

Republican Presidential Primary Spending Analysis – Ron Paul

Total Annual Spending: -\$150.069 billion (savings)

Economy, Transportation, and Infrastructure: -\$6.179 billion (savings)

A. Abolish the Department of Commerce:

“Domestically, I would work to shut down the [Department] of ... Commerce.”

<http://www.lewrockwell.com/casey/casey12.html>

Cost: -\$6.179 billion (savings) (first-year cost).

Source: *Budget of the U.S. Government, Fiscal Year 2008, Historical Tables*. This estimate assumes immediate defunding of the Department of Commerce.

<http://www.whitehouse.gov/omb/budget/fy2008/pdf/hist.pdf>

B. Corporate Welfare and Business Subsidies:

“I would also work to eliminate all forms of corporate welfare and business subsidies.”

<http://www.lewrockwell.com/casey/casey12.html>

Cost: Unknown.

Note: The savings would depend on Representative Paul’s definition of corporate welfare. The Cato Institute recently identified \$92 billion in corporate welfare spending, defined as “any federal spending program that provides payments or unique benefits and advantages to specific companies or industries;” \$88.346 billion of this amount is outside of the budgets of the Departments he would eliminate: Commerce, Education, and Homeland Security.

<http://www.cato.org/pubs/pas/pa592.pdf>

C. Housing – End Federal Intervention in the Housing Market through the Federal Housing Administration (FHA), Fannie Mae, and Freddie Mac:

“The collapse of the housing market has served as a catalyst for the economy’s latest bust. Various federal mortgage programs through the FHA, Fannie Mae, and Freddie Mac have distorted the normal workings of the housing market. ... It is time for the federal government to get out of the housing business.”

<http://www.ronpaul2008.com/press-releases/67/ron-paul-government-intervention-created-sub-prime-mortgage-crisis-sound-money-is-the-answer/>

Cost: Unknown.

Source: Ending FHA loans and programs could result in savings. Housing programs supported by Fannie Mae and Freddie Mac are not included in the federal budget. However, severing the link between Fannie Mae, Freddie Mac, and the U.S. Treasury would preclude the necessity of a federal takeover at taxpayer expense. Recent problems in the subprime mortgage industry have increased concerns that insolvency at either

Fannie Mae or Freddie Mac would result in a takeover by the federal government. The President's FY 2008 Budget notes, "As of June 30, 2006, these retained mortgages totaled \$1.4 trillion. Given Fannie Mae and Freddie Mac's serious accounting, internal control, risk management, and systems problems, the growth of these portfolios is temporarily constrained through consent agreements with [the Office of Federal Housing Enterprise Oversight]."

<http://www.whitehouse.gov/omb/budget/fy2008/pdf/apers/crosscutting.pdf>

D. End Membership in the International Criminal Court and Trade Pacts (NAFTA, GATT, WTO, CAFTA):

"So-called free trade deals and world governmental organizations like the International Criminal Court (ICC), NAFTA, GATT, WTO, and CAFTA are a threat to our independence as a nation. They transfer power from our government to unelected foreign elites. ... We must withdraw from any organizations and trade deals that infringe upon the freedom and independence of the United States of America."

<http://www.ronpaul2008.com/issues/american-independence-and-sovereignty/>

Note: The Office of the U.S. Trade Representative and related administrative bodies are funded through the Department of Commerce. Representative Paul has called for the elimination of that department. Savings are assumed as part of that proposal. See "Abolish the Department of Commerce," the first item in this section.

Education, Science, and Research: -\$68.04 billion (savings)

A. Abolish the Department of Education:

"I want to abolish the unconstitutional, wasteful Department of Education and return its functions to the states."

<http://www.ronpaul2008.com/issues/education/>

Cost: -\$68.04 billion (savings) (first- year cost).

Source: *Budget of the U.S. Government, Fiscal Year 2008, Historical Tables*. This estimate assumes immediate defunding of the Department of Education.

<http://www.whitehouse.gov/omb/budget/fy2008/pdf/hist.pdf>

B. Elementary and Secondary Education Tax Credit:

"As President I will advance tax credits through the Family Education Freedom Act, which reduces taxes to make it easier for parents to home school by allowing them to devote more of their own funds to their children's education."

<http://www.ronpaul2008.com/issues/home-schooling/>

Cost: Unknown.

