



## Democratic Presidential White Paper: One of These Candidates is not Like the Other

### 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.*

Hillary Clinton, Barack Obama, and John Edwards have very similar voting records and policy proposals on the issue of taxes, sharing a strident antagonism towards lower tax rates and economic freedom. While in the Senate, John Edwards voted against a 1999 tax relief package that would have repealed the Alternative Minimum Tax<sup>1</sup> and against repealing a tax increase on Social Security benefits.<sup>2</sup> He and Hillary Clinton both voted against the 2001 and 2003 tax cuts<sup>3</sup> and against repeal of the Death Tax.<sup>4</sup> Barack Obama joined Clinton in opposing the extension of the Bush tax cuts;<sup>5</sup> in opposing the extension of decreased tax rates for capital gains and dividends;<sup>6</sup> and in support of the cigarette tax hike contained in the SCHIP bill.<sup>7</sup>

As presidential candidates, Edwards, Obama, and Clinton have taken their anti-growth records to a new level, peppering their speeches with class-warfare rhetoric and a bristling hostility towards the capitalist spirit. All three are determined to let the Bush tax cuts expire,<sup>8</sup> with Edwards promising to eliminate the Bush tax cuts before they expire. Edwards has also promised to raise the capital gains tax rate to a whopping 28%—even higher than the 20% rate that applied before the 2003 tax cuts.<sup>9</sup>

The tax-raising proposals don't stop there. All three candidates support raising taxes on private equity firms and hedge funds.<sup>10</sup> Obama and Edwards are also planning on solving the current Social Security crisis by raising the amount of income subject to Social

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<sup>1</sup> Roll Call #261, 08/05/99

<sup>2</sup> Roll Call #188, 07/13/00

<sup>3</sup> Roll Call, #170, 05/26/01 & Roll Call #196, 05/23/03

<sup>4</sup> Roll Call #151, 06/12/02

<sup>5</sup> Roll Call #118, 05/11/06

<sup>6</sup> Roll Call #8, 02/02/06

<sup>7</sup> Roll Call #105, 03/23/07

<sup>8</sup> [CNN.com](#), 09/18/07; [USA Today](#), 04/01/07; & [Associated Press](#), 02/05/07

<sup>9</sup> [Los Angeles Times](#), 07/27/07

<sup>10</sup> [Reuters](#), 07/13/07 & [Seattle Times](#), 07/31/07

Security taxes,<sup>11</sup> while Hillary Clinton is ambivalent, publicly ruling out such a proposal but privately expressing interest.<sup>12</sup>

New Mexico Governor Bill Richardson has a mixed record on taxes and economic growth. While he voted for President George H.W. Bush's and President Bill Clinton's tax hikes,<sup>13</sup> Richardson also embraced pro-growth economics as governor, cutting the top income tax rate from 8.2% to 4.9% over five years<sup>14</sup> and capital gains taxes in half,<sup>15</sup> arguing that "cutting taxes and creating tax credits can be essential to creating jobs and a strong economy."<sup>16</sup> In the first Democratic debate this year, Richardson argued that "As Democrats, I just hope that we always don't think of new taxes to pay for programs,"<sup>17</sup> and has since taken John Edwards to task for his class-warfare politics.<sup>18</sup>

Make no mistake, Richardson is no supply-sider. He supports eliminating the 2001 and 2003 tax cuts<sup>19</sup> and raised taxes and fees as governor, though his tax cuts surpassed his tax hikes.<sup>20</sup> However, his recognition of the positive relationship between tax cuts and economic growth and his rejection of class-warfare politics marks an important distinction between his tax policies and those of Clinton, Obama, and Edwards.

