

The Debt and the GOP

Where do the potential Republican presidential candidates stand on the National Debt?

Michael Tanner

February 11, 2015

With our national debt now passing the \$18 trillion mark, and rising at the rate of \$40 to \$50 billion per month, it is worth taking a look at where the putative Republican presidential candidates stand on the question. Do they see it as a major issue? Would they deal with it by cutting spending or raising taxes? Are they willing to take the political heat in order to reform the entitlements (Medicare, Medicaid, and Social Security) that are the real drivers of the debt? Or are they content to offer platitudes about cutting “fraud, waste, and abuse”?

It’s early, of course, and would-be candidates have just begun to put together their platforms, so its not surprising that there isn’t a great deal of specificity yet. This is particularly true for governors, who have generally had less opportunity or need to weigh in on national issues. Senators have at least had to cast some votes along the way. Still, we can find some clues by looking at how governors have handled their state budgets. And nearly all the candidates have offered at least a few hints as to where the debt stands among their priorities and what they might do to address it.

Jeb Bush: Bush is a prime example of a candidate who has not yet put together specific budget and debt proposals. So far, he has been vague, but generally said the right things, arguing that our current entitlement programs are “unsustainable.” Among the changes he suggests are “raising the retirement age to reflect the life-expectancy increase that’s been dramatic, means-testing some of the entitlement programs over time. We have to reform health care underneath the entitlement system as well, so that the cost curve is dealt with, which means we should move toward catastrophic coverage as the form of insurance.” On the other hand, he has suggested that he would be open to tax hikes in exchange for spending cuts. “If you could bring to me a majority of people to say that we’re going to have \$10 in spending cuts for \$1 of revenue enhancement — put me in, coach,” Bush told the House Budget Committee in 2012. However, Bush’s tenure as governor raised some concerns. Although he generally earned A’s and B’s on Cato’s fiscal scorecard for governors, he had fallen to a C by the end of his second term. Chris Edwards, Cato’s fiscal analyst, has noted that “Jeb Bush was a prolific tax cutter, but he let spending rise quickly toward the end of his tenure. . . . Jeb was good on taxes, but apparently not so good on spending.”

Rand Paul: Although Paul has attracted more publicity about his libertarian positions on civil liberties and foreign policy, he has actually been among the Senate’s biggest deficit hawks, warning, “I truly believe that the number-one threat to our national security is our debt.” He

opposed the Ryan budget, claiming it did not go far enough. Instead, he introduced his own budget proposal, which would have balanced in just five years, and which entailed massive spending cuts. That budget illustrated both the promise and the perils of a Paul candidacy. It was a true fiscally conservative road map toward less spending and smaller government, perhaps the most aggressive such proposal in decades, but it attracted just 18 votes in the Senate. Paul backs a premium-support plan for Medicare and the block-granting of Medicaid to the states. Surprisingly, however, he has not backed personal accounts for Social Security, calling instead for more traditional benefit reductions such as means testing and raising the retirement age.

Scott Walker: Like his fellow governors, Walker has had relatively little to say about issues like the debt or entitlement reform, although he has acknowledged that, “Long term, there’s got to be some sort of entitlement reform. . . . You’ve still got to start tackling some of these entitlement reforms now.” He has not yet, however, offered specific proposals for either Social Security or Medicare. He did refuse to expand Medicaid under Obamacare. Looking at his actions in Wisconsin, he earned a B on Cato’s scorecard, with the caveat that, like many Republican governors, he scored better on taxes than on spending.

Ted Cruz: Senator Cruz has been an unwavering fiscal hawk, arguing that we must “cut federal spending as much and as quickly as possible.” He has backed a balanced-budget amendment to the Constitution, saying, “We need to pass a strong balanced-budget amendment. We need to stop bankrupting our country. Right now our kids and grandkids are inheriting a country where our national debt is larger than the size of our entire economy. . . . If we keep on this road, they will spend their entire lives, not to meet the needs of the future, not to meet the needs of their priorities, but instead, just working to pay off the debts that their deadbeat parents and grandparents stuck them with.” Cruz supports personal accounts for Social Security and raising the eligibility age; for Medicare, he would also increase the eligibility age, and offer premium support.

