

## The Romney Record: Promise and Puzzlement

### Taxes

*The Club for Growth is committed to lower taxes—especially lower tax rates— across the board. Lower taxes on work, savings, and investments lead to greater levels of these activities, thus encouraging greater economic growth.*

During his 2002 campaign for governor, Mitt Romney pledged to balance the budget without raising taxes and touted his fulfillment of that pledge throughout his term. While it is true that Governor Romney did not impose any broad-based tax hikes despite pressure from liberal special interests and an inherited budget deficit, he imposed a slew of fee hikes and tax “loophole” closures, together with spending cuts, in order to eliminate the budget gap.

The largest of these was \$259 million worth of fee hikes in FY 2004, the bulk of which came from higher Registry of Deeds fees.<sup>1</sup> Smaller fee hikes, including higher charges for boaters and golfers, were imposed in FY 2003<sup>2</sup> and FY 2005.<sup>3</sup> Romney also sought \$128 million worth of so-called tax loophole closures for FY 2004;<sup>4</sup> \$70 million for FY 2005;<sup>5</sup> and \$170 million for FY 2006, which were later reduced to \$85 million due to backlash from business leaders.<sup>6</sup>

That said, Governor Romney’s single term contained some solid efforts to promote pro-growth tax policy. In May of 2004, Mitt Romney proposed cutting the state’s income-tax rate from 5.3% to 5.0%—a measure Massachusetts voters had approved in a 2000 referendum, but was blocked by the State Legislature in 2002. The proposed tax cut would have provided \$675 million in relief over a year and a half.<sup>7</sup> When the Massachusetts Legislature refused to budge, Romney proposed the same tax cut in 2005<sup>8</sup> and again in 2006 with no success.<sup>9</sup>

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<sup>1</sup> Massachusetts Executive Office of Administration and Finance, internal documents

<sup>2</sup> *Boston Herald*, 01/30/03

<sup>3</sup> *Knight Ridder Tribune Business News*, 01/29/04

<sup>4</sup> *Knight Ridder Tribune Business News*, 02/27/03

<sup>5</sup> *Knight Ridder Tribune Business News*, 01/29/04

<sup>6</sup> *Boston Globe*, 03/26/05

<sup>7</sup> *Boston Globe*, 05/20/04

<sup>8</sup> *The Providence Journal*, 05/18/05

<sup>9</sup> *Boston Globe*, 07/01/06

Romney was more successful when he took on the State Legislature for imposing a retroactive tax on capital gains earnings. After a bloody fight, Romney succeeded in passing a bill preventing the capital gains tax from being applied retroactively, resulting in a rebate of \$275 million for capital gains taxes collected in 2002.<sup>10</sup> Governor Romney also signed legislation that provided property tax relief to seniors<sup>11</sup> and legislation establishing a two-day tax-free shopping holiday in 2005.<sup>12</sup>

Governor Romney's history on tax policy is scattered with inconsistencies. As a candidate for governor, Romney refused to sign an anti-tax pledge distributed by the local Citizens for Limited Taxation. He opposed Ballot Question 1 to eliminate the state income tax and proposed an auto excise tax on SUVs and a greenfields tax on the development of ocean space.<sup>13</sup> In 2003, the Governor refused to endorse the Bush tax cuts, earning the praise of Massachusetts liberal congressman Barney Frank,<sup>14</sup> and was even open to a federal gas tax hike.<sup>15</sup> His strident opposition to the flat tax is most curious and difficult to explain since Romney wasn't a political candidate at the time. In 1996, he ran a series of newspaper ads in Boston, New Hampshire, and Iowa denouncing the 17% flat tax proposed by then presidential candidate Steve Forbes as a "tax cut for fat cats."<sup>16</sup> Even today, Romney continues to oppose the flat tax with harsh language, calling the tax "unfair."<sup>17</sup>

Overall, Romney's record on tax policy is mixed. His record is marred by questionable statements and positions, and his fee hikes and "loophole" closures are troubling. However, his support for broad-based tax cuts in liberal Massachusetts together with his enthusiastic embrace of the Bush tax cuts on the campaign trail offers hope that Governor Romney's previous ambivalence on tax policy is more a function of Massachusetts politics than his core beliefs.

