NATIONAL REVIEW

Clinton’s Grandiose Spending Proposals

Hillary’s plans are nowhere near Bernie’s — but they’re enough to wreck the economy.

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When Bernie Sanders proposed $18 trillion in increased federal spending over the next ten years, most observers chuckled and asked what else one could expect from the self-described socialist. But what then is one to make of Hillary Clinton? She hasn’t — yet — risen to Sanders-level spending, but she’s certainly heading in that direction. This week, for example, she unveiled a “jobs” plan that includes the usual motley collection of infrastructure projects, “green energy,” subsidies, manufacturing incentives, government research and development, and so on. In total these proposals would cost at least $350 billion over a decade.

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Clinton’s jobs program comes on top of a $75 billion proposal for increased spending on clean energy that she announced earlier. She also wants more government support for child care, a proposal that some estimate could cost $200 billion or more over ten years. That would be on top of her proposal to give states grants to encourage them to implement paid family leave, which would cost at least $10 billion, and her $10 billion proposal for subsidizing home care for the elderly.

Then there is Clinton’s plan for reduced college tuition. While not as grandiose as Sanders’s “free tuition for everyone,” Clinton’s proposal would still cost at least $350 billion.

Finally, she also wants to spend more on drug treatment ($10 billion), incentives to encourage profit sharing with employees ($10 billion), and other corporate welfare such as “new market” incentives (another $10 billion). To update Everett Dirksen, 10 billion here, 10 billion there, and pretty soon you’re talking real money.

Altogether, Clinton has already called for more than $1.1 trillion in new spending over the next ten years. And it’s still eleven months until the election.

And, while it’s not precisely “new” spending, Hillary has been steadfast in opposition to reforming Social Security, Medicare, and Medicaid. She has even expressed sympathy, if not yet support, for proposals to expand Social Security.

Don’t worry, though. Ms. Clinton will pay for all this by taxing — you guessed it — the rich. According to the Clinton campaign, she would raise taxes only on the top 3 percent of American incomes (that would be those earning at least $250,000 a year), and, of course, on businesses. But setting aside the question of what more than a trillion in new taxes on business, investors, and entrepreneurs would do to the economy, does anyone really believe that the middle class wouldn't be touched by Hillary's tax collectors?

Indeed, the Washington Post scoffs that "There is simply no way that the federal government can meet its current fiscal commitments, plus the increased demands of an aging population, and provide the new forms of middle-class relief and business tax relief Ms. Clinton promises, while tapping only the top 3 percent of earners." (Emphasis in original.) That's because, as University of Chicago professor Austan Goolsbee, a former Obama adviser, acknowledges,

> [E]very advanced country that has this kind of expansive role of government in the economy pays for it with substantially higher tax burdens on middle income people. Every one of the big welfare states in Europe, for example, has a VAT/sales tax in the 20–25 percent range and has high income tax rates that apply to large segments of the population, not just the top. Ordinary workers in those countries bear a larger share of the government bill than we do in the U.S., not a smaller share. Could you turn the U.S. into a Sweden-style social democracy without having the broadly based, high taxes they have in Sweden? Not really, no.

Simply put, when you hear "the rich will pay for it," hold onto your own wallet. Republican candidates have frequently — and often correctly — been castigated for tax and budget proposals that don't quite add up. Republicans sometimes invest too much confidence in the notion that the growth fairy will pay for whatever tax cuts they propose, relieving them of responsibility for actually proposing cuts in government spending. And, while it is true that many tax cuts, especially supply-side reductions, can spur economic growth, it is untrue that all tax cuts pay for themselves. But for Democrats to pretend that we can continue to tax and spend without hurting the economy or socking it to the middle class goes beyond bad math and enters the realm of pure fantasy. And for middle-class taxpayers, that fantasy is likely to be more of a nightmare.

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