

Kamala Harris Endorses Nixonomics

She wants price controls on groceries, Venezuelan-style.

We [wrote Friday](#) that [Kamala Harris](#) was likely to continue President Biden's unfinished Build Back Better agenda, but it turns out we were far too optimistic. The policy priorities the Vice President laid out Friday are much worse, including a plan to impose national price controls on food and groceries.

Ms. Harris's political problem is that the Biden-Harris economic policies have delivered inflation and declining real incomes. The high price of food is a particular sore point, and the Vice President's response is to make it worse by resorting to Venezuelan-style left-wing populism. That's no exaggeration.

On Friday she floated a "first-ever federal ban on price gouging on food and groceries," including "new authority" for the Federal Trade Commission and state attorneys general to punish companies for charging too much.

This sounds like legislation introduced by Sen. Elizabeth Warren that would ban "grossly excessive prices" as determined by the Federal Trade Commission. Business violations would carry a penalty of up to 5% of annual revenue. This would effectively let the FTC set prices. But what is an excessive price? Is \$4 too much for a gallon of milk in Omaha? Is it a different price in Miami? FTC Chair Lina Khan and her army of bureaucrats would presumably decide.

There is also no evidence that supermarkets or other food retailers are gouging anyone. Food prices are higher than they were before the Biden Presidency, but that is because of inflation. Retail grocery prices have risen roughly in tandem with wholesale prices. Supermarkets also have narrow margins on sales—roughly 2%, compared to 8% on average for other businesses.

Fixing prices is a recipe for shortages, as controls would discourage grocery suppliers. Voilà, empty store shelves. Price controls have led to shortages everywhere they've been tried, from Moscow to Caracas.

The last American President to impose wage and price controls was Richard Nixon in the early 1970s. He had to stage a humiliating retreat amid shortages and market dislocations, and prices immediately soared when controls were lifted. If Ms. Harris really believes in this price-fixing, she lacks the most basic understanding of economics. If she is merely floating it to be able to get "price gouging" into a speech, her cynicism is also telling.

Ms. Harris's other ideas aren't much better. She wants an expanded \$3,600 child tax credit, with a bonus to \$6,000 for newborns, which together would cost more than \$1.2 trillion over a decade. These would be essentially a guaranteed income since Ms. Harris wants to make the credits fully refundable—i.e., available for people who don't work.

She also wants to revive the American Rescue Plan's earned-income tax credit boost for childless households, roughly tripling it to \$1,500 from \$600. Democrats claim the credit promotes work, but studies show otherwise. It's also rife with fraud. The Internal Revenue Service estimates the "improper payment rate" is about 25%.

The Biden-Harris inflation has made homes unaffordable for most young families, and her brainstorm for that is . . . more subsidies. Ms. Harris wants \$25,000 in down-payment assistance for "first-time" home buyers. But this would merely drive home prices higher. States and localities mainly regulate housing, but Ms. Harris wants to federalize it with a bonanza of Washington programs to encourage "affordable" home construction.

Ms. Harris has endorsed the Biden plan to condition tax breaks for developers on rent caps, which will discourage new housing investment. No state has spent more on housing than her native California, yet it has the nation's highest home prices. As a result of sundry regulations, it costs more than \$1 million to build an "affordable" housing unit in the Golden State.

We could go on about her other ideas, such as her embrace of Mr. Biden's \$5 trillion in tax increases. But the ideas she claimed as her own Friday reveal a candidate whose economic judgment is deeply flawed.