## Spending

*The Club for Growth is committed to reducing government spending. Less spending enhances economic growth by enabling lower taxes and diminishing the economically inefficient political allocation of resources.*

Governor Romney's record on spending must be considered within the liberal political context in which he governed. The Massachusetts Legislature was (and continues to be) dominated by Democrats more interested in raising taxes than cutting government

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<sup>10</sup> *Knight Ridder Tribune Business News*, 12/02/05 & *Associated Press*, 12,05/05

<sup>11</sup> Press Release, Mitt Romney, 11/20/05

<sup>12</sup> Press Release, Mitt Romney, 07/22/05

<sup>13</sup> *Boston Herald*, 10/27/02

<sup>14</sup> *Boston Globe*, 04/11/03

<sup>15</sup> *Boston Herald*, 02/08/07

<sup>16</sup> *Hotline On Call*, 04/28/07

<sup>17</sup> *Des Moines Register*, 04/05/07

programs. Throughout his tenure, Romney's proposed cuts were met with opposition while the vast majority of his vetoes were relegated to the graveyard of overrides.

On balance, his record comes out more positive than negative, especially when one considers that average spending increased only 2.22% over his four years, well below the population plus inflation benchmark of nearly 3%.<sup>18</sup>

Governor Romney receives credit for actual spending in FY 2003, even though he entered office halfway into the fiscal year, because of the tremendous spending cuts he forced down the Legislature's throat in January of 2003. Facing a \$650 million deficit he inherited from the previous administration, Romney convinced the unfriendly State Legislature to grant him unilateral power to make budget cuts and unveiled \$343 million in cuts to cities, healthcare, and state agencies.<sup>19</sup> This fiscal discipline continued in 2004, in which Romney continued to slash "nearly every part of state government" to close a \$3 billion deficit.<sup>20</sup>

At the same time, Governor Romney clearly loosened the purse strings for FY 2006 and in his proposed budget for FY 2007 (final spending for FY 2007 is not yet available, and is partly the responsibility of Romney's successor, Governor Deval Patrick). With surpluses flowing into the state coffers, the Romney administration sought to undo some of the success it had achieved during the initial lean years.<sup>21</sup> The result was a budget proposal for 2007 that was a whopping 10.12% larger than the preceding fiscal year.<sup>22</sup>

To his credit, Romney attempted to cut down on government spending by streamlining many duplicative and wasteful elements of Beacon Hill. Some of his more ambitious proposals were rejected by his über-liberal Legislature. These include: his plans to overhaul the wasteful Boston Municipal Court and close underused courthouses; merge the Massachusetts Turnpike Authority with the Highway Department; decentralize management of the University of Massachusetts; streamline the Alcoholic Beverage Control Commission; and phase out the obsolete Worcester State Hospital where employees outnumber patients nearly 3 to 1.<sup>23</sup>

Governor Romney successfully consolidated the social service and public health bureaucracy and restructured the Metropolitan District Commission.<sup>24</sup> Romney even eliminated half of the executive branch's press positions, saving \$1.2 million.<sup>25</sup> He also used his emergency fiscal powers to make \$425 million worth of cuts in 2006, taking particular aim at local earmarks, instead of allowing the Legislature to dip into the state's \$1.2 billion rainy day fund.<sup>26</sup> While there is no question that Governor Romney's initial

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<sup>18</sup> Bureau of Labor Statistics & U.S. Census Bureau

<sup>19</sup> *Boston Globe*, 01/30/03

<sup>20</sup> *Telegram & Gazette*, 02/27/03

<sup>21</sup> *Telegram & Gazette*, 01/14/06

<sup>22</sup> Executive Office of Administration and Finance

<sup>23</sup> *Telegram & Gazette*, 08/03/03

<sup>24</sup> *Telegram & Gazette*, 08/03/03

<sup>25</sup> *Associated Press*, 01/28/03

<sup>26</sup> *Boston Globe*, 11/23/06

fiscal discipline slacked off in the second half of his term, on balance, he imposed some much-needed fiscal discipline on a very liberal Massachusetts Legislature.