## 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.*

As Senators, it often seemed like Edwards, Clinton, and Obama were congenitally incapable of saying no to government spending. Both Edwards and Clinton voted against defunding pork projects<sup>21</sup> and for the overbloated 2002 farm bill.<sup>22</sup> Clinton and Obama voted to keep the \$223 million boondoggle known as the "Bridge to Nowhere,"<sup>23</sup> for the expansive 2005 Highway Bill,<sup>24</sup> and for corporate welfare.<sup>25</sup>

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<sup>11</sup> [ABCNews.com](#), 10/12/07 & [ABCNews.com](#), 09/22/07

<sup>12</sup> [ABCNews.com](#), 10/12/07

<sup>13</sup> [Roll Call #475](#), 10/16/90 & [Roll Call #406](#), 08/05/93

<sup>14</sup> [Weekly Standard](#), 03/05/07

<sup>15</sup> [Las Vegas Sun](#), 10/21/07

<sup>16</sup> [Weekly Standard](#), 03/05/07

<sup>17</sup> [MSNBC](#), Democratic Presidential Debate, 04/27/07

<sup>18</sup> [MSNBC](#), Democratic Presidential Debate, 11/15/07

<sup>19</sup> [2007 Democratic Presidential Debate](#), Howard University, 06/28/07

<sup>20</sup> [New Mexico Legislative Council Service](#), Summary of Revenue Changes for State Government Funds, March 2007

<sup>21</sup> [Roll Call #137](#), 06/06/02 & [Roll Call #138](#), 06/06/02

<sup>22</sup> [Roll Call #30](#), 02/13/02

<sup>23</sup> [Roll Call #262](#), 10/20/05

<sup>24</sup> [Roll Call #220](#), 07/29/05

<sup>25</sup> [Roll Call #144](#), 04/25/07

While Clinton talks about fiscal responsibility,<sup>26</sup> she is one of the Senate's most determined porkers, scoring a measly 11% on the Club for Growth's 2007 RePORK Card, voting for only 1 out of 9 anti-pork amendments. Obama didn't do much better, scoring a 33%, though he missed a majority of the votes.<sup>27</sup> To Obama's credit, he has worked with Republican Senator Tom Coburn to institute greater transparency and accountability in congressional spending, including the earmarking process.<sup>28</sup> Neither Hillary Clinton nor John Edwards demonstrated a similar initiative in the Senate.

Clinton, Obama, and Edwards are proposing one new government program after another, from universal healthcare, to universal preschool, to an "education SWAT team."<sup>29</sup> The proposals read like a laundry list of new and costly government programs: Obama's \$18 billion education proposal;<sup>30</sup> Edwards' \$120 billion universal healthcare plan;<sup>31</sup> Obama's \$50 billion "clean technology" venture capital fund;<sup>32</sup> Clinton's \$110 billion universal healthcare proposal;<sup>33</sup> Edwards' \$13 billion renewable energy program;<sup>34</sup> and Clinton's \$50 billion strategic energy fund.<sup>35</sup> In some cases, the candidates appear to be competing to see who can spend more taxpayer dollars. Hillary Clinton proposes \$1 billion a year to expand the Family Medical Leave Act; then Obama offers \$1.5 billion a year; and Edwards goes a step further with \$2 billion a year.<sup>36</sup> Hillary Clinton put it best when she said, "I have a million ideas. The country can't afford them all."<sup>37</sup> The same could be said for Barack Obama and John Edwards.

Richardson appears more fiscally restrained than Clinton, Obama, and Edwards, although he is clearly no champion of smaller government. As a House member he voted for the line-item veto,<sup>38</sup> for the Freedom to Farm Act (1 of 54 Democrats) which limited farm subsidies,<sup>39</sup> and for Welfare Reform.<sup>40</sup> However, he also voted against the fiscally conservative RSC budget in 1995,<sup>41</sup> and increased spending by an average of nearly 7% per year as governor of New Mexico.<sup>42</sup>

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<sup>26</sup> [Boston Globe](#), 11/16/07

<sup>27</sup> [http://www.clubforgrowth.org/2007/11/the\\_clubs\\_2007\\_senate\\_repork\\_c.php](http://www.clubforgrowth.org/2007/11/the_clubs_2007_senate_repork_c.php)

<sup>28</sup> [Chicago Sun-Times blog](#), 09/08/06 & [Coburn.senate.gov](#), Press Releases, 09/08/06

