



Presidential White Paper #7 Ron Paul: The Perfect as the Enemy of the Good

Taxes

The Club for Growth is committed to lower taxes—especially lower tax rates—across the board. Lower taxes on work, savings, and investments lead to greater levels of these activities, thus encouraging greater economic growth.

Ron Paul’s record on taxes is excellent, epitomized by his rallying cry for phasing out the IRS.¹ A strong believer in the economic benefits of tax cuts, he declared in a 2006 article, “I reject the notion that tax cuts harm the economy. The economy suffers when government takes money from your paycheck that you otherwise spend, save, or invest. Taxes never create prosperity.”² Over his career, he has backed up his speeches and articles with many pro-growth votes. These include:

- Voted for a resolution proposing a constitutional amendment requiring a two-thirds majority vote in both chambers to raise taxes³
- Voted for a capital gains tax cut⁴
- Voted for a bill to require Congress to replace the tax code with a simple and fair tax system⁵
- Voted to cut taxes by \$80 billion over five years⁶
- Voted to override Clinton’s veto and repeal the Death Tax⁷
- Voted to override Clinton’s veto and alleviate the marriage penalty⁸
- Voted to repeal the tax on Social Security benefits⁹
- Voted for the Bush tax cuts in 2001¹⁰ and 2003¹¹
- Voted to permanently repeal the Death Tax¹²

¹ MSNBC Republican Presidential Debate, 05/03/07, <http://www.msnbc.msn.com/id/18478985/>

² Paul, “Do Tax Cuts Cost the Government Money?” 10/24/06, <http://www.lewrockwell.com/paul/paul348.html>

³ Roll Call #78, 04/15/97 & Roll Call #102, 04/22/98

⁴ Roll Call #245, 06/26/97

⁵ Roll Call #239, 06/17/98

⁶ Roll Call #469, 09/26/98

⁷ Roll Call #458, 09/07/00

⁸ Roll Call #466, 09/13/00

⁹ Roll Call #450, 07/27/00

¹⁰ Roll Call #45, 03/08/01

¹¹ Roll Call #225, 05/23/03

- Voted to extend the Bush tax cuts¹³

Spending

The Club for Growth is committed to reducing government spending. Less spending enhances economic growth by enabling lower taxes and diminishing the economically inefficient political allocation of resources.

Rep. Paul's strong belief in limited government translated into an impressive list of votes against increased federal spending. These include:

- Voted against the Medicare Prescription Drug Act¹⁴
- Voted for a substitute amendment to balance the budget by 2002 by cutting non-defense discretionary spending and applying the savings to increased tax cuts¹⁵
- Voted for an amendment to prohibit the use of appropriated funds for the development of national reading and math tests¹⁶
- Voted nine out of nine times against raising his own pay¹⁷
- Voted against increased funding for the Legal Services Corporation¹⁸
- Voted for the Republican Study Committee budget multiple times¹⁹
- Was 1 of 41 congressmen to vote against No Child Left Behind²⁰
- Voted to cut mohair,²¹ sugar,²² and Viagra subsidies²³
- Voted against the subsidy-laden 2002 Farm Bill²⁴
- Voted against the 1998 and 2005 Highway bill, only 1 of 9 to vote against the pork-filled 2005 bill²⁵

Despite this impressive record, Ron Paul's history contains some curious indiscretions, including a vote for \$232 million for federally mandated election reform (only 1 of 21 Republicans to vote for it)²⁶ and a vote against the line-item veto²⁷—even after it was modified to pass constitutional muster. Paul's record on pork was outstanding in 2006,

¹² Roll Call #219, 06/06/02, Roll Call #288, 06/18/03, & Roll Call #102, 04/13/05

¹³ Roll Call #135, 05/10/06

¹⁴ Roll Call #669, 11/22/03

¹⁵ Roll Call #144, 05/21/97

¹⁶ Roll Call #9, 02/05/98

¹⁷ See, for example, Roll Call #435, 09/24/97

¹⁸ Roll Call #381, 08/04/98

¹⁹ Roll Call #144, 05/21/97, Roll Call #73, 03/23/00, Roll Call #90, 03/25/04, Roll Call #83, 03/17/05, Roll Call #156, 05/18/06, & Roll Call #211, 03/29/07