Source: Representative Paul is a sponsor of H.R. 1056 (110th Congress): A bill to amend the Internal Revenue Code of 1986 to allow individuals a credit against income tax for tuition and related expenses for public and nonpublic elementary and secondary education. While this provision is non-refundable, an additional tax credit may affect refundable credits such as the Earned Income Tax Credit. A cost estimate is unavailable.

C. Teacher Tax Credit:

“I support giving educational control back to parents, who know their children better than any politician in D.C. ever will.”

<http://www.ronpaul2008.com/issues/education/>

Cost: Unknown.

Source: Representative Paul is a sponsor of H.R. 1059 (110th Congress): A bill to amend the Internal Revenue Code of 1986 to provide a tax credit for elementary and secondary school teachers. While this provision is non-refundable, an additional tax credit may affect refundable credits such as the Earned Income Tax Credit. A cost estimate is unavailable.

Energy, Environment, and Agriculture: -\$21.988 billion (savings)

A. Abolish the Department of Energy:

“M[r]. W[endell G[oler]: Tell me three federal programs you consider wasteful and would eliminate. ...

R[ep]. P[aul]: [...] Department of Energy [...]”

http://www.cfr.org/publication/13338/republican_debate_transcript_south_carolina.html

Cost: -\$21.988 billion (savings) (first-year cost).

Source: *Budget of the U.S. Government, Fiscal Year 2008, Historical Tables*. This estimate assumes that the Department of Energy would be immediately defunded.

<http://www.whitehouse.gov/omb/budget/fy2008/pdf/hist.pdf>

B. Agricultural and Ethanol Subsidies:

“So, if we want a prosperous economy here, we have to change these policies and we can’t be bailing out farmers and subsidizing ethanol – this is just the wrong way to go.”

<http://www.freep.com/apps/pbcs.dll/article?AID=/20071009/NEWS02/71009073>

Cost: Unknown.

Note: According to a July 2007 report from the Congressional Research Service, Congress has appropriated \$9.65 billion for emergency agriculture supplemental funding over the past five fiscal years. Ethanol is primarily subsidized through tax credits, which do not result in federal outlays.

<http://openocrs.cdt.org/getfile.php?rid=60388>

Health Care: \$6 million

A. Doctors' Freedom to Negotiate with Insurance Companies:

“This is why I support ... [g]iving doctors the freedom to collectively negotiate with insurance companies and drive down the cost of medical care.”

<http://www.ronpaul2008.com/issues/health-care/>

Cost: Unknown.

B. Medical Licensing Reform:

“This is why I support ... [r]eform [of] licensure requirements so that pharmacists and nurses can perform some basic functions to increase access to care and lower costs.”

<http://www.ronpaul2008.com/issues/health-care/>

Cost: Unknown.

Note: Representative Paul cosponsored H.R. 2561 (109th Congress): A bill to amend the Federal Employees' Compensation Act to cover services provided to injured federal workers by physician assistants and nurse practitioners and for other purposes. A cost estimate is unavailable.

C. Medical Expense Tax Deduction:

“This is why I support ... [m]aking all medical expenses tax deductible.”

<http://www.ronpaul2008.com/issues/health-care/>

Cost: Unknown.

Note: While this provision is non-refundable, an additional tax credit may affect refundable credits such as the Earned Income Tax Credit.

D. Medical Privacy:

“We must also protect medical privacy.”

<http://www.ronpaul2008.com/issues/privacy-and-personal-liberty/>

Cost: Unknown.

Note: Representative Paul sponsored the Patient Privacy Act, H.R. 1699 (108th Congress). A cost estimate is unavailable.

E. Small Business-Provided Health Insurance:

“This is why I support ... [e]liminating federal regulations that discourage small businesses from providing coverage.”

<http://www.ronpaul2008.com/issues/health-care/>

Cost: \$6 million (\$31 million over five years).

Source: Congressional Budget Office (CBO) cost estimate for H.R. 525 (109th Congress):
A bill to improve access and choice for entrepreneurs with small businesses with respect to medical care for their employees.

<http://www.cbo.gov/showdoc.cfm?index=6265&sequence=0>

Homeland Security and Law Enforcement: -\$50.618 billion (savings)

A. Abolish the Department of Homeland Security:

“M[r]. W[endell G[oler]: Tell me three federal programs you consider wasteful and would eliminate. ...