<sup>29</sup> [MSNBC.com](#), 09/21/07

<sup>30</sup> [Los Angeles Times](#), 11/20/07

<sup>31</sup> [Johnedwards.com](#), Press Release, 09/17/07

<sup>32</sup> [San Francisco Chronicle](#), 11/15/07

<sup>33</sup> [Washington Times](#), 09/24/07

<sup>34</sup> [Johnedwards.com](#), 08/23/07

<sup>35</sup> [San Francisco Chronicle](#), 11/15/07

<sup>36</sup> [The Oregonian](#), 11/13/07

<sup>37</sup> [Boston Globe](#), 10/11/07

<sup>38</sup> [Roll Call #95](#), 02/06/95

<sup>39</sup> [Roll Call #42](#), 02/29/96

<sup>40</sup> [Roll Call #383](#), 07/31/96

<sup>41</sup> [Roll Call #343](#), 05/18/95

<sup>42</sup> [National Review Online](#), 03/17/06

Although he writes on his website, “our next President must have the discipline to rein in spending so that we may return to the budget surpluses we experienced during the Clinton Administration,”<sup>43</sup> he showed little fiscal discipline as governor of New Mexico.

## 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.*

In the Senate, Clinton, Obama, and Edwards were mixed bags on trade. Edwards voted against trade agreements with sub-Saharan Africa,<sup>44</sup> Singapore,<sup>45</sup> and Chile,<sup>46</sup> but for normal trade relations with China<sup>47</sup> and Trade Promotion Authority in 2002<sup>48</sup> (though he voted against the conference version).<sup>49</sup> Hillary Clinton, too, had her moments. She voted against Trade Promotion Authority in 2002<sup>50</sup> and CAFTA,<sup>51</sup> but for trade with Singapore,<sup>52</sup> Chile,<sup>53</sup> Australia,<sup>54</sup> and Oman.<sup>55</sup> Obama voted against CAFTA,<sup>56</sup> but for the Oman Trade Agreement<sup>57</sup> and has joined Clinton in supporting the recent trade agreement with Peru.<sup>58</sup>

Unfortunately, these three Democrats have recently rejected the Democratic Party’s free trade policies of the 1990s and embraced protectionism in a knee-jerk appeal to the most left-wing elements of the party. All three have attacked NAFTA, with Edwards labeling the agreement a “disaster”<sup>59</sup> and Obama and Clinton calling for the agreement’s renegotiation<sup>60</sup> and adjustment<sup>61</sup> respectively. While only Edwards opposed the recent agreement with Peru,<sup>62</sup> all three have expressed opposition to the pending trade agreement with South Korea.<sup>63</sup> It is clear that Clinton, Obama, and Edwards all want to

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<sup>43</sup> [Richardsonforpresident.com](http://Richardsonforpresident.com), Issues, Jobs and the Economy

<sup>44</sup> Roll Call # 98, 05/11/00

<sup>45</sup> [Roll Call #318](#), 07/31/03

<sup>46</sup> [Roll Call #319](#), 07/31/03

<sup>47</sup> [Roll Call #251](#), 09/19/00

<sup>48</sup> [Roll Call #130](#), 05/23/02

<sup>49</sup> [Roll Call #207](#), 08/01/02

<sup>50</sup> [Roll Call #130](#), 05/23/02 & [Roll Call #207](#), 08/01/02

<sup>51</sup> [Roll Call #209](#), 07/28/05

<sup>52</sup> [Roll Call #318](#), 07/31/03

<sup>53</sup> [Roll Call #319](#), 07/31/03

<sup>54</sup> [Roll Call #156](#), 07/15/04

<sup>55</sup> [Roll Call #190](#), 06/29/06

<sup>56</sup> [Roll Call #209](#), 07/28/05

<sup>57</sup> [Roll Call #190](#), 06/29/06

<sup>58</sup> [Huffington Post](#), 11/08/07

<sup>59</sup> [Edwards in Iowa](#), 08/15/07

<sup>60</sup> [Obama.senate.gov](#), 10/23/06

<sup>61</sup> [USA Today](#), 10/09/07

<sup>62</sup> [Huffington Post](#), 11/08/07

<sup>63</sup> [Associated Press](#), 04/22/07 & [ABCNews.com](#), 04/23/07

dramatically change the nature of America's trade relations in a way that would harm free trade and threaten economic growth.