²⁰ Roll Call #497, 12/13/01

²¹ Roll Call #383, 07/11/00

²² Roll Call #234, 06/08/05

²³ Roll Call #312, 06/24/05

²⁴ Roll Call #123, 05/02/02

²⁵ Roll Call #192, 05/22/98 & Roll Call #65, 03/10/05

²⁶ Roll Call #471, 09/04/03

²⁷ Roll Call #317, 06/22/06

voting for all 19 of Jeff Flake’s anti-pork amendments in 2006,²⁸ but his record took a stark turn for the worse in 2007, in which Paul received an embarrassing 29% on the Club for Growth’s RePORK Card, voting for only 12 of the 50 anti-pork amendments.²⁹

Some of the outrageous pork projects Paul voted to keep include \$231,000 for the San Francisco Planning and Urban Research Association’s Urban Center; \$129,000 for the “perfect Christmas tree project;” \$300,000 for the On Location Entertainment Industry Craft Technician Training Project in California; \$150,000 for the South Carolina Aquarium; and \$500,000 for the National Mule and Packers Museum in California.³⁰ This year, Ron Paul requested more than sixty earmarks “worth tens of millions of dollars for causes as diverse as rebuilding a Texas theater, funding a local trolley, and helping his state’s shrimp industry.”³¹

In defense of his support for earmarks, Rep. Paul took the if you can’t beat ‘em, join ‘em position, arguing that “I don’t think they should take our money in the first place. But if they take it, I think we should ask for it back.”³² This is a contradiction of Paul’s self-proclaimed “opposition to appropriations not authorized within the enumerated powers of the Constitution.”³³

These strange deviations aside, Paul’s record on spending is praiseworthy. Though he represents a district rich in rice and cattle and battered by Hurricane Rita, he consistently voted against farm subsidies, FEMA, and flood aid.³⁴ When it comes to spending, he stands neither with the Republicans or the Democrats, but the taxpayers, often lambasting his own party for straying from the principles of small government: “Taxpayers are tapped out,” he wrote in a 2005 article. “Where will the money for Big Government conservatism come from?”³⁵

Free Trade

Free trade is a vital policy for maximizing economic growth. In recent decades, America’s commitment to expanding trade has resulted in lower costs for consumers, job growth, and higher levels of productivity and innovation.

Ron Paul has opposed many free trade agreements during his time in Congress:

²⁸ http://www.clubforgrowth.org/2006/07/435_districts_435_blogs_agains.php

²⁹ Club for Growth 2007 RePORK Card,

http://www.clubforgrowth.org/2007/08/the_2007_club_for_growth_repor.php

³⁰ Club for Growth 2007 RePORK Card,

http://www.clubforgrowth.org/2007/08/the_2007_club_for_growth_repor.php

³¹ *Washington Post*, 10/12/07

³² *Houston Chronicle*, 07/01/07

³³ Statement of Hon. Ron Paul of Texas, 04/03/00

³⁴ *New York Times Magazine*, 07/22/07

³⁵ Paul, “Too Little Too Late,” 11/15/05, <http://www.lewrockwell.com/paul/paul287.html>

- Voted against Fast Track Authority³⁶
- Voted against a free trade agreement between the U.S. and Chile³⁷
- Voted against free trade with Singapore³⁸
- Voted against free trade with Australia³⁹
- Voted against CAFTA⁴⁰
- Voted against the U.S.-Bahrain trade agreement⁴¹
- Voted against the Oman trade agreement⁴²
- Voted against normal trade relations with Vietnam⁴³

While he supports free trade in theory, Rep. Paul chafes at the government's role in the process, arguing that "We don't need government agreements to have free trade. We merely need to lower or eliminate taxes on the American people, without regard to what other nations do."⁴⁴ His philosophical support for free trade is evidenced by his support for legislation lifting government-imposed trade barriers, such as the Cuba embargo,⁴⁵ and legislation allowing for the reimportation of prescription drugs.⁴⁶

Unlike protectionists who deny the economic benefits of free-trade policies, Ron Paul embraces the importance of free trade, but lives in a dream world if he thinks free trade will be realized absent agreements like NAFTA and CAFTA. Paul himself argues that "tariffs are simply taxes on consumers,"⁴⁷ but by opposing these trade agreements, he is actively opposing a decrease in those taxes. While Paul's rhetoric is soundly pro-free trade, his voting record mirrors those of Congress's worst protectionists.

