



The Daily Dish

Policy Discipline

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Eakinomics: Policy Discipline

In politics, the need for message discipline is frequently invoked. Americans lead busy lives. If you want them to hear and consider your ideas in the midst of competing interests from kids, work, relatives, friends, hobbies, household chores, and more, then you need to repeat the idea again and again in a concise and consistent fashion. *The New York Times* reminded readers of this fact with a [story](#) (entitled “No One’s Talking About the New Tax Law”) that noted, “by all sorts of metrics, Americans aren’t talking very much about a law that Republicans had hoped to make a centerpiece of their midterm election message.”

It offered this evidence: “Throughout the fall, as Republicans rushed their tax bill through Congress in two breakneck months, CNN, Fox News and MSNBC routinely devoted 10 percent of their daily coverage to tax issues, according to data from the Gdelt Project. Interest spiked as Mr. Trump signed the bill in late December.” Shortly thereafter, however, the message stopped being about tax reform. Instead it shifted: “All three networks have begun talking more about ‘trade’ over the past two months, as Mr. Trump imposed tariffs on steel and aluminum imports and threatened additional tariffs on products imported from China. Trade concerns have overtaken tax cut inquiries among users of online search engines, too. Data from Google Trends shows a surge of searches for the ‘tax cut’ topic in November and December. It died down in January — just as interest in ‘tariff’ searches picked up.”

I will leave it to the political experts to assess the damage from this lack of message discipline. I’m more concerned that it suggests an absence of policy discipline. A pro-growth policy is not a piece of legislation. It is a philosophy that guides a president and administration when faced with making decisions among tradeoffs. The Obama Administration passed legislation to help the economy — the so-called stimulus. But subsequently when it had to choose between growth and social policy, it chose social policy in the form of the Affordable Care Act. When it had to choose between growth and the labor agenda, it chose the joint employer rule, snap elections, higher minimum wages, the overtime rules, and more. When it had to choose between growth and environmental goals, it chose the Waters of the U.S. rule, the ozone rule, the Clean Power Plan, and more. These are all legitimate issues and tough decisions. But on each occasion the Obama administration chose against growth. If you always choose against growth, you should not be surprised to get poor growth. And that’s exactly what it got.

The concern is that the Trump Administration is falling into the same trap. Yes, it is great to make real progress on the regulatory burdens and business tax rules. But tariffs are not pro-growth and represent a poor choice. Diminished legal immigration is not pro-growth and would be a poor choice. Failing to reform entitlements is not pro-growth; the failure to support the American Health Care Act that reformed two major entitlements was a poor choice. This administration’s economic legacy will be shaped by decisions made over the next 18 months or so. Keeping the compass pointed at growth has never been more important.