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The Utah governor was good on taxes but weak on spending.

Former Utah governor Jon Huntsman announced his candidacy for president yesterday and immediately became the frontrunner among the media and political pundits, if not among actual Republican voters.

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There is no doubt that Huntsman has several significant advantages going forward: He looks presidential and carries himself with a gravitas that is missing from some of the other candidates. He is clearly smart and conversant on the issues. His campaign will not lack for money.

Huntsman's moderate positions on social issues may play well with crucial suburban voters: He supports civil unions for gay couples, for instance, which is not exactly groundbreaking but positions him as more open than most of the Republican field. And his skepticism about U.S. interventions overseas, including not only in Libya but also in Afghanistan, might tap into a small but growing anti-war sentiment in the Republican party. If voters are looking for a technocrat who can make the trains run on time, Huntsman can credibly claim the mantle.

The big question is whether he will be able to tap into the anti-spending, anti-big government attitude that is motivating Republican voters this year. Here, Huntsman's record is decidedly mixed, demonstrating both the possibilities and perils of his candidacy.

During his term as governor, Huntsman earned a grade of B on the Cato Institute's biennial governors' report card, giving him a better score on fiscal issues than either Mitt Romney or Tim Pawlenty earned in his first term (though Pawlenty came on strong during his second term and eventually earned an A). Huntsman's big successes were on the tax side, where he sought to replace Utah's graduated income tax with a flat tax, cut the state's food tax in half, and attempted to eliminate the state's capital-gains and corporate-franchise taxes. Although not all his efforts were successful, he showed that he understood the importance of low taxes for economic growth and job creation.

Unfortunately, his record is not nearly as good on the spending side of the ledger. During his time in office, he proposed spending hikes in excess of 6 percent annually, well above the growth in Utahans' personal income. In fact, measured in terms of percentage growth, Huntsman was one of the biggest-

spending governors in the nation.

On health care, Huntsman has been making the point that he reformed health care in Utah without an individual mandate, a not-so-subtle dig at Romney. But Huntsman's reforms contain their own seeds of Obamacare. The Utah "portal" is widely seen as a model for Obamacare's "exchanges." And if less regulatory than the Massachusetts "connector," the portal has nonetheless established the structure for undermining the state's individual and small-group insurance markets. Against Romney's stubborn defense of the Massachusetts health plan, that may not hurt Huntsman much. Against a principled Obamacare opponent such as Michele Bachmann, it might not play as well.

More recently, Huntsman has been sounding much more fiscally conservative. On raising the debt ceiling, Huntsman has been firmly in the "yes, but" camp, agreeing that the debt ceiling must be raised while arguing for conditional spending cuts. He has called for reducing government spending to 18–19 percent of GDP and ruled out tax increases as a way to balance the budget. (Just wait until his fans at MSNBC hear that one.) He favors a balanced-budget amendment to the Constitution. On taxes, he follows his Utah proposals, calling for "flatter and lower" tax rates, and cuts in corporate tax rates. He has been one of the more aggressive Republican candidates on entitlement reform, generally backing Paul Ryan's efforts on Medicare and Medicaid. He calls for repealing Obamacare.

Huntsman is trying to run as an establishment candidate in an anti-establishment year. He will have to thread a very fine needle in being the moderate in the race without alienating conservatives. He faces residual religious bigotry over his Mormon faith. And he will have to overcome doubts about whether his fiscal conservatism is real or a matter of convenience.

Still, he should add an interesting voice to the debate. Whether he will add more than that remains to be seen.

— *Michael Tanner is a senior fellow at the Cato Institute and author of* <u>Leviathan on the Right: How</u> Big-Government Conservatism Brought Down the Republican Revolution.