

The Best Policy Ideas of the 2016 Presidential Candidates

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The 2016 Presidential Election has raised a number of good policy ideas for the improvement of American society and government. Unfortunately, no single candidate endorses all of the best ideas, and, more unfortunately, every candidate who has good ideas seems to have more bad ones. Part of the reason is the development of a system that encourages candidates to be loyal to political parties and large campaign contributors rather than to middle-class citizens and the nation as a whole.

In my view, the best candidate would be one who supported all of these policies:

- Bernie Sanders' revival of the *Glass-Steagall Act*
- Hillary Clinton's call to overturn the *Citizen's United Supreme Court decision*
- Rand Paul's foreign policy that is against U.S.-imposed regime change
- Donald Trump's middle-class tax policy
- Carly Fiorina's reforms of government bureaucracy

None of these policies are promoted by the establishment, which is why there is increased criticism of existing party platforms and why "outsiders" are polling so well with voters. Even most candidates that seek party endorsement are promising to reform the system.



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The explanations for the value of my list of the best policies I describe below are adapted from a longer post on my blog, *Life, Liberty, and the Pursuit of Happiness, Version 4.0*, which includes further critique and commentary on the candidates and their policies. I have not discussed all candidates, only selected the most constructive policies being promoted.

Preparation to vote knowledgeably is an important role of the citizen in a democracy, and I encourage everyone to read through all the policy positions on candidates' websites before their vote. A responsible voter will compare the strengths and weaknesses of a candidate in all areas of governance, and not just find agreement with a candidate's rhetoric on a single issue.

On Crony Capitalism and Banking Speculation

Reinstatement of the *Glass-Steagall Act* has been a repeated point made by Democratic Senator Bernie

Sanders. Banking that involves paying interest on accounts and charging a higher interest on secured loans is not subject to the high risks of many other financial activities. But bankers are tempted to use the cash reserves of other people in speculative ventures for their own profit.

Glass-Steagall refers to some provisions of the U.S. Banking Act of 1933 that separated banking from such high-risk activities as investing in stocks or owning other businesses. *Glass-Steagall* was repealed in 1999 by the establishment — Democratic President Bill Clinton and a Republican Congress — to make way for a Citibank-Traveler's Insurance merger. It was followed by waves of corporate scandals like WorldCom and Enron from 2000-2003 and the establishment "fix" was *Sarbanes-Oxley*, a very expensive accounting standard for publicly traded companies that recorded all kinds of conflicts of interest. This caused some companies to delist from Wall Street, or move to the London Exchange, or go private to avoid the accounting standards that could cost companies millions of dollars a year for compliance. One result was that only the largest companies could afford to stay in the game — leading to greater consolidation of capital among fewer corporations. The big got bigger at the expense of the smaller.

This was followed by the housing bubble of 2007, which could have been prevented by *Glass-Steagall*, because banks would not have been allowed to speculate as they did. But *Dodd-Frank*, like *Sarbanes-Oxley*, was a capitulation to big banks, who already had teams of lawyers and accountants and enough capital to pay fines when caught. The scandal caused by big bank speculation ended up causing small banks to fail while the big banks were bailed out and got larger.

If *Glass-Steagall* were reinstated, the banking sector would be far more stable and both *Sarbanes-Oxley* and *Dodd-Frank* could be repealed as they were establishment crony-capitalist fixes to problems caused by the repeal of *Glass-Steagall*.

On Campaign Finance Reform

Overturing the *Citizens United v. FEC* decision is advocated by Democrat Hillary Clinton to rein in campaign spending by organizations. Citizens United, a conservative lobbying group, wanted to air a film critical of Hillary Clinton less than 60 days prior to an election, in violation of an existing "electioneering communication" law. This type of media has the same effect as a campaign contribution as it can be a substitute for advertising by candidates. Justice Kennedy's majority opinion in the *Citizens United* case argued that the prohibition of all independent expenditures by corporations and unions violated the First Amendment's protection of free speech. Among other things, Justice Steven's dissent argued that free speech was not a shield for improper use of money to influence an election, or corruption of the media with *quid pro quo* exchanges, and that organizations are not the "We the People" that the Constitution's free speech clause was designed to protect.

The United States was designed to be a government whose representatives represent the citizens in their district, and not organizations or groups. The Sunlight Foundation has stated in the past decade that America's most politically active donors reaped nearly a thousand-fold return (\$1 million for every \$1,000 spent). These organizations influence representatives to pass laws that redirect money from individual citizens to groups on both the left and the right, effectively using government to steal from taxpayers for selfish purposes.

The only way to really correct the problem of campaign finance is to forbid all political donations from organizations and limit donations to an amount most individual citizens can afford, something on the order of \$100 per individual citizen per candidate per campaign. Then such a campaign, financed by "the will of the people" would be the only organization allowed to run political advertising 60 days prior to an election.