## **Free Trade**

*Free trade is a vital policy for maximizing economic growth. In recent decades, America's commitment to expanding trade has resulted in lower costs for consumers, job growth, and higher levels of productivity and innovation.*

Although Mitt Romney's practical record on trade is scant, his rhetoric has been supportive, demonstrating an understanding of the crucial relationship between economic growth and free trade. At a speech before top technology executives in 2005, Romney encouraged U.S. companies to sell their products abroad, rather than turning toward protectionism: "We must move ahead in technology and patents. I don't like losing any jobs but we'll see new opportunities created selling products there. We'll have a net increase in economic activity, just as we did with free trade. It's tempting to want to protect our markets and stay closed. But at some point it all comes crashing down and you're hopelessly left behind. Then you are Russia."<sup>27</sup>

Romney was also a supporter of CAFTA, saying, "It does make me chuckle, when you see Congress struggling about whether we should open our trade with Central America. When Asia is looming off the horizon, we're worried about El Salvador and Guatemala?"<sup>28</sup>

## **Entitlement Reform**

*America's major middle-class entitlement programs are already insolvent. The Club for Growth supports entitlement reforms that enable personal ownership of retirement and healthcare programs, benefit from market returns, and diminish dependency on government.*

As governor, Romney pushed for important changes to Massachusetts expansive welfare system. Although federal welfare reform passed in 1995, Massachusetts was woefully behind, relying on a waiver to bypass many of the legislation's important requirements. Romney fought for legislation that would bring Massachusetts' welfare system up to date with federal standards by increasing the number of hours each week recipients must work and establishing a five-year limit for receiving benefits.<sup>29</sup> Much to his credit and to the dismay of many Massachusetts liberals, Romney successfully forced Medicaid recipients to make co-payments for some services<sup>30</sup> and successfully pushed for legislative action forcing new state workers to contribute 25% of their health insurance costs, up from

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<sup>27</sup> CRN.com, 11/16/05, <http://www.crn.com/networking/174300587>

<sup>28</sup> Associated Press, 11/16/05

<sup>29</sup> Boston Globe, 07/09/05

<sup>30</sup> The Patriot Ledger, 07/05/03

15%.<sup>31</sup> Governor Romney also deserves praise for proposing to revolutionize the Massachusetts state pension system by moving it from a defined benefit system to a defined contribution system.<sup>32</sup>

Regarding Social Security, Romney's record is scarce. Romney has ruled out the option of raising Social Security taxes, embraced the idea of reducing the growth rate of future benefits, and supports personal accounts, but unfortunately, has not embraced a comprehensive reform plan as of yet.<sup>33</sup>

But one cannot talk about Romney's record on entitlement reform without considering the universal healthcare plan Governor Romney helped craft in Massachusetts. The bill that Governor Romney signed with a grinning Ted Kennedy in the background on April 12, 2006,<sup>34</sup> has been the victim of much scorn from many economic conservatives. Some of those criticisms are valid. However, Romney also deserves credit for trying to move a terrible system towards free-market improvements.

It is important to state that many of the problems that plague our healthcare system are rooted in federal law, leaving governors with their hands tied. The federal tax code severely impedes individual ownership of health insurance, and federal legislation requires hospitals to treat all patients regardless of their ability to pay, effectively creating a universal healthcare mandate and forcing taxpayers to foot the bill for people who can afford, but refuse to buy, insurance.

Governor Romney didn't have the option of reforming federal law, and was forced to contend with a liberal Legislature that rejected many of his positive reforms. He was also facing a Bush administration threat to cut off \$385 million per year in federal Medicaid funds unless the state reduced the number of uninsured people.<sup>35</sup> Given these limitations, Governor Romney deserves credit for proposing (and to a lesser extent, enacting) a plan that encourages individually-owned health insurance and circumvents some of the inequities carved into the federal tax code.