R[ep]. P[aul]: [...] Department of Homeland Security.”

http://www.cfr.org/publication/13338/republican_debate_transcript_south_carolina.html

Cost: -\$50.418 billion (savings) (first-year cost).

Source: *Budget of the U.S. Government, Fiscal Year 2008, Historical Tables*. This estimate assumes that the Department of Homeland Security would be immediately defunded.

<http://www.whitehouse.gov/omb/budget/fy2008/pdf/hist.pdf>

B. Border and Coastal Security:

“We must do whatever it takes to control entry into our country before we undertake complicated immigration reform proposals.”

<http://www.ronpaul2008.com/issues/border-security-and-immigration-reform/>

Cost: Unknown.

Note: Representative Paul has not sponsored any bill containing an authorization of appropriations making capital enhancements to the security of the border or coast. He has advocated an allowance for third-party security groups (H. Res. 839, 109th Congress), and the restraint of visa programs such as the diversity immigrant program (H.R. 775, 108th Congress).

C. Enforce Current Visa Rules:

“We must ... [e]nforce visa rules. Immigration officials must track visa holders and deport anyone who overstays their visa or otherwise violates U.S. law. This is especially important when we recall that a number of 9/11 terrorists had expired visas.”

<http://www.ronpaul2008.com/issues/border-security-and-immigration-reform/>

Cost: Unknown.

Note: CBO cost estimate for S. 2611: A bill to provide for comprehensive immigration reform and for other purposes. CBO places the cost of reimbursing state and local governments and the additional federal personnel to ensure tracking and deportment (not including support staff) at \$17.3 billion over five years. However, Representative Paul was not a sponsor of this bill's companion, H.R. 4437.
<http://www.cbo.gov/ftpdocs/72xx/doc7208/s2611.pdf>

D. Immigration Reform:

“We must ... [p]ass true immigration reform. The current system is incoherent and unfair. But current reform proposals would allow up to 60 million more immigrants into our country, according to the Heritage Foundation. This is insanity. Legal immigrants from all countries should face the same rules and waiting periods.”
<http://www.ronpaul2008.com/issues/border-security-and-immigration-reform/>

Cost: Unknown.

E. No Welfare for Illegal Aliens:

“We must [say] ... [n]o welfare for illegal aliens. Americans have welcomed immigrants who seek opportunity, work hard, and play by the rules. But taxpayers should not pay for illegal immigrants who use hospitals, clinics, schools, roads, and social services.”
<http://www.ronpaul2008.com/issues/border-security-and-immigration-reform/>

Cost: -\$200 million (savings) (first-year cost).

Source: *Budget of the U.S. Government, Fiscal Year 2008*, “Emergency Health Services for Undocumented Aliens,” (p. 413).

<http://www.whitehouse.gov/omb/budget/fy2008/pdf/appendix/hhs.pdf>

As detailed by the Centers for Medicaid & Medicare Services, this amount was provided in the Medicare Modernization Act “to help hospitals and other emergency providers recoup some of the expenses of providing this critical care,” by reimbursing providers for services provided to undocumented aliens.

<http://www.cms.hhs.gov/apps/media/press/release.asp?Counter=1452>

National Defense and Foreign Affairs: -\$2.217 billion (savings)

A. Iraq:

“Yes, I would leave [Iraq], I would leave completely. Why leave the troops in the region? ... We have no need for our national security to have troops on the Arabian Peninsula.”
http://www.cfr.org/publication/14142/republican_debate_transcript_new_hampshire.html?breadcrumb=%2Fpublication%2Fby_type%2Fessential_document

Cost: Unknown.

Note: Depending on how long it will take to complete the demobilization, and where and how the troops are re-deployed, this may or may not have significant savings.

B. Withdrawal from United Nations:

“I support this notion of protecting sovereignty by getting out of the United Nations.”
<http://politicalticker.blogs.cnn.com/2007/09/22/paul-time-for-us-to-leave-un/>

Cost: -\$2.217 billion (savings) (first-year cost).

Source: *Budget of the U.S. Government, Fiscal Year 2007*, “Direct Program by Activities – Subtotal for U.N. and Affiliated Agencies.”