On Foreign Policy

Do not engage in regime change was initially and most strongly promoted by Republican Senator Rand Paul (who recently suspended his campaign). Bernie Sanders later adopted this idea because Hillary Clinton, when Secretary of State, had promoted regime change. Inspired by the internal regime change that happened in Tunisia, the idea of an "Arab Spring" for the entire Arab world that President Obama, Secretary Clinton, and investor George Soros strongly promoted turned out to be based on a naïve idealism that instead undermined the rule of law and led to anarchy, starvation, and a refugee crisis that hurt citizens more than the dictatorships that preceded it. Neither a reactionary fundamentalism nor a revolutionary idealism is a proper approach to improvement in governance; rather the rule of law that exists should be built upon by weeding out corruption and oppression and improving human rights records.

What is often termed the "military-industrial complex" is an internal lobbying group in the United States that wants to produce and sell weapons for profit. It provides lots of campaign financing to both the Democratic and Republican establishment. This is why only anti-establishment candidates like Paul on the right and Sanders on the left are comfortable in criticizing it. The policies of Clinton, Trump, Jeb

Bush, Fiorina and Ted Cruz all use rhetorical “military strength” when speaking of the Middle East, without explaining the effects of regime change on ordinary people. President Obama argued in his final State of the Union address that ISIS is not as powerful as the fear- and war-mongering defense contractor lobbyists who influence the media would lead Americans to believe. They use such crises to increase the military budget and thereby their own wealth. Unfortunately, Obama, like President Eisenhower, didn’t say this until he was leaving office.



The presidential candidates cited in this article: At top, from left to right, Sen. Bernie Sanders, Secretary Hillary Clinton, Donald Trump; at bottom, Carly Fiorina, Sen. Rand Paul.

On Tax Reform

Republican businessman Donald Trump is the only candidate proposing tax reforms aimed at improving the middle class and the American economy. Establishment Republicans support tax reforms that would benefit the very rich, but do little for the U.S. economy. Establishment Democratic policies advocate redistribution of money from producers to non-producers in ways that neither help the U.S. economy nor the middle classes. What we are witnessing in these two established parties is the creation of a classism that is increasingly vitriolic and tearing the country apart.

Trump has promoted the most constructive ideas for tax reform of the candidates running in 2016:

- *Corporation taxes at 15%.* This would bring more corporate manufacturing and production jobs back to the U.S., bringing more and higher quality jobs, rather than the expansion of entry-level positions like retail store sales clerks and government office workers, both of which are like apprenticeships for students and additional income for retirees, rather than for parents with children or those at the peak of their career. Reducing corporate taxes would grow the economy and the entire tax base. Trump’s plan would make the United States one of the more attractive places for global companies to produce their goods rather than one of the least attractive.
- *No income taxes,* or even tax filings for individuals who earn less than \$25,000 per year or couples who earn less than \$50,000. When the federal income tax was adopted in 1913, it was argued that it would not be levied on people’s earnings related to the basic costs of food, housing, clothing, and their children’s education. Trump’s strategy might not go that far, but it would relieve most people struggling to survive from filing taxes, and eliminate a huge portion of the IRS bureaucracy by eliminating the tax filings of 75 million households.

Trump also has other modifications to the existing system intended to improve it but do not go far enough. He advocates simplified tax brackets that would eliminate tax loopholes, but brackets are problematic because they penalize work at the lower end of the bracket. He also raises the tax rate on investment income, but not to parity with labor income, so billionaire businessman Warren Buffett would still be taxed at a lower rate than his secretary. While not perfect, Trump has the best tax plan of the candidates.

On reducing government inefficiency

Phase out most bureaucratic jobs as people retire. This is a good suggestion by Republican businesswoman Carly Fiorina. Current legislative practices create committees to study problems, then those panels often turn into permanent bureaucracies because legislators excel at creating panels and relying on bureaucracies to solve problems and find it very unpopular to fire anyone. Legislators have not learned how to control bureaucracies when they become ineffective, unnecessary or redundant.

Legislative processes could learn a lot from the business world where bureaucratic reform is forced by competition and companies cannot be bailed out with taxpayer money. Fiorina also has many other ideas from her business experience that could help reduce Washington's bureaucratic dysfunction. Government's bottom line is "security" and the corporate bottom line is "profit," so applying corporate downsizing strategies to government downsizing is not always appropriate. Bureaucrats often drag out this argument to protect their jobs. Nevertheless, both governments and corporations have bureaucracies, and the human nature of workers in both bureaucracies is the same; individuals in government are just as greedy as individuals on Wall Street, and many things corporations are forced to do to eliminate free-riders, governments should also be doing.

Conclusion

I have highlighted several policies of this year's presidential candidates that would improve American society and the lives of most citizens. Since the Constitution was created, group interests and moneyed interests have largely wrested control of government from the citizens, leading to classism in which the extremely rich and extremely poor benefit from policies that have been promoted by the establishment which are destroying the self-sufficient middle class that a democracy requires for its existence. Like antivirus software, the policies I have highlighted would help destroy some of the viruses that have infected the U.S. political system and both restore more functionality to that system and allow more people the opportunity to freely pursue their own happiness.

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