

Reading *Romney's* Mind

If the former Massachusetts governor wins the White House, who would make up his economic brain trust?

BY FRED BARNES

For one who's been active in politics for two decades, Mitt Romney has an unusual way of thinking. He's a man with no ideology, none at all. He practiced at Bain Capital what he learned at Harvard Business School and now applies it, to the extent he can, to politics and policy. It's coolly analytical, with lots of data and numbers, and leads to crisp, unambiguous decisions, case by case—but only after hours of debate. “I have to see conflict,” he told me during his first race for president in 2008. “The last thing you want is people coming in saying, ‘We all agree.’”

Here's how Romney describes the process, from start to finish:

You diagnose the problem. You put the right team together to solve the problem. You listen to alternative viewpoints. You insist on gathering data before you make decisions and analyze the data looking for trends. The result of this process is, you hope, that you make better decisions. You typically also have processes in place to see if it's working or not working, and you make adjustments from time to time.

That's the Romney ideal for decision-making. It's the Bain way, orderly and business-like, and it sounds great. It would rid politics of irrationality, messiness, and unnecessary mishaps. Partisanship, bowing to interest

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The Lineup

*The GOP's **Mitt Romney**, if elected, will call for an assault on the nation's economic problems in his first hundred days. His Treasury secretary will need to be confirmed by the Senate and in office on Inauguration Day.*



GAGE SKIDMORE



Ann Romney

A player. More Nancy Reagan than Pat Nixon.



Paul Ryan

Romney is one of his greatest fans. Combines likeability with keen political and policy skills in economic arena. As vice president, he would work closely with the Treasury secretary.



Rob Portman

Passes the Romney Bain and political tests. Enjoys extensive Washington experience and is a good friend of Romney.



Glenn Hubbard

The person best positioned to be picked as Treasury secretary. Close to Romney, not from Wall Street, and not linked to 2008 financial collapse. Also a possible Fed chairman.



Robert Zoellick

Heavyweight with impressive government experience. Lacks close Romney ties, but a reliable resource.



Phil Gramm

Bigtime fiscal policy experience and Washington heavyweight. Senate Democrats would bitterly oppose his nomination for repealing Glass-Steagall Act.



Greg Mankiw

Like Hubbard, an economic heavyweight. But his relationship with Romney not as strong as Hubbard's. Could run National Economic Council.



New Jersey Governor
Chris Christie (R)

Christie Game Plan

Romney is an admirer of Chris Christie's successful campaign for governor of New Jersey in 2009. Candidate Christie was faulted—notably by the *Wall Street Journal* editorial page—for refusing to spell out what he planned to do in office. Had he done so, Christie and his strategists figured, he wouldn't be elected. It's no coincidence that Christie's strategists, Stuart Stevens and Russ Schriefer, are now Romney's chief strategists.

But Christie did have a plan. He just didn't reveal it in the campaign.

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“he” who were doing the looking. A few weeks later, Romney himself confessed to Carl Cameron of Fox News that “she and I talk about the vice presidential process every day.” Ann Romney is a player, more Nancy Reagan than Pat Nixon.

Then there are three criteria peculiar to 2013 (when a President Romney would be sworn in). The Treasury secretary cannot come from Wall Street or be affiliated with one of the big banks. He (or she) must have serious Washington experience. And the new secretary cannot be linked to the economic and financial collapse of 2008.

These criteria may not apply to the National Economic Council job, a position cloistered in the White House. But

groups and campaign donors, issue bias, patronage, yielding to personal ambition—all that is gone in Romney's vision of how a president should address everything—issues, problems, personnel.

Except politics doesn't work quite that way. And while Romney clings to the exacting Bain approach, he's adjusted. In politics, “You end up taking into consideration things that wouldn't be important in business decision,” he acknowledged in 2009, according to a Harvard Business School classmate quoted by Jodi Kantor of the *New York Times*.

So it's anything but a purely analytical way of thinking that, if elected president in November, he'll bring to Washington. It's half Bain, half political. This approach, unique to Romney, is what he'll rely on in selecting an economic team: Treasury secretary, the head of the National Economic Council at the White House, and perhaps a new chairman of the Federal Reserve. It's a given he'll have to satisfy the factions of the Republican party with his appointments, most of all the conservatives. But there are many more considerations.

His wife Ann is one. She's constantly at his side, though Romney aides insist she doesn't advise him on politics. “I've never seen her do that,” an aide told me. Her role is to “take him out of the campaign,” to provide relief from politics, nothing more.

Yet when asked in July if her husband might choose a female running mate, she said: “We've been looking at that and I love the option.” Notice it was “we” and not

Romney is unlikely to ignore the new rules in choosing a Treasury secretary, which requires Senate confirmation. That alone probably eliminates former World Bank President Robert Zoellick. From 1993 to 1997, he was executive vice president of Fannie Mae, the government-sponsored enterprise at the heart of the housing crash. Ex-Senator Phil Gramm (R) of Texas was a top official in the investment bank division of UBS from 2002 to 2011. His nomination would prompt a confirmation fight. Both are qualified, but their resumes are politically toxic, thus removing them for consideration.

Ryan may be the only person in America whom Romney would hire whether he was running Bain Capital or governing the country from the White House. Ryan meets the Bain test and his political test.

Besides, neither Zoellick nor Gramm has a personal relationship with Romney. Gramm is on the Romney campaign's economic advisory team and Zoellick has attended meetings of the economic group. Romney barely knows them. Would they meet his comfort level? I don't think so.

