

The New American Magazine

[Ron Paul's Bold Budget Plan Draws Cheers, Jeers](#)

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Thursday, 20 October 2011 01:00

“Ron Paul has now walked the budget-cutting walk he’s been talking about.” The words of [Investor’s Business Daily’s Andrew Malcolm](#) sum up most commentators’ initial reactions to the Texas Congressman’s [“Plan to Restore America,”](#) and who could disagree? For decades Paul has been arguing that federal spending must be slashed, and on Monday, October 17, he laid out just how he intends to do that if elected President in 2012: Eliminate agencies, end foreign aid, repeal reams of regulations, cut military spending, reduce the federal workforce, and freeze mandatory spending. His expected results: \$1 trillion in immediate cuts, followed by a balanced budget in three years. “Bold” — the word most commonly used to describe Paul’s proposal — is, perhaps, an understatement.

Both supporters and detractors praised Paul for being specific in what he would cut.

Cincinnati’s [Fox19](#) station, for instance, said Paul’s plan “is the only full budget plan proposed thus far that proposes balancing the budget with actual cuts. Not, using fuzzy math with ‘cuts’ in defense spending that wasn’t going to be spent.”

“The contrast between the so-called super committee’s goal and Paul’s plan shows how pathetic official Washington’s gestures of fiscal responsibility are,” observed [Jacob Sullum](#). “Paul’s detailed numbers refute the myth that the budget cannot be balanced without raising taxes while challenging his opponents to put up or shut up.”

Even [Bloomberg](#), in an otherwise negative editorial, commended Paul for “commit[ting] real numbers to paper” and for being evenhanded in selecting which items to cut.

Observers also agreed that Paul’s budget plan is a shot across the bow of the other GOP candidates.

“Take that, slackers!” exclaimed the [Christian Science Monitor](#). “We’re looking at you, Herman Cain and Mitt Romney. Paul’s pie charts are much tougher than yours.”

“Congressman Ron Paul has shaken the GOP Presidential contenders field to its core today with the release of his ‘Restore America Plan’ to balance the Federal Leviathan’s budget in just 3 years,” averred radio host [Mike Church](#).

“Paul’s willingness to go big and bold in addressing the problem of government,” wrote [J. Robert Smith at American Thinker](#), “should be well noted by Perry, Cain, and Bachmann.”

The Cato Institute’s [Tad DeHaven](#) also expressed the hope that “the other candidates will

copy Paul again by getting specific on what they'd cut." "If not," he maintained, "they should be prepared to explain to the electorate why taxpayers should keep funding the departments that Paul would ax."

Fans of Paul's plan tended to like the fact that it attacks excessive federal spending head-on — that, in Bloomberg's turn of phrase, it "shows exactly what balancing the \$3.8 trillion budget through spending cuts would look like."

Former Republican Congressman and Libertarian presidential candidate [Bob Barr](#) said Paul "is the only candidate who is getting to the crux of the matter and proposing significant and specific solutions to end the continuing and disastrous assault on American taxpayers."

"If elected president, Paul proposes cutting a trillion dollars in spending during his first year in office," Smith explained. "Mitt Romney is aiming for a paltry \$20 billion (possibly less than Cardinals' slugger Albert Pujos will be paid annually when he signs a new contract)."

[Rush Limbaugh](#) stunned himself and his audience by declaring, "Ron Paul has a good idea," namely "genuine, big spending cuts" rather than "fooling around the margins."

Likewise, [National Review's Kevin D. Williamson](#) argued that Paul "does a real public service by reminding conservatives that, while we are rightly hesitant about radical proposals, tinkering around the edges is not going to get it done in the long term. The age of unpleasant choices is upon us."

Detractors, being believers in Keynesian economics, were mostly concerned that Paul's plan, if enacted, would be detrimental to the economy.

The [Washington Post's Ezra Klein](#), for example, stated: "Economists across the political spectrum say the impact of such drastic government spending cuts would be majorly disruptive and harmful to the economy in the short term." He then went on to cite several "conservative" and "liberal" economists, all of whom did indeed claim Paul's plan would destroy the economy. Michael Ettlinger of the Center for American Progress even went so far as to say that if Paul's proposals were enacted, "Your kids would be out of school, working or begging."

"Here's Ron Paul's Crazy Plan That Will Destroy the US Economy" is the far-from-subtle title of a column by [Zeke Miller of Business Insider](#). Miller remarked that "cutting \$1 trillion from the federal budget would be an instantaneous 7 percent cut to GDP, nearly equivalent to the slowdown seen during the 'Great Recession.'"

Bloomberg, for its part, actually argued that a "more sensible" way to put the federal budget in order is to do exactly the opposite of what Paul proposes: "Most economists say a sounder approach would involve spending more — yes, more — for the next few years to keep the fragile recovery on track, and focusing on budget cuts in the medium

term.” Of course, most economists didn’t see the current recession coming, either, so their judgment is questionable at best.

Someone who did see it coming — [Thomas E. Woods, Jr.](#), author of *Meltdown: A Free-Market Look at Why the Stock Market Collapsed, the Economy Tanked, and Government Bailouts Will Make Things Worse* — had this to say about worries that slashing government spending will drive us all into penury:

If the federal government doesn’t spend the \$1 trillion Ron Paul wants to cut, evidently no one will spend it. So even if that money is going down a rathole, and/or paying a bunch of time-serving drones double or triple the median American income to obstruct production, this is essential to our prosperity and cannot be discontinued.

Perhaps we should build some pyramids while we’re at it, since “spending” is all the economy is about. Not allocating resources in such a way as to satisfy consumer wants at the least cost in terms of opportunities foregone. Just “spending.” Never mind all the micro-level corrections throughout the economy that need to be repaired, and which an extra \$1 trillion would go a long way toward repairing. Let’s think instead in terms of a crude macro aggregate — “spending” — and see if politically determined, economically arbitrary “spending” will just happen to redirect resources to those sectors where consumer demand wants them, following the years and years of misdirected resources that occurred during the artificial boom.

Woods went on to point out that “Keynesians predicted catastrophe” when federal spending was reduced by two thirds following World War II, with one even arguing that America should go on building tanks to avert the recession that was sure to follow. Instead, wrote Woods, 1946 turned out to be “the single greatest year for the private economy in U.S. history.” Similar concerns about Paul’s plan are, he said, equally misplaced.

Love his plan or hate it, one thing is for sure: Ron Paul is the “one conservative candidate” of J. Robert Smith’s dreams (even if Smith doesn’t know it yet) who has “the guts to proclaim that the federal government needs more than handyman work; it needs an overhaul that unleashes Americans’ energy, know-how, and creativity — all of which will create a new American prosperity and better safeguard liberty moving forward.”