Entitlement Reform

America's major middle-class entitlement programs are already insolvent. The Club for Growth supports entitlement reforms that enable personal ownership of retirement and healthcare programs, benefit from market returns, and diminish dependency on government.

Rep. Paul's limited-government philosophy found a particularly useful victim in the country's entitlement programs. Long in favor of reducing individual dependence on

³⁶ Roll Call #370, 07/27/02

³⁷ Roll Call #436, 07/24/03

³⁸ Roll Call #432, 07/24/03

³⁹ Roll Call #375, 07/14/04

⁴⁰ Roll Call #443, 07/28/05

⁴¹ Roll Call #616, 12/07/05

⁴² Roll Call #392, 07/20/06

⁴³ Roll Call #519, 11/13/06

⁴⁴ Paul, "CAFTA: More Bureaucracy, Less Free Trade," 06/07/05, <http://www.lewrockwell.com/paul/paul254.html>

⁴⁵ Roll Call #424, 07/20/00 & Roll Call #271, 07/25/01

⁴⁶ Roll Call #624, 11/18/03

⁴⁷ Paul, "CAFTA: More Bureaucracy, Less Free Trade," 06/07/05, <http://www.lewrockwell.com/paul/paul254.html>

government, Rep. Paul was a vociferous opponent of Medicare Part D, calling it “firmly in keeping with the failed New Deal and Great Society programs of the utopian left.”⁴⁸ Some of his most pro-growth votes include:

- Voted to lift the limitations and caps on medical savings accounts⁴⁹
- Voted to allow individuals to deduct the cost of medical savings accounts from their taxable income⁵⁰
- Voted against the Medicare Prescription Drug Bill⁵¹
- Voted to allow small businesses to band together to buy health insurance for their employees⁵²

But the recurring theme of Paul’s career is his frequent willingness to let unattainable ideals obstruct attainable progress towards those ideals. Just as in trade, this tendency leaves Paul opposing pro-growth reforms of Social Security. He opposes allowing workers to divert some Social Security payroll taxes into private retirement accounts, arguing instead for cutting payroll taxes and leaving it up to workers to do what they will with the savings.⁵³ While the ideal is admirable, it is not a sufficient reason to oppose the pro-growth, expansion of freedom that personally-owned retirement accounts represent.

The Congressman was also 1 of only 4 Republicans to join the Democrats in voting against the extension of welfare reform in 2002.⁵⁴ While Paul probably opposed the bill because of his distaste for government welfare in general and the authorization of additional funding, the legislation was an important step towards weaning millions of Americans off the government dole and imposing new work requirements on welfare recipients.

Regulation

Excessive government regulation stymies individual and business innovation necessary for strong economic expansion. The Club for Growth supports less and more sensible government regulation as a critical step toward increasing freedom and growth in the marketplace.

Nicknamed “Dr. No,”⁵⁵ Rep. Paul has spent his career voting against a slew of big-government, regulatory bills. These include:

- Voted against a minimum wage increase⁵⁶

⁴⁸ Paul, “GOP Abandons Conservatives,” 12/02/03, <http://www.lewrockwell.com/paul/paul145.html>

⁴⁹ Roll Call #328, 08/02/01

⁵⁰ Roll Call #328, 06/26/03

⁵¹ Roll Call #669, 11/22/03

⁵² Roll Call #174, 05/13/04

⁵³ CNN Politics, <http://www.cnn.com/ELECTION/2008/issues/issues.socialsecurity.html>