To the extent there's a frontrunner for Treasury secretary in a Romney administration, someone nicely positioned and eager to be tapped, it's Glenn Hubbard, the dean of the Columbia University Graduate School of Business. He is close to Romney and heads Romney's economic advisory team. "He's the logical guy," a Romney adviser told me. When the subject of a Romney Treasury secretary comes up, Hubbard's name is invariably mentioned.

Hubbard meets the criteria, including Washington experience. He was chairman of President George W. Bush's Council of Economic Advisers from 2001 to 2003. That he has clout with Romney is undisputed. He's a widely respected economist. Were Romney still running Bain Capital, Hubbard is the sort of self-assured, focused, frighteningly competent person he'd hire in a heartbeat. He passes the Bain test.

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But it's hard to imagine Hubbard as Romney's choice for Treasury. He may not pass the political test. In the first months of a Romney presidency, the Treasury secretary would be the most important member of the Cabinet. The secretaries of State and Defense normally rank one and two. But given the urgency of the economic agenda, the Treasury secretary would be Romney's most influential adviser, the Cabinet member seen most often at his side, and the most prominent face of the administration after the president.

For all his influence, Hubbard and Romney have what one adviser calls a "love-hate" relationship. Hubbard is bold. He's pushed Romney to embrace supply-side tax policies—with limited success. When Romney balked at adopting a 20 percent across-the-board reduction in individual income tax rates, Hubbard and several other economic team colleagues leaned on him for weeks to change his mind. He finally did, but he rarely mentions the 20 percent cut in his campaign speeches.

Hubbard is an economist, but not a political heavyweight or a well-known corporate executive. He's not in the pool from which Treasury secretaries are traditionally selected. However, his experience makes him a

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Corporate Favorites

Romney, after his years at Bain as the master of corporate turnarounds, knows many of the giants of corporate America to whom he could easily turn for Treasury secretary. They include JetBlue founder David Neeleman, Staples founder Tom Stemberg, and Lee Scott, the CEO of Walmart from 2000 to 2009. But they'd be fish out of water in Washington, reminiscent of Bush's failed Treasury secretary, Alcoa CEO Paul O'Neill. It's doubtful Romney would go the corporate route, nor should he.

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David Neeleman
Founder of JetBlue



Tom Stemberg
Founder of Staples



Lee Scott
Former CEO of
Walmart

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perfect choice for National Economic Council director, the White House job. If not that, then Romney could nominate Hubbard to be Fed chairman, replacing Ben Bernanke. In that event, it would make sense for Romney to install Harvard Professor Gregory Mankiw, who

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headed George W. Bush's Council of Economic Advisers for two years, at the National Economic Council. Mankiw is an economist.

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It's doubtful Romney would go the corporate route, nor should he. There's a better way, one in which he can satisfy both Romney the candidate and Romney the president. Romney is an admirer of Chris Christie's successful campaign for governor of New Jersey in 2009. Candidate Christie was faulted—notably by the *Wall Street Journal* editorial page—for refusing to spell out what he planned to do in office. Had he done so, Christie and his strategists figured, he wouldn't be elected. It's no coincidence that Christie's strategists, Stuart Stevens and Russ Schrieffer, are now Romney's chief strategists.

But Christie did have a plan. He just didn't reveal it in the campaign. And there's a sweeping economic, debt reduction, and entitlement reform plan for Romney to embrace once in office. In fact, Romney quietly endorsed it months ago. The plan's architect is Rep. Paul Ryan (R-WI), chairman of the House Budget Committee. At 42, he's the leading policy thinker in Washington and, simultaneously, the most popular Republican on Capitol Hill. There's more. He exudes competence, the quality on

which Romney puts a premium. Ryan may be one of the very few people in America whom Romney would hire whether he was running Bain Capital or governing the country from the White House. Ryan meets the Bain test and his political test.

Romney and Ryan bonded last spring while campaigning together in the Wisconsin presidential primary (won by Romney). Ryan was brought on board the Romney campaign to introduce the candidate at rallies. Soon he and Romney were stumping as a team, both speaking and answering questions. And Romney appeared more comfortable with Ryan next to him than he has with anyone else. I suspect Ann Romney felt as comfortable with Ryan as Mitt did. He's a family man (one wife, three kids), religious (Catholic), and a highly disciplined politician. Like Romney.

Given how well they'd connected, it wasn't surprising Romney chose Ryan as his vice presidential running mate. This puts Ryan and his plan at the center of the presidential race—an unusual position for a vice presidential candidate. If Romney wins the election, Ryan would join the new Treasury secretary as a major player in the critical first months of 2013. Despite Ryan's presence, the Treasury secretary's role would still be a huge one. He would bring with him lobbyists, economists, statisticians, and analysts, an army the vice president's office lacks.

There's but one Paul Ryan, but he's not alone in passing the Bain and political tests. Senator Rob Portman (R) of Ohio qualifies. He's a friend of Romney and, like

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Romney, sounds less conservative than he is. He has extensive Washington experience. Under George W. Bush, he was U.S. trade representative from 2005 to 2006 and budget director from 2006 to 2007. And don't forget Hubbard. He's not a big name, except among economists. But the fact that he stands up to Romney indicates he wouldn't be intimidated by the Senate Finance Committee. That's a threshold qualification for being Treasury secretary. Sad to say, few have it. ◆