Bill Richardson's record on trade is significantly different compared to Clinton, Obama, and Edwards. While a supporter of so-called fair trade, he has not succumbed to the strident language Clinton, Obama, and Edwards have adopted against free trade and NAFTA in particular. In fact, Richardson voted for NAFTA in the House.<sup>64</sup> He also voted to support Most-Favored-Nation status for China<sup>65</sup> and to extend Trade Promotion Authority.<sup>66</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.*

The only plans Hillary Clinton, John Edwards, and Barack Obama have for the country's entitlement programs are to expand them. All three candidates favor government-sponsored universal healthcare<sup>67</sup> and oppose personal accounts for Social Security that would give workers a greater return on their Social Security taxes and greater freedom in their retirement years.<sup>68</sup> Obama and Edwards support raising the Social Security wage cap,<sup>69</sup> while Hillary Clinton claims the best way to shore up Social Security is by returning to the "fiscal responsibility" of the 1990s.<sup>70</sup>

In the Senate, Clinton and Obama have both opposed meaningful reform that would truly lower healthcare costs by voting against the Health Insurance Marketplace Modernization and Affordability Act<sup>71</sup> that would allow small businesses to pool their employees to provide group health insurance coverage. All three voted to allow Congress to raid the so-called Social Security Trust Fund to spend on other government programs.<sup>72</sup>

Though a self-proclaimed individualist,<sup>73</sup> Richardson has joined Clinton, Obama, and Edwards in calling for universal healthcare<sup>74</sup> and wants to allow the federal government to negotiate prescription drug prices through Medicare, which is code for price controls to

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<sup>64</sup> [Roll Call #575](#), 11/17/93

<sup>65</sup> [Roll Call #381](#), 08/09/94

<sup>66</sup> [Roll Call #247](#), 06/22/93

<sup>67</sup> [Associated Press](#), 02/05/07; [Barackobama.com](#); & [Foxnews.com](#), 03/26/07

<sup>68</sup> [AFSCME Democratic primary debate](#), 02/21/07; [Ontheissues.org](#); & [Johnedwards.com](#)

<sup>69</sup> [ABCNews.com](#), 10/12/07 & [ABCNews.com](#), 09/22/07

<sup>70</sup> [ABCNews.com](#), 10/12/07

<sup>71</sup> [Roll Call #119](#), 05/11/06

<sup>72</sup> [Roll Call #90](#), 04/22/99 & [Roll Call #68](#), 03/16/06

<sup>73</sup> [Las Vegas Sun](#), 10/21/07

<sup>74</sup> [Richardsonforpresident.com](#), Press Releases, 08/07/07

tame “the big pharmaceutical companies that rake in profits.”<sup>75</sup> Richardson also opposes personal accounts for Social Security, but has publicly declared a wage cap increase “a 15% tax on small businesses, on the middle class, on family farms.”<sup>76</sup>

## 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.*

If Ronald Reagan thought government was the problem, Clinton, Obama, and Edwards appear to think that government is the solution—the only solution. Edwards and Clinton voted for the so-called Patients’ Bill of Rights,<sup>77</sup> and Clinton voted to require gas emissions reductions.<sup>78</sup> Obama and Clinton voted for price controls on prescription drugs,<sup>79</sup> to prohibit oil drilling in ANWR,<sup>80</sup> and for minimum wage increases.<sup>81</sup>

All of their presidential policy proposals rest on the underlying belief that government intrusion in all sectors of society and business is necessary, regardless of the economic consequences. Their universal healthcare plans, education platforms, and energy proposals all include new federal mandates that stifle productivity, impose new costs, and increase the size of government.

