

# 2016 PRESIDENTIAL WHITE PAPERS SERIES

PAPER #1

## SENATOR TED CRUZ

APRIL 14, 2015

### INTRODUCTION

Ted Cruz was first elected to the U.S. Senate from Texas in 2012. Prior to serving in the Senate, he was a lawyer in private practice, and the Solicitor General of the State of Texas. He attended Princeton University and Harvard Law School. Senator Cruz received a score of 92% on the Club for Growth's 2014 scorecard and has a lifetime score of 96%. The average Senate Republican score from 2013 and 2014 was 74%.

### 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.*

Senator Cruz has been a strong advocate for lower taxes. He has voted against tax increases and has advocated for eliminating the Internal Revenue Service and moving to “a simple flat tax.”<sup>1</sup> However, Cruz does support keeping some deductions, notably for charitable contributions and mortgage interest.<sup>2</sup> When he ran for office, Cruz called for cutting the corporate tax rate to 15%, and he also endorsed the Fair Tax.<sup>3</sup>

Cruz's tenure in the Senate coincides with a period during which the Senate Democrat majority allowed a remarkably low

number of votes on economic issues. Thus, there is a rather small sample of votes to draw from in analyzing his record. In his brief time in the Senate, Cruz voted:

- FOR repealing the Obamacare tax on medical devices<sup>4</sup>
- AGAINST establishing a tax on carbon emissions<sup>5</sup>
- FOR repealing the Death Tax<sup>6</sup>
- FOR repealing Obamacare taxes on low- and middle-income families<sup>7</sup>

Senator Cruz has not proposed a comprehensive tax reform plan. His official website mentions that he supports defending the Internet from taxation, but nothing else on tax reform or cutting taxes on investment, savings and income.<sup>8</sup> In the Senate, Cruz voted for a pro-growth plan offered by Senator Rand Paul (R-KY).<sup>9</sup> It is not clear, for example, at what rate Senator Cruz would want to have a flat tax, but he has cosponsored a proposal to replace the current tax code with a 23% national sales tax.<sup>10</sup>

There is one bad vote in Cruz's record on taxes. In 2014, he voted in favor of continuing a series of special interest tax credits and breaks that were set to expire. Among other things, the “extenders” were for horse racing and NASCAR tracks.<sup>11</sup> It's



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not clear why he voted for the legislation, but Senator Cruz should clarify under what circumstances he would let tax credits expire and when he would vote to keep them.

While Cruz does not have a very long voting record in support of tax cuts or pro-growth tax policies, overall his record and his rhetoric indicate he strongly supports both.

### SPENDING

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

Senator Cruz supports a much smaller federal government. When he ran for the United States Senate, he backed a Balanced Budget Amendment to the Constitution, with a spending cap set at 18% of Gross Domestic Product.<sup>12</sup> Cruz also backed eliminating “unnecessary and unconstitutional agencies like the Department of Education...the Department of Commerce,

1 National Review, 6/3/13

2 Dallas Morning News, 6/9/13

3 2012 Cruz for Senate Website, <https://web.archive.org/web/20120815073314/> and <http://www.tedcruz.org/jobs-and-growth/>

4 Senate Roll Call Vote 47, 2013

5 Senate Roll Call Vote 58, 2013

6 Senate Roll Call Vote 67, 2013

7 Senate Roll Call Vote 53, 2013

8 [www.Cruz.Senate.Gov](http://www.Cruz.Senate.Gov), Accessed 1/24/15

9 Senate Roll Call Vote 69, 2013

10 Dallas Morning News, 6/9/13

11 Senate Roll Call Vote 364, 2014

12 2012 Cruz for Senate Website, <https://web.archive.org/web/20120815073314/> and <http://www.tedcruz.org/jobs-and-growth/>

the Department of Energy, [and] the National Endowment of the Arts.”<sup>13</sup>

In the Senate, Cruz has backed up his rhetoric with his votes. He voted:

- AGAINST disaster aid for Hurricane Sandy relief without an offset<sup>14</sup>
- FOR offset emergency spending for the Hurricane Sandy disaster with an across-the-board cut to discretionary spending.<sup>15</sup>
- FOR a \$275 billion dollar cut in mandatory health care spending<sup>16</sup>
- FOR the fiscally conservative FY14 budget written by Senator Rand Paul (R-KY)<sup>17</sup>
- AGAINST the 2013 farm bill<sup>18</sup>
- AGAINST the Ryan-Murray budget deal that broke sequestration<sup>19</sup>
- FOR returning the federal highway program back to the states<sup>20</sup>

