

‘Republican Economist’ Sheds a Party Label

By N. Gregory Mankiw

A few weeks ago, I drove to my local city hall and changed my voter registration from Republican to independent. That was a momentous change for me, a lifelong Republican.

My allegiance to the G.O.P. was initially familial. My father had grown up in the 1920s and 1930s in Bayonne, N.J., a city that he said was run by a corrupt Democratic machine. He became a Republican to support the rule of law rather than party bosses. When I was a child, he had me deliver Republican campaign fliers door to door, long before I had any idea what politics was all about.

My real political views started forming when I studied economics in college during the 1970s and read the works of Milton Friedman, the defender of free markets and limited government. His book “Capitalism and Freedom” remains one of my favorites. Friedman associated himself with the Republican Party, making me comfortable there as well.

Early in my career, my own work was academic and far from politics. Most people assumed I was an independent or a Democrat, like most Harvard professors. In 1992, shortly after Bill Clinton became president and started tapping some of my colleagues for jobs, a college dean said: “Greg, I asked someone whether you might be joining the new administration. But he told me that you are a Republican. Could that *possibly* be true?” He was incredulous.

My involvement in politics began in earnest in 2003, in a Republican administration, when President George W. Bush asked me to chair his Council of Economic Advisers. I did so for two years. Later, in 2008 and 2012, I advised Mitt Romney, now a senator from Utah, during his presidential campaigns. In some eyes I became a “Republican economist.” But I always believed that good economics transcends party labels.

Now, I’m no longer a Republican economist. I’m officially an independent, for two reasons.

First, the Republican Party has increasingly become the party of Donald Trump. Though I didn't support Mr. Trump in the 2016 election, after he won, I hoped he would rise to the challenge. He has not.

Instead, his performance as president has confirmed my worst fears: trade wars, denial of climate change, huge budget deficits, attacks on the Federal Reserve, a chaotic White House, and betrayal of our allies abroad. Worse yet, Congressional Republicans have done little to check President Trump's egregious behavior.

Second, as an unenrolled voter — as independents are formally called in Massachusetts — I can now vote in the Democratic primary.

Though many of the Democratic candidates seem better to me than Mr. Trump, the party is at a crossroads. I worry that populists like Bernie Sanders and Elizabeth Warren are proposing to move the country too far in the direction of state control of the economy. Moreover, in doing so, they tempt those in the center and center right to hold their noses and vote for Mr. Trump's re-election.

So whom to support? As an economist and a concerned citizen, here are four things I'm looking for in a candidate's platform:

A Return to Freer Trade

Economic isolationism has been a hallmark of the Trump administration. Presidents used to defend free trade. Recall that George H.W. Bush negotiated the North American Free Trade Agreement, and Bill Clinton signed NAFTA into law. I look for a candidate who will restore that tradition.

Yes, the United States has valid complaints about China's economic policy, especially regarding its treatment of intellectual property. But these problems are best solved working with our allies through the World Trade Organization. Like most economists, I believe that the current trade war is hurting most Americans, especially those with lower incomes.

A Market-Based Approach to Climate Change

The consensus of scientists is that climate change is a serious threat. We need to respond but in a way that avoids rigid government regulation. The solution is a carbon tax, with all revenue rebated as carbon dividends. Putting a price on carbon would give everyone an incentive to reduce their carbon footprint.

Incremental Healthcare Reform

As we consider ways to improve the health care system, we should remember that the system, while imperfect, works well for many people. “Medicare for all” is a radical step. There is no reason to throw millions of Americans off private insurance plans that they like. The risk of unintended consequences is too large. A public option has some potential pitfalls as well, but it has the virtue of being far less disruptive.

Embrace of Our Common Humanity and Shared Goals

President Trump is polarizing, often intentionally, as when he calls his opponents “human scum.” We need a respite from such divisiveness.

But I fear that we may not find it from some of the Democrats, who have been demonizing the wealthy, as if success in a capitalist economy is shameful. Many of the wealthy are, instead, the innovators and entrepreneurs who drive productivity higher, raising living standards across the economy.

At their best, presidents bring people together rather than pushing them apart. They recognize that our problems are shared and that the best solutions are shared as well.

Free lunches, or lunches put on other people’s tab, are suspect. When politicians promise voters vastly increased government services paid by increased taxes on only a small sliver of the population, I see dissembling.

For example, as I have written here before, Senator Warren’s proposed tax on wealth, which aims at the richest 0.1 percent of the population, is unlikely to raise as much revenue as she claims. Basing a wildly ambitious social agenda on fundamentally unrealistic financing plans strikes me as the left’s version of building a wall and having Mexico pay for it.

So which candidate best meets my criteria? I don’t know yet, but I look forward to finding out.