In order to bypass this inequity, Romney created a device known as the "Connector" that serves as a government-sponsored clearinghouse/regulator for private healthcare plans. Ideally, the role of the "Connector" would be played by the private sector and would not include a regulatory function. Nevertheless, the Massachusetts "Connector" does dramatically facilitate individually-owned health insurance plans by enabling individuals to purchase health insurance with pre-tax dollars and choose from a number of competing private plans.<sup>36</sup>

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<sup>31</sup> *Boston Globe*, 06/20/03

<sup>32</sup> *Boston Globe*, 03/09/03

<sup>33</sup> Mitt Romney, Club for Growth Winter Conference, 03/29/07 & *St. Petersburg Times*, 08/07/07

<sup>34</sup> *The Daily Free Press*, 04/13/06

<http://media.www.dailyfreepress.com/media/storage/paper87/news/2006/04/13/FeaturePhotos/Romney.Sigs.Health.Care.Bill-1848060.shtml>

<sup>35</sup> *International Herald Tribune*, 04/06/06

<sup>36</sup> Heritage Foundation, Backgrounder, No. 1953, 07/18/06

Governor Romney also deserves credit for redirecting money earmarked for hospitals, as part of the uncompensated care program, to individuals directly in the form of a subsidized premium assistance program. While subsidies for individual purchases are overly generous (people earning up to 300% of the federal poverty level qualify), in contrast to subsidizing hospitals, they encourage individual ownership of private health insurance, broaden the private health insurance pool, distribute risk over a wider spectrum, and may lower overall costs.<sup>37</sup>

To be sure, the Massachusetts plan's individual mandate to purchase healthcare insurance rankles libertarian instincts and necessitates a government-defined standard for compliance—and Romney should be taken to task for this. A system of incentives for purchasing insurance together with penalties for consuming healthcare services without coverage would no doubt be a major improvement over the Massachusetts government-imposed mandate. Romney's original proposal offered individuals the option of forgoing insurance and posting a bond in an interest-bearing account, but the Legislature made sure that option never saw the light of day.<sup>38</sup>

Governor Romney tried to deregulate the overregulated healthcare insurance coverage. Many of his efforts were rebuffed by the Legislature, but he did make some progress. Thanks to Governor Romney, HMOs can now offer high deductible plans tied to health savings accounts; Massachusetts set a three-year moratorium on new benefit mandates; and individuals aged 19-26 have the option of enrolling in low-cost plans with dollar-limited annual benefits.<sup>39</sup>

One of the most objectionable elements of the plan in principle—the employer mandate that requires businesses with 11 or more full-time employees to provide health insurance—was inserted by the Legislature and is easily circumvented.<sup>40</sup> Governor Romney vetoed this provision, but the veto was quickly overridden.<sup>41</sup>

To be sure, Commonwealth Care is a far cry from free-market healthcare. Besides the individual and employer mandates, the program expands Medicaid,<sup>42</sup> does not deregulate enough, and will likely cost more than the current system,<sup>43</sup> which despite all its flaws, does, after all, already provide universal healthcare on demand. Most of the blame for the deficiencies in the Massachusetts plan lies with the liberal Legislature which, absent the resistance of Governor Romney, almost certainly would have enacted a major tax increase while moving healthcare reform in the worst possible direction. Nevertheless, given its massively regulatory nature and likely high cost, the Massachusetts healthcare plan is not a model upon which a national plan should be built.