While Richardson likes to portray himself as a product of the libertarian west and a believer in “limited government in your daily life,”<sup>82</sup> this image is fuzzy at best. As governor, he signed a statewide smoking ban,<sup>83</sup> imposed renewable energy mandates,<sup>84</sup> and signed a minimum wage increase, calling it the “crown jewel” in his legislative agenda.<sup>85</sup> He now also supports mandates to require the nation’s utilities to derive 30 percent of their power from renewable sources, pushing CAFE standards to 50 miles per gallon,<sup>86</sup> and forcing the Americans with Disabilities Act to cover obese Americans.<sup>87</sup> As a House member, he voted to regulate the number of hours flight attendants could work,<sup>88</sup> voted against legislation to require a federal agency to compensate a private property

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<sup>75</sup> [Richardsonforpresident.com](http://Richardsonforpresident.com), Issues, Health Care

<sup>76</sup> [MSNBC](http://MSNBC.com), Democratic Presidential Debate, Dartmouth College, 09/26/07

<sup>77</sup> [Roll Call #220](#), 06/29/01

<sup>78</sup> [Roll Call #420](#), 10/30/03

<sup>79</sup> [Roll Call #302](#), 11/03/05

<sup>80</sup> [Roll Call #52](#), 03/16/05

<sup>81</sup> [Roll Call #257](#), 10/19/05 & [Roll Call #179](#), 06/21/06

<sup>82</sup> [Las Vegas Sun](#), 10/21/07

<sup>83</sup> [The Santa Fe New Mexican](#), 09/12/07

<sup>84</sup> [Las Vegas Sun](#), 10/21/07

<sup>85</sup> [AFL-CIO Blog](#), 03/20/07

<sup>86</sup> [Las Vegas Sun](#), 10/21/07

<sup>87</sup> [ABCNews.com](#), 09/19/07

<sup>88</sup> [Roll Call #250](#), 08/01/91

owner for loss in land value as a result of a covered federal regulation,<sup>89</sup> and voted against temporarily prohibiting federal agencies from implementing new federal regulations.<sup>90</sup>

## 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.*

When it comes to school choice, all four Democratic candidates have the same plan: less choice, more federal government. While Clinton, Obama, Edwards, and Richardson talk about the need to help low-income students trapped in failing public schools, they reject the one education reform that can actually help those students.<sup>91</sup>

All have voted against or publicly opposed school choice programs,<sup>92</sup> proposed increasing federal money in education<sup>93</sup>—John Edwards even proposes a national teaching university<sup>94</sup>—and called for universal preschool.<sup>95</sup>

## Political Free Speech

*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.*

Senators Edwards and Clinton appear to have no interest in protecting political speech, having both voted for the anti-speech McCain-Feingold legislation.<sup>96</sup> Obama<sup>97</sup> and Richardson are also on record supporting limiting political free speech.<sup>98</sup>

## Tort Reform

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<sup>89</sup> [Roll Call #195](#), 03/03/95

<sup>90</sup> [Roll Call #174](#), 02/24/95

<sup>91</sup> [Human Events](#), 02/18/00; [Barackobama.com](#), NEA speech, 07/05/07; & [Human Events](#), 07/19/07

<sup>92</sup> [Roll Call #179](#), 06/12/01; [Barackobama.com](#), NEA speech, 07/05/07; & [Richardsonforpresident.com](#), Issues, Education

<sup>93</sup> [Hillaryclinton.com](#), press release, 10/22/07; [Barackobama.com](#); [MSNBC.com](#), 09/21/07; & [Richardsonforpresident.com](#), Issues, Education

<sup>94</sup> [Union Leader](#), 11/20/07

<sup>95</sup> [Hillaryclinton.com](#); [MSNBC.com](#), 09/21/07; [Union Leader](#), 11/20/07; & [Richardsonforpresident.com](#), Issues, Education

<sup>96</sup> [Roll Call #64](#), 04/02/01

<sup>97</sup> Senator Obama's office confirmed the Senator's support for McCain-Feingold, 12/17/07