⁵⁴ Roll Call #170, 05/16/02

⁵⁵ *Washington Post*, 07/09/06

⁵⁶ Roll Call #18, 01/10/07

- Voted against an amendment that imposed costly arsenic standards on small water systems⁵⁷
- Voted against an amendment imposing new mileage standards on automobiles⁵⁸
- Voted against a bill granting union and collective bargaining rights to all who transfer into the Department of Homeland Security⁵⁹
- Voted against an amendment to establish strict limits on radio and television licenses and increase the power of the federal government over broadcast media⁶⁰
- Was 1 of 3 representatives to vote against the burdensome Sarbanes-Oxley bill⁶¹
- Voted against a ban on internet gambling⁶²
- Voted against a bill to criminalize so-called price gouging among oil companies⁶³
- Voted for an amendment that prohibits any use of federal funds on private property obtained through the power of eminent domain for private development⁶⁴
- Voted for a bill to prohibit federal officials from nominating U.S. lands for protection without prior congressional approval⁶⁵
- Voted to set aside last-minute ergonomic rules imposed by the Clinton Administration⁶⁶

This impressive record contains a couple of odd votes, such as his vote for an amendment delaying oil and gas production in the Gulf of Mexico.⁶⁷ More curious is Paul's support for legislation requiring the Department of Health and Human Services to negotiate Medicare drug prices with drug companies,⁶⁸ which is likely to lead to de facto price controls. These votes aside, Paul's record on regulation demonstrates a consistent aversion to government intervention in the private sector and an appreciation for the role limited government plays in furthering economic growth.

School Choice

The Club for Growth supports broad school choice, including charter schools, voucher programs, and tax credits that create a competitive education market including public, private, religious, and non-religious schools. More competition in education can only lead to higher quality and lower costs.

Ron Paul's opposition to school choice stems from his opposition to the government's role in education, arguing that federal voucher programs are "little more than another tax-

⁵⁷ Roll Call #288, 07/27/01

⁵⁸ Roll Call #311, 08/01/01

⁵⁹ Roll Call #357, 07/26/02

⁶⁰ Roll Call #407, 07/22/03

⁶¹ Roll Call #348, 07/25/02

⁶² Roll Call #255, 06/10/03 & Roll Call #363, 07/11/06

⁶³ Roll Call #115, 05/03/06

⁶⁴ Roll Call #350, 06/30/05

⁶⁵ Roll Call #504, 10/08/97

⁶⁶ Roll Call #33, 03/07/01

⁶⁷ Roll Call #181, 06/21/01

⁶⁸ Roll Call #23, 01/12/07

funded welfare program establishing an entitlement to a private school education.”⁶⁹ He consistently voted against voucher programs, including a 1998 school voucher program for D.C. public school students⁷⁰ and a 2003 bill for a DC voucher program.⁷¹

Instead, Paul supported education tax breaks⁷² and introduced the Family Education Freedom Act (H.R. 612) that provides all parents with a tax credit of up to \$3,000, available to parents who choose to send their children to public, private, or home school.⁷³ While Paul’s sentiment is understandable, it doesn’t change the fact that his votes are a direct impediment to achieving high-quality school choice. By voting against school choice programs, Paul is aligning himself with Democrats and the National Education Association in opposing progress towards achieving a truly competitive, market-based education system.

Political Free Speech

Maximizing prosperity requires sound government policies. When the government strays from these policies, citizens must be free to exercise their constitutional rights to petition and criticize those policies and the politicians responsible for them.

Ron Paul has a stellar record of protecting political free speech. He has consistently voted against pernicious bills seeking to gag political speech in the public sphere. Whether it is his votes against the anti-speech 527 Reform Bill⁷⁴ or his votes against the various versions of McCain-Feingold,⁷⁵ there is no question about Rep. Paul’s steadfast respect for the First Amendment.

Tort Reform

The American economy suffers from excessive litigation which increases the cost of doing business and slows economic growth. The Club for Growth supports major reforms to our tort system to restore a more just and less costly balance in tort litigation.