Cruz has staunchly opposed adding to America’s debt without systemic reform. He has voted repeatedly against raising the debt ceiling.<sup>21</sup> In 2014 Cruz supported a procedural motion that would require a 60-vote threshold to raise the debt limit. The motion was to hold then-Senate Minority Leader Mitch McConnell and other Senate Republicans accountable for their support of raising the debt limit, by forcing them to vote in favor of proceeding to the underlying debt limit vote. In an interview with CNN, Cruz explained his motion:

What Republican leadership said is we want this to pass, but if every senator affirmatively consents to doing it on 51 votes, then we can all cast a vote no and we can go home to our constituents and say we opposed it. And listen, that sort of show vote, that sort of trickery to the - to the constituents is why Congress has a 13 percent approval rating. In my view, we need to be honest with our constituents. And last week, what it was all about was truth and transparency. I think all 45 Republicans should have stood together and said of course not.<sup>22</sup>

Cruz has shown a willingness to do what he can to stop adding to the nation’s debt – even if it includes embarrassing members of his own party.

There are two blemishes on Cruz’s record on spending: his vote for cloture on a bill to phase out certain subsidies to the National Flood Insurance Program<sup>23</sup> and his vote to extend the Terrorism Risk Insurance Act.<sup>24</sup> Many fiscal conservatives consider both measures to be federal handouts.

## ENTITLEMENT REFORM

*America’s major entitlement programs are already insolvent. The Club for Growth supports entitlement reforms that enable personal ownership of retirement and health care programs, benefit from market returns, and diminish dependency on government.*

Senator Cruz is one of America’s strongest critics of Obamacare. Before Obamacare was fully implemented, he not only led the fight to defund the legislation on the Senate floor, but worked with fiscally conservative outside groups to rally conservative activists to the cause. At an event in

Dallas, he urged a crowd of over 1,000 to “light up the phones” and call their representatives, telling them to defund the legislation.<sup>25</sup> He spoke on the Senate floor for over 21 hours criticizing Obamacare and urging his colleagues to defund the legislation.<sup>26</sup> Because President Obama would not sign, and Democrats in the Senate would not vote for, legislation defunding Obamacare, the federal government shut down for 16 days until Republicans decided to abandon the tactic.<sup>27</sup>

Senator Cruz has a similarly excellent voting record on entitlement programs. He has voted to restrict eligibility for the food stamp program and to block grant it to the states.<sup>28</sup> Cruz also voted against lowering rates on subsidized student loans and paying for it with a tax increase,<sup>29</sup> and he voted against extending unemployment benefits.<sup>30</sup>

## 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.*

Cruz has excelled in the field of deregulation, particularly when it comes to energy development. In 2014, Cruz proposed legislation called the American Energy Renaissance Act (AERA), a comprehensive plan for increasing domestic energy production. Among other things, AERA would phase out the Renewable Fuel Standard over five years, approve the Keystone XL pipeline, exclude greenhouse gases from

13 Houston Chronicle, 5/6/12

14 Senate Roll Call Vote 4, 2013

15 Senate Roll Call Vote 3, 2013

16 Senate Roll Call Vote 81, 2013

17 Senate Roll Call Vote 69, 2013

18 Senate Roll Call Vote 145, 2013

19 Senate Roll Call Vote 279, 2013; Senate Roll Call Vote 281, 2013

20 Senate Roll Call Vote 246, 2014

21 Senate Roll Call Vote 218, 2013; Senate Roll Call Vote 219, 2013

22 CNN, 2/20/14

23 Senate Roll Call Vote 14, 2014

24 Senate Roll Call Vote 231, 2014

25 KERA News, 8/21/13

26 Washington Post, 9/25/13

27 Associated Press, 10/17/13

28 Senate Roll Call Vote 130, 2013; Senate Roll Call Vote 132, 2013

29 Senate Roll Call Vote 183, 2013

30 Senate Roll Call Vote 23, 2014; Senate Roll Call Vote 101, 2014

Environmental Protection Agency regulations, require Congressional approval of new job-killing EPA regulations, open up the Arctic National Wildlife Refuge for drilling, and generally streamline the permitting process for new energy exploration.<sup>31</sup> During a speech outlining the impact of his legislation, Cruz remarked that,

Economic growth, the energy revolution, didn't come from the U.S. Department of Energy. It didn't come from any government agency. It didn't come from a grant program picking 'this is how we're going to transform energy.' It didn't even come, with all due respect to our wonderful host, from a think tank in Washington. It came from entrepreneurs putting capital at risk and meeting a need.<sup>32</sup>

Passage of AERA certainly would be a major pro-growth change.