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<sup>37</sup> Heritage Foundation, Backgrounder, No. 1953, 07/18/06

<sup>38</sup> Heritage Foundation, Backgrounder, No. 1953, 07/18/06 & *Boston Globe*, 11/13/05

<sup>39</sup> Heritage Foundation, WebMemo, No. 1414, 04/04/07

<sup>40</sup> Heritage Foundation, WebMemo No. 1045, 04/20/06

<sup>41</sup> *Business Insurance*, 05/08/06, Vol. 40, Iss. 19

<sup>42</sup> Heritage Foundation, Backgrounder, No. 1953, 07/18/06 & *Boston Globe*, 11/10/05

<sup>43</sup> *Health Affairs*, "The Third Wave of Massachusetts Health Care Access Reform," 09/14/06 & Cato Policy Analysis No. 595, 06/28/07

## Regulation

*Excessive government regulation stymies individual and business innovation necessary for strong economic expansion. The Club for Growth supports less and more sensible government regulation as a critical step toward increasing freedom and growth in the marketplace.*

Mitt Romney's record on regulation is generally impressive. On the campaign trail, he has supported drilling in ANWR<sup>44</sup> and opposed the burdensome regulations imposed by Sarbanes-Oxley.<sup>45</sup> As governor, he often clashed with the knee-jerk anti-business Legislature over his attempts to ease Massachusetts' regulatory burdens. Though some of his largest undertakings were ultimately crushed by liberal opposition, Governor Romney deserves praise for attempting to change the relationship between government and private enterprise for the better. These efforts include:

- Vetoed an increase in the minimum wage from \$6.75 to \$8.00, proposing a 25-cent increase as a compromise, and arguing that “there’s no question raising the minimum wage excessively causes a loss of jobs”<sup>46</sup>
- Pushed to revamp the Pacheco Law, a union-backed measure that makes it nearly impossible to privatize or outsource state services<sup>47</sup>
- Aggressively pushed to deregulate Massachusetts’ “Soviet-style” auto insurance industry. Massachusetts is the only state in which the government mandates maximum insurance rates and requires insurers to accept every applicant<sup>48</sup>
- Called for the privatization of the University of Massachusetts medical school<sup>49</sup>
- Proposed measures to eliminate civil service protection for all municipal workers except police and firefighters and exempt low-cost public construction jobs from the state’s wage law<sup>50</sup>
- Proposed easing decades-old state regulations on wetlands<sup>51</sup>
- Proposed easing pricing regulations on Massachusetts retailers<sup>52</sup>
- Signed a bill streamlining the state’s cumbersome permitting process for new businesses<sup>53</sup>
- Eased regulations for brownfield development<sup>54</sup>
- Vetoed a bill limiting the ability of out-of-state wineries to ship directly to Massachusetts consumers, calling the legislation “anti-consumer”<sup>55</sup>

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<sup>44</sup> *Boston Globe*, 12/13/05

<sup>45</sup> Mitt Romney, Club for Growth Winter Conference, 03/29/07

<sup>46</sup> *Telegram & Gazette*, 08/01/06

<sup>47</sup> *Boston Globe*, 02/26/03

<sup>48</sup> *The Sun*, 06/02/05

<sup>49</sup> *Telegram & Gazette*, 02/27/03

<sup>50</sup> *Boston Herald*, 01/31/03

<sup>51</sup> *Telegram & Gazette*, 09/05/04

<sup>52</sup> *Knight Ridder Tribune Business News*, 02/27/03

<sup>53</sup> *The Berkshire Eagle*, 08/04/06

<sup>54</sup> *Boston Globe*, 09/12/03

<sup>55</sup> Press Release, Mitt Romney, 11/21/05 & *Telegram & Gazette*, 11/22/05

Governor Romney's regulatory record contains some flaws. Despite vetoing the Legislature's minimum wage increase, the Governor is on record supporting indexing the minimum wage to inflation.<sup>56</sup> Romney also signed into law a measure banning smoking in the workplace including bars and restaurants (with exemptions for some private clubs);<sup>57</sup> and implemented "comprehensive ocean zoning reform" that imposed new regulations on ocean front development.<sup>58</sup>

On balance, Romney's anti-regulation efforts reflect an intuitive appreciation for the free market and its important role in promoting economic growth. While many of his proposals were rejected by the State Legislature, he demonstrated strong support for private enterprise in a state where regulation is a way of life.

