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ECONOMIC VIEW

What if the Candidates Pandered to Economists?

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IN the months to come, John McCain and Barack Obama will be vying for the support of various voting blocs. It is safe to say, however, that one group won't get much attention: economists.

The American Economic Association represents only a small fraction of 1 percent of the electorate. In every election season, we economists expect to be largely ignored, and, unlike many of our other forecasts, that one often turns out to be right.

But suppose it were otherwise. Imagine that those running for office tailored their economic positions to attract the experts in the field. What would it take to put the nation's economists solidly behind a candidate?

On many issues, from universal health insurance to increased taxes on the rich, economists do not speak with a single voice. But on some issues we do. Here is an eight-plank platform designed to attract a majority of economists. It is based on discussions I have had with my colleagues — call them focus groups, if you'd like — and polls of my profession:

SUPPORT FREE TRADE Economists are nearly unanimous in their support of an unfettered system of world trade. Here, Senator Obama lags behind Senator McCain. Senator Obama's bad-mouthing of Nafta and his opposition to free-trade pacts with Colombia and South Korea make most economists cringe.

Many economists would go even further than Senator McCain has suggested by, for example, repealing antidumping laws. The ostensible purpose of these laws is to prevent foreign companies from selling in the United States at prices below fair value, but the law's notion of "fair" rarely makes sense. In practice,

these laws are little more than an excuse for special interests to shield themselves from competition.

OPPOSE FARM SUBSIDIES Economists like free markets, a principle that applies to agriculture as much as any good or service. Again, Senator McCain has the lead. Senator Obama's endorsement of the recent \$300 billion farm bill, his support for domestic ethanol subsidies and his opposition to imported sugar ethanol may bring votes from farmers, but economists view these policies as a burden on taxpayers and consumers.

LEAVE OIL COMPANIES AND SPECULATORS ALONE With the stunning rise in oil prices, both presidential candidates have been tempted to demonize market participants. Senator McCain has complained about the "obscene profits" of oil companies and called for a "thorough and complete investigation of speculators." By contrast, most economists see nothing more sinister than the forces of global supply and demand at work. There is little benefit, and potentially much harm, in the candidates' populist finger-pointing.

TAX THE USE OF ENERGY Senator Obama wins a point by opposing a summer gas tax holiday, a McCain proposal that economists greeted with derision. Most economists advocate increased taxes on energy products. The recent response of consumers to higher gas prices — including the increased use of mass transit and greater purchases of small cars, scooters, and even bicycles — demonstrates that the price mechanism is the most reliable way to reduce energy consumption and to curtail a variety of driving-related problems.

RAISE THE RETIREMENT AGE Like both presidential candidates, most economists recognize that Social Security faces a long-term problem. Senator Obama says he wants to fix it by extending the payroll tax to high incomes. Senator McCain opposes tax increases and wants the Social Security system to include personal accounts, but he has avoided proposing specific benefit cuts needed to make the numbers add up.

Some economists endorse Senator Obama's tax hike, and some endorse Senator McCain's personal accounts, but a much greater number would

increase the age of eligibility for benefits. As Americans live longer, we need to redefine old age — a theme that should resonate with Mr. McCain, who is 71.

INVITE MORE SKILLED IMMIGRANTS As part of their embrace of globalization, economists are more open to immigration than is the general public. Admittedly, unskilled immigrants raise some potential problems: They may depress wages for Americans at the bottom of the economic ladder, exacerbating the rise in inequality, and they may overburden the social safety net. By contrast, skilled immigrants promote economic growth, especially among poorer Americans, and pay more in taxes than they get in government benefits. The more, the merrier.

On this issue, economists very clearly practice what they preach. Many of the best economists at top American universities were born abroad.

LIBERALIZE DRUG POLICY Many economists marry their support of economic freedom with a similar support of personal freedom. Drug policy is a case in point. A 2006 poll of professional economists asked whether the United States should legalize marijuana. Those in favor outnumbered those opposed more than three to one.

RAISE FUNDS FOR ECONOMIC RESEARCH The government subsidizes economic research through an arm of the National Science Foundation. The amount of money is relatively small — measured in the millions, not billions — and spending has been about flat in inflation-adjusted terms over the last decade. If Senator McCain or Senator Obama wants to endear himself to economists, there is no easier way than by promising an extra few million dollars to improve our understanding of how the economy works.

You might view this policy as nothing more than a way to buy a few votes. Perhaps you view economists as mere mortals, as tempted as anyone else by special interests. Maybe you would regard more funding for economic research as not very different from the billions thrown every year at farmers.

If you are that cynical, I won't try to dissuade you.