His Senate voting record on regulatory issues is pristine. When given a choice between more or less government involvement, Cruz chooses less. Among other efforts, he voted to prohibit the automatic deduction of union dues for federal employees,<sup>33</sup> and to prohibit the EPA from issuing regulations on carbon emissions.<sup>34</sup> He has blasted so-called "Net Neutrality" regulations as "Obamacare for the Internet."<sup>35</sup>

Cruz has even told ethanol-rich Iowa that he opposes the Renewable Fuel Standard, telling people in Des Moines in March 2014, "biofuels are very important but I don't think they need to be mandated."<sup>36</sup> He reiterated that point in March 2015 in Iowa, saying, "I think anytime govern-

ment tries to pick winners and losers, it's a mistake."<sup>37</sup> Cruz opposes raising the minimum wage and has never voted for an increase.<sup>38</sup>

## FREE TRADE

*Free trade is a vital policy necessary 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.*

Senator Cruz has called himself "an unambiguous advocate of free trade" and has endorsed a free trade agreement with Ukraine.<sup>39</sup> He has voted against protectionist "Buy American" provisions in the Senate<sup>40</sup> and against the sugar quota.<sup>41</sup> Cruz is also unafraid to take on protectionists within the Republican Party, telling Laura Ingraham, on the topic of Chinese currency manipulation, "I understand the concerns about China and I think we need to be vigorous when dealing with China, but I think it is a mistake to try to start a trade war with them."<sup>42</sup> Cruz has said that "Free trade benefits America, produces jobs, produces economic growth and it is good for our country."<sup>43</sup>

## SCHOOL CHOICE

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

In the Senate, Cruz has voted for school vouchers<sup>44</sup> and called school choice "the most compelling civil rights issue" of our time.<sup>45</sup> He supported Louisiana's pioneering voucher program<sup>46</sup> and was a speaker at the official kickoff of National School Choice week in 2014.<sup>47</sup> Cruz also endorsed the DC Opportunity Scholarship, saying that "School choice gives low-income children the same choices and opportunities that children from wealthy families have always had. And school choice improves the public schools, making them stronger and more effective."<sup>48</sup> It's clear that supporters of school choice have a champion in Senator Cruz.

## 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.*

A lawyer who has argued before the U.S. Supreme Court, Ted Cruz has defended tort reform proposals on behalf of the states. Notably, Cruz defended Texas's landmark 2003 tort reform legislation in court, arguing *Robinson v. Crown Cork & Seal Co.* on behalf of the state of Texas – the first case that tested the constitutionality of reform,<sup>49</sup> and he has suggested that the Texas model of tort reform could be a model for the country.<sup>50</sup>

31 Office of Senator Cruz, 3/27/14, [http://www.cruz.senate.gov/?p=press\\_release&id=1071](http://www.cruz.senate.gov/?p=press_release&id=1071)

32 The Daily Signal, 3/28/14

33 Senate Roll Call Vote 75, 2013

34 Senate Roll Call Vote 76, 2013

35 Huffington Post, 11/10/14

36 WHO-TV, 3/19/14

37 DesMoines Register, 3/6/15

38 CNSNews.com, 2/13/13

39 Wall Street Journal, 5/1/14

40 Senate Roll Call Vote 123, 2013

41 Senate Roll Call Vote 134, 2013

42 The Laura Ingraham Show, 10/3/11, <http://www.youtube.com/watch?v=SAq9z-8daAw>

43 Politico, 1/20/15

44 Senate Roll Call Vote 63, 2013

45 CNN, 12/9/14

46 Facebook Post, 8/25/13

47 Business Wire, 1/22/14

48 [http://www.cruz.senate.gov/?p=press\\_release&id=1268](http://www.cruz.senate.gov/?p=press_release&id=1268)

49 Cruz for Senate Website, <https://web.archive.org/web/20120928002425/www.tedcruz.org/proven-record/detering-frivolous-lawsuits-to-promote-economic-growth/>

50 Houston Examiner, 4/7/13

## POLITICAL FREE SPEECH

*Maximizing prosperity requires sound government policies. When 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.*

It is clear that the right to free speech is a passion for Cruz. He introduced legislation to stop political targeting of individuals and groups by the Internal