Marco Rubio: A somewhat lesser fiscal hawk, Rubio has called our exploding debt “the real defining issue of our time.” He has generally supported domestic-spending cuts, but has not extended that sentiment to defense, where he has called for increased spending. For example, he opposed the sequester because of its defense cuts. He backs premium support for Medicare and has laid out one of the most detailed Social Security proposals of any of the candidates. He would eliminate the earnings test for seniors, eliminate payroll taxes for those over age 65, raise and index the retirement age, and means-test benefits. He would also create a framework for personal accounts in the future by enabling Americans to buy into the Thrift Savings Plan currently available to federal employees, including military personnel.

Bobby Jindal: Jindal was for entitlement reform when entitlement reform wasn’t cool. In fact, his introduction to Washington was as staff director of Senator Phil Gramm’s bipartisan commission on Medicare, which developed one of the earliest premium-support plans for the program. Jindal was an enthusiastic backer of George W. Bush’s plan for personal accounts for Social Security. As governor, Jindal has slowed state spending, but still faces a \$1.6 billion state budget shortfall brought on in part by falling oil revenue. He can claim, however, that Louisiana is one of the few states to see its credit consistently upgraded throughout his tenure. He earned a B on Cato’s most recent fiscal scorecard.

Chris Christie: Christie's rhetoric on spending has been tougher than his actions, though, in fairness, he has struggled with a Democratic-controlled legislature. Christie earned a B on Cato's fiscal scorecard, but shares with his fellow Republican governors better grades for cutting taxes than for cutting spending. In particular, he has failed to solve his state's unfunded pension liabilities, which has led credit agencies to downgrade the state's debt. He also expanded Medicaid under Obamacare. Still, Christie has been a vocal critic of the rising debt under President Obama, and recently spoke at a "fiscal summit," hosted by the Peter G. Peterson Foundation, to increase public awareness of the dangers of budget deficits and rising national debt. On Social Security, Christie has voiced support for raising the retirement age and limiting COLAs, and has enacted some of these steps at the state pension level.

Ben Carson: Carson has had little opportunity to speak out on the debt or entitlement, but when he has, he has taken a vague but standard Republican tack. "When I look at our nation's massive federal debt," he wrote last year, "it is clear that Washington has chronically misdiagnosed the situation, which has resulted in a seemingly never-ending cycle of borrowing and spending." He has correctly pointed out that "entitlement spending is the major driver of unsustainable deficits" and called for "bold" solutions, but has not yet spelled out those solutions.

Mike Huckabee: Huckabee has found time recently to criticize women's swearing and Beyoncé's dancing, but he has not had much to say about the debt or entitlement reform. Perhaps that's because his record as governor was particularly bad on spending. He earned a final overall grade of D on Cato's fiscal report card, one of the lowest grades among recent Republican governors. The Club for Growth notes that Huckabee increased state spending by 65.3 percent, at three times the rate of inflation, and the number of state government workers increased by 20 percent. On the other hand, Huckabee did support personal accounts for Social Security during his previous campaign for president.

Rick Perry: As we all know, during his last campaign for president, Governor Perry was going to balance the budget in part by abolishing three cabinet departments: Education, Commerce . . . and something else. What we may not recall is that he was perhaps the field's strongest advocate of personal accounts for Social Security, correctly calling the current structure of Social Security "a Ponzi scheme." His "cut, balance, and grow" plan took a generally hard line on federal spending. As governor, Perry was a tax-cutter but somewhat less of a budget cutter. He earned a B on the Cato report card.

As noted, there is a long way to go in this campaign. Candidates have plenty of time to flesh out their positions and burnish their deficit-hawk credentials. The final Republican candidate will almost certainly run on a fiscally conservative platform. But as the GOP field begins to form, we have some early indications of which candidates "get" fiscal restraint in their gut, and which ones have adopted it for political convenience.

Michael Tanner is a senior fellow at the [Cato Institute](#) and the author of [Leviathan on the Right: How Big-Government Conservatism Brought Down the Republican Revolution](#)