<sup>98</sup> [Ontheissues.org](#)

*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.*

As a former trial lawyer, it's not terribly surprising that John Edwards opposes efforts to reform the country's abusive tort system. He was 1 of only 18 senators to vote against liability protection for small businesses relating to Y2K failures.<sup>99</sup> Unfortunately, Clinton and Obama also oppose efforts to minimize litigation costs to the economy. Clinton joined Edwards in voting for the Patients' Bill of Rights,<sup>100</sup> making it easier for patients to sue their doctors and driving up healthcare costs; against liability protection for pro bono healthcare professionals;<sup>101</sup> and against limiting punitive and economic damages.<sup>102</sup> Hillary Clinton also voted against liability protection for obstetricians and gynecologists.<sup>103</sup>

In his short time in the Senate, Obama was no friend of tort reform, voting against several tort reform measures<sup>104</sup>—but he was also 1 of only 18 Democrats to vote for a bill reforming interstate class action lawsuits.<sup>105</sup> In the House, Richardson also demonstrated a general aversion to tort reform with a few bright spots. He voted for liability protection for nonprofit volunteers<sup>106</sup> and in favor of a bill to curb class-action securities lawsuits,<sup>107</sup> though he spinelessly voted to uphold Clinton's veto of the bill.<sup>108</sup> He also voted against an important product liability bill<sup>109</sup> and health insurance legislation that limited damage and punitive awards in malpractice suits.<sup>110</sup>

## Summary

Hillary Clinton, Barak Obama, and John Edwards are nearly identical in their opposition to economic freedom and their determination to expand the size of government. If they showed any glimmer of moderation in the Senate, their recent rhetoric and policy proposals leave no doubt as to their desire to move the Democratic Party leftward on economic issues. They often seem locked in a three-way battle to see who can be the most anti-growth in their economic policies. More often than not, John Edwards wins that designation, outdoing Clinton and Obama in inflammatory rhetoric and in big-government policy proposals, truly mastering the art of class-warfare politics. That said, the differences between the trio are merely variations on the same theme. All three have

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<sup>99</sup> [Roll Call #196](#), 07/01/99

<sup>100</sup> [Roll Call #220](#), 06/29/01

<sup>101</sup> [Roll Call #212](#), 06/29/01

<sup>102</sup> [Roll Call #264](#), 07/09/03

<sup>103</sup> [Roll Call #15](#), 02/24/04

<sup>104</sup> [Roll Call #13](#), 02/09/06 & [Roll Call #116](#), 05/08/06

<sup>105</sup> [Roll Call #9](#), 02/10/05

<sup>106</sup> [Roll Call #378](#), 07/28/93

<sup>107</sup> [Roll Call #839](#), 12/06/95

<sup>108</sup> [Roll Call #870](#), 12/20/95

<sup>109</sup> [Roll Call #229](#), 03/10/95

<sup>110</sup> [Roll Call #106](#), 03/29/96

backed and are proposing policies that would prove disastrous for economic growth in this country.

Bill Richardson is clearly more pro-growth than his opponents and not prone to the kind of demagogic pronouncements that we so often hear from the other Democrats. As governor, he demonstrated that he understands—at least on a basic level—that less government and lower taxes can lead to increased economic growth. While in Congress, Richardson also had a better record on spending, trade, and tort reform than his rivals for the presidential nomination. Yet, Richardson is not running as a pro-economic growth Democrat in the mold of John F. Kennedy. He has spent little time boasting about his net tax cuts as governor or talking about the importance of free trade.

It is a shame none of these candidates have learned from the successes of Kennedy, who enacted pro-growth tax policies, and President Bill Clinton, who enacted pro-growth trade policies. The Kennedy tax cuts and the Clinton trade policies greatly expanded opportunity, created new jobs, and created wealth that benefited all Americans. There is no rule that says Democrats cannot support pro-growth policies, and there is a real dearth in the party for just that kind of Democrat.