### **School Choice**

*The Club for Growth supports broad school choice, including charter schools, voucher programs, and tax credits that create a competitive education market including public, private, religious, and non-religious schools. More competition in education can only lead to higher quality and lower costs.*

Mitt Romney is on record supporting charter schools, school vouchers, and home schooling. As governor, Romney focused on charter school expansion rather than implementing a voucher program. He pushed to eliminate the state-mandated cap on the number of charter schools<sup>59</sup> and successfully vetoed a moratorium on the opening of new charter schools, passed by the Massachusetts Legislature in 2004.<sup>60</sup> Although comprehensive school choice clearly is the solution to much of what plagues primary and secondary education, it is understandable that Governor Romney chose to spend his political capital on more attainable charter school expansion given the political opposition to empowering poor children in Massachusetts.

During his 1994 Senate race, he advocated abolishing the Department of Education,<sup>61</sup> but has since moved away from that admirable position, saying in the FOX News Republican presidential debate that he supports No Child Left Behind and has seen as a governor that "the Department of Education can actually make a difference."<sup>62</sup>

### **Political Free Speech**

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<sup>56</sup> *The Patriot Ledger*, 11/02/02

<sup>57</sup> Press Release, Mitt Romney, 06/18/04 & *The Patriot Ledger*, 06/11/04

<sup>58</sup> *US Fed News Service*, 03/18/05

<sup>59</sup> *Telegram & Gazette*, 01/24/04

<sup>60</sup> *Boston Globe*, 06/26/04 & *Boston Globe*, 07/21/04

<sup>61</sup> *Boston Globe*, 10/12/94

<sup>62</sup> Fox News Channel, Republican presidential debate, 05/15/07

*Maximizing prosperity requires sound government policies. When the government strays from these policies, citizens must be free to exercise their constitutional rights to petition and criticize those policies and the politicians responsible for them.*

Mitt Romney's position on political free speech has undergone a radical evolution. During his 1994 Senate race against Ted Kennedy, Romney took an outrageous position on campaign finance reform that put him to the left of the current McCain-Feingold legislation, arguing for campaign spending limits—unconstitutional even under *Buckley v. Valeo*—and the abolition of PACs:

“I personally believe that when campaigns spend the kind of money they're now spending . . . and to get that kind of money you've gotta cozy up as an incumbent to all of the special-interest groups who can go out and raise money for you from their members, and that kind of relationship has an influence over the way you're going to vote . . . And for that reason I would like to have campaign spending limits and to say we're not going to spend more than this in certain campaigns . . . I also would abolish PACS. You probably have one. I don't like them. I don't like the influence of money—whether it's business, labor, or any other group. I do not like that kind of influence . . .”<sup>63</sup>

In his 2002 gubernatorial campaign, Romney proposed a radical new campaign finance system, in which privately-funded campaigns would be taxed 10% in order to fund publicly-funded campaigns as part of Massachusetts' Clean Election Law in order to “spare taxpayers the burden of shouldering the entire expense of this program.”<sup>64</sup> In 2003, he allowed a repeal of the Clean Elections Law to stand.<sup>65</sup>

As a presidential candidate, Mitt Romney has pivoted drastically, abandoning his old anti-First Amendment stance and taking the harshest position on McCain-Feingold of all the candidates. He has called repeatedly for the legislation's repeal,<sup>66</sup> and even labeled the bill “one of the worst things in my lifetime.”<sup>67</sup> Now Romney is advocating “reforms that promote transparency and disclosure, preserve grassroots activism and protect the ability to criticize or endorse current officeholders and candidates.”<sup>68</sup> While we welcome this change of heart, we hope it is inspired by greater appreciation for the First Amendment rather than by the political dynamics of the presidential primary.

