 of 16 Democratic governors.

Of even greater concern, Leavitt has spent the last two years lobbying on behalf of Obamacare. Leavitt's company, a Utah-based consultancy called Leavitt Partners, has raked in huge profits helping states set up exchanges under the law. In fact, Leavitt's firm has doubled in size over the two years since the health care law was signed. And, Leavitt hasn't just made money from Obamacare grant money, he has used his influence to urge state lawmakers to set up exchanges. He has publicly said that he opposes repeal of at least this portion of the new health-care law. Given Romney's rather spotty history on the health-care issue — to be charitable — Leavitt's appointment is not a great sign.

And, as if this wasn't enough cause for concern, as EPA administrator, Leavitt was an early advocate of cap-and-trade legislation. He was also an enthusiastic backer of numerous other job-killing environmental regulations. Indeed, it's hard to find a big-government policy over the past two administrations, that Leavitt didn't support.

Of course, Leavitt's appointment is not the only reason why advocates of limited government remain uneasy with a Romney candidacy.

For example, while Romney speeches have generally been excellent on the need to cut spending and reduce the deficit, he has still not provided much in the way of specifics about what he would actually cut. We know that he would not cut defense — indeed, he wants to increase it. Taking defense off the table means that cuts in other areas will have to be deeper. Yet, in an interview with Time magazine, Romney said “If you take a trillion dollars for instance, out of the first year of the federal budget, that would shrink GDP over 5 percent. That is by definition throwing us into recession or depression. So I'm not going to do that, of course.”

As the Washington Post's Ezra Klein noted, “You couldn't have gotten a clearer definition of Keynesian budgeting from Obama.”

Finally, it is worth noting that Romney continues to hold the door open for a potential Value Added Tax (VAT), a hidden form of national sales tax embedded in the production process. In an interview last December with the Wall Street Journal, Romney suggested that he might consider a VAT as part of a larger tax reform. The Journal describes Romney's position on a VAT this way (emphasis added):

he 'doesn't like the idea' of layering a VAT onto the current income tax system. But... philosophically speaking, a VAT might work as a replacement for some part of the tax code, 'particularly at the corporate level'... *What he doesn't do is rule a VAT out.*”

Unlike a national retail sales tax, a VAT is hidden, making it particularly insidious. One only has to look to Europe to see how quickly a VAT would become a cash cow for the government, and would wreck economic growth. Yet, to this day, despite repeated opportunities to do so, Romney refuses to rule out a VAT.

It is traditional for candidates, once they've secured the nomination to reposition themselves to appeal to the political center. But, with Romney, it is less a question of repositioning than questions about his core convictions.

In a campaign that calls for bold colors, Romney remains a man of pale pastels.

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