<http://www.whitehouse.gov/omb/budget/fy2007/pdf/appendix/sta.pdf>.

Budget of the U.S. Government, Fiscal Year 2008, “Contributions for International Peacekeeping Activities.”

<http://www.whitehouse.gov/omb/budget/fy2008/pdf/appendix/sta.pdf>

Miscellaneous: -\$1.033 billion (savings)

A. Abolish the Internal Revenue Service:

“M[r]. V[andehei]: If you were President, would you work to phase out the [Internal Revenue Service]?”

... R[ep]. P[aul]: Immediately.”

<http://www.nytimes.com/2007/05/03/us/politics/04transcript.html>

Cost: -\$1.033 billion (savings) (-\$5.167 billion over five years).

Source: Since the candidate also advocates several tax credits, NTUF cannot assume a complete elimination of the IRS. This estimate assumes a 50 percent reduction in taxpayer services, enforcement, operations, support, and the private collection agent program over five years. *Budget of the U.S. Government, Fiscal Year 2008*.

<http://www.whitehouse.gov/omb/budget/fy2008/pdf/appendix/tre.pdf>

B. Social Security and Medicare Opt-Out:

“I would transfer some of the money saved by my cuts in foreign programs and unconstitutional domestic bureaucracies into the entitlements programs to keep the promises to those relying on the system. I would then work to transition to a market system, phasing in an option for younger workers to opt out of Social Security and Medicare taxes in return for agreeing to provide for their own retirement and health care needs without participating in a government entitlement program.”

<http://www.lewrockwell.com/casey/casey12.html>

Cost: Unknown.

C. Social Security Payments to Illegal Aliens:

“It is fundamentally unfair to give benefits to anyone who has not paid into the system. The Social Security for Americans Only Act (H.R. 190) ends the drain on Social Security caused by illegal aliens seeking the fruits of your labor.”

<http://www.ronpaul2008.com/issues/social-security/>

Cost: Unknown.

Note: Representative Paul is a sponsor of H.R. 190 (110th Congress): A bill to amend Title II of the Social Security Act and the Internal Revenue Code of 1986 to provide prospectively that wages earned, and self-employment income derived, by individuals who are not citizens or nationals of the United States shall not be credited for coverage under the old-age, survivors, and disability insurance program under such title, and to provide the President with authority to enter into agreements with other nations taking into account such limitation on crediting of wages and self-employment income. A cost estimate is unavailable.

Fiscal Quotes:

“MR. MATTHEWS: OK. Let’s start with an enjoyable down-the-line, OK? I want each candidate to mention a tax you’d like to cut, in addition to the Bush tax cuts, keeping them in effect. ... Dr. Paul?”

Paul: Well, in my first week, I already got rid of the income tax. In my second week, I would get rid of the inflation tax. It’s a tax that nobody talks about. We live way beyond our means, with a foreign policy we can’t afford, and an entitlement system that we have encouraged. We print money for it. The value of the money goes down, and poor people pay higher prices.

That is a tax. That’s a transfer of wealth from the poor and the middle class to Wall Street. Wall Street’s doing quite well, but the inflation tax is eating away at the middle class of this country. We need to get rid of the inflation tax with sound money.”
<http://www.nytimes.com/2007/05/03/us/politics/04transcript.html>

“Our mounting government debt endangers the financial future of our children and grandchildren. If we don’t cut spending now, higher taxes and economic disaster will be in their future – and yours.”
<http://www.ronpaul2008.com/issues/debt-and-taxes/>

“We cannot continue to allow private banks, wasteful agencies, lobbyists, corporations on welfare, and governments collecting foreign aid to dictate the size of our ballooning budget. We need a new method to prioritize our spending. It’s called the Constitution of the United States.
<http://www.ronpaul2008.com/issues/debt-and-taxes/>

“We should cut payroll taxes and give workers the opportunity to seek better returns in the private market.”
<http://www.ronpaul2008.com/issues/social-security/>

“Excessive government spending has created the insolvency crisis in Social Security. We must significantly reduce spending so that our nation can keep its promise to our seniors.”
<http://www.ronpaul2008.com/issues/social-security/>

“The federal government will not suddenly become efficient managers if universal health care is instituted. Government health care only means long waiting periods, lack of choice, poor quality, and frustration.”
<http://www.ronpaul2008.com/issues/health-care/>