## **Tort Reform**

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<sup>63</sup> C-SPAN2, 10/17/94, [http://www.humanevents.com/rightangle/index.php?id=21250&blog=3&title=flip\\_floppin\\_mitt\\_on\\_campaign\\_finance\\_re&more=1&c=1&tb=1&pb=1](http://www.humanevents.com/rightangle/index.php?id=21250&blog=3&title=flip_floppin_mitt_on_campaign_finance_re&more=1&c=1&tb=1&pb=1)

<sup>64</sup> *The Patriot Ledger*, 10/15/02 & *Telegram & Gazette*, 06/30/03

<sup>65</sup> *Telegram & Gazette*, 06/30/03

<sup>66</sup> Press Release, Romney for President, 03/02/07

<sup>67</sup> *The Hill*, 02/08/07

<sup>68</sup> Press Release, Romney for President, 03/02/07

*The American economy suffers from excessive litigation which increases the cost of doing business and slows economic growth. The Club for Growth supports major reforms to our tort system to restore a more just and less costly balance in tort litigation.*

From his 1994 Senate race,<sup>69</sup> to his gubernatorial campaign in 2002, and throughout his four years as governor, Romney was a strong proponent of tort reform. As governor, he supported capping personal injury claims in automobile-related cases<sup>70</sup> and advocated for overhauling Massachusetts' exorbitant medical malpractice system. Massachusetts is notorious for having some of the highest malpractice insurance rates in the country, driving doctors in key specialties out of the state.<sup>71</sup>

During his gubernatorial campaign, Mitt Romney supported capping punitive damages to replace the unlimited status quo.<sup>72</sup> In 2003, Romney also supported a bill to cap noneconomic awards at \$500,000, arguing at a rally organized by the Massachusetts Medical Society, "If we have in place policies which drive physicians away, which drive costs spiraling out of control, we can't attract jobs, we can't have a better future for our kids and the families that want to live here. We need reform now."<sup>73</sup> In May of 2006, the Romney administration issued a specific tort reform proposal, calling for:

- Closing loopholes in the \$500,000 cap on non-economic damages which allowed lawyers to win excessive damages
- Reducing lawsuits by allowing doctors to disclose medical errors without fear of admissibility in court
- Increasing the number of claims resolved prior to trial
- Tightening the state's tribunal system to ensure that only meritorious malpractice lawsuits go to trial
- Reduces lawyers' fees from 25% for verdicts over \$500,000 to 15% for verdicts over \$600,000
- Reducing pre-judgment interest to the one-year Treasury rate<sup>74</sup>

On the campaign trail, Romney has taken his impressive record to the national level, insisting on badly needed nationwide tort reform.<sup>75</sup>

## **Summation**

As Massachusetts Governor, Mitt Romney's record on economic issues was generally good. He demonstrated a willingness to take on his Legislature and deserves credit for

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<sup>69</sup> *Boston Globe*, 07/01/94

<sup>70</sup> *The Sun*, 06/02/05

<sup>71</sup> *Boston Globe*, 11/13/03

<sup>72</sup> *Boston Globe*, 10/02/02

<sup>73</sup> *Boston Globe*, 04/09/03

<sup>74</sup> Press Release, Mitt Romney, 05/23/06

<sup>75</sup> Mitt Romney, Detroit Economic Club, 02/07/07

the many pro-growth measures he advocated and the modest reforms he was able to achieve. While his record on taxes, spending and entitlement reform is flawed, it is, on balance, encouraging, especially given the liberal Massachusetts Legislature. His record on trade, school choice, regulations, and tort reform all indicate a strong respect for the power of market solutions.

At the same time, Governor Romney's history is marked by statements at odds with his gubernatorial record and his campaign rhetoric. His strident opposition to the flat tax; his refusal to endorse the Bush tax cuts in 2003; his support for various minor tax hikes; and his once-radically bad views on campaign finance reform all cast some doubts on the extent and durability of his commitment to limited-government, pro-growth policies. His landmark steps in the healthcare arena also exhibit a mixture of desirable pro-free market efforts combined with a regrettable willingness to accept, if not embrace, a massive new regulatory regime. Nevertheless, given his outstanding private sector entrepreneurial experience; the strong pro-growth positions he has taken on the campaign trail; his overall record as governor; and the fact that the U.S. Congress will not be as liberal as the Massachusetts Legislature, we are reasonably optimistic that, as President, Mitt Romney would generally advocate a pro-growth agenda.