Representative Paul opposes federal tort reform for the same reason he opposes most federal solutions—he believes the federal approach “damages the Constitution by

⁶⁹ Paul, “Are Vouchers the Solution for Our Failing Public Schools?” 09/30/03, <http://www.lewrockwell.com/paul/paul132.html>

⁷⁰ Roll Call #411, 08/06/98

⁷¹ Roll Call #490, 09/09/03

⁷² Roll Call #371, 09/04/02

⁷³ Paul, “Are Vouchers the Solution for Our Failing Public Schools?” 09/30/03, <http://www.lewrockwell.com/paul/paul132.html>

⁷⁴ Roll Call #341, 06/28/00 & Roll Call #88, 04/05/06

⁷⁵ Roll Call #422, 09/14/99 & Roll Call #34, 02/14/02

denying states the right to decide their own local medical standards and legal rules.”⁷⁶ To that end, he has voted against many tort reform measures in Congress:

- A bill prohibiting lawsuits in federal or state courts against restaurants, food manufacturers and distributors based on claims that the food contributed to the plaintiff’s obesity or weight gain⁷⁷
- A bill barring lawsuits against manufacturers and distributors of firearms and ammunition making them liable for gun violence⁷⁸
- Bills limiting the liability of volunteers,⁷⁹ tool makers,⁸⁰ users of defibrillators in emergencies,⁸¹ donators of firefighting equipment,⁸² and nonprofit volunteer pilots⁸³
- A bill to limit lawsuits resulting from Year 2000 computer failures⁸⁴

Paul recognizes the danger of runaway lawsuits and bemoans “malpractice premiums that cost doctors tens of thousands of dollars per year, and increasingly threaten to put some out of business.”⁸⁵ To his credit—and somewhat incongruous—Rep. Paul voted against a measure that would allow negligence lawsuits against gun manufacturers,⁸⁶ for liability protection for manufacturers of certain gasoline additives,⁸⁷ and for a bill that would move national class-action lawsuits out of local state courts to federal courts in order to stop the pernicious practice of court shopping.⁸⁸

Instead of traditional federal tort reform, he proposes “private contractual agreements between physicians and patients” that “enables patients to protect themselves with ‘negative outcomes’ insurance purchased before medical treatment.”⁸⁹ In theory, Paul’s solution may help alleviate the situation, but it is politically untenable. While Paul’s idealism is laudable, he has not offered a viable alternative for dealing with a problem that is hurting American consumers and businesses, while diminishing our international competitiveness.

Summation

⁷⁶ Paul, “The Free-Market Approach to the Medical Malpractice Crisis,” 04/01/03, <http://www.lewrockwell.com/paul/paul83.html>

⁷⁷ Roll Call #54, 03/10/04

⁷⁸ Roll Call #534, 10/20/05

⁷⁹ Roll Call #150, 05/21/97

⁸⁰ Roll Call #7, 02/02/00

⁸¹ Roll Call #222, 05/23/00

⁸² Roll Call #446, 09/14/04

⁸³ Roll Call #447, 09/14/04

⁸⁴ Roll Call #265, 07/01/99

⁸⁵ Paul, “The Free-Market Approach to the Medical Malpractice Crisis,” 04/01/03, <http://www.lewrockwell.com/paul/paul83.html>

⁸⁶ Roll Call #122, 04/09/03

⁸⁷ Roll Call #129, 04/21/05

⁸⁸ Roll Call #272, 06/12/03

⁸⁹ Paul, “The Free-Market Approach to the Medical Malpractice Crisis,” 04/01/03, <http://www.lewrockwell.com/paul/paul83.html>

When it comes to limited government, there are few champions as steadfast and principled as Representative Ron Paul. In the House of Representatives, he plays a very useful role constantly challenging the status quo and reminding his colleagues, despite their frequent indifference, that our Constitution was meant to limit the power of government. On taxes, regulation, and political free speech his record is outstanding. While his recent pork votes are troubling, the vast majority of his anti-spending votes reflect a longstanding desire to cut government down to size.

But Ron Paul is a purist, too often at the cost of real accomplishments on free trade, school choice, entitlement reform, and tort reform. It is perfectly legitimate, and in fact vital, that think tanks, free-market groups, and individual members of congress develop and propose idealized solutions. But presidents have the responsibility of making progress, and often, Ron Paul opposes progress because, in his mind, the progress is not perfect. In these cases, although for very different reasons, Ron Paul is practically often aligned with the most left-wing Democrats, voting against important, albeit imperfect, pro-growth legislation.

Ron Paul is, undoubtedly, ideologically committed to pro-growth limited government policies. But his insistence on opposing all but the perfect means that under a Ron Paul presidency we might never get a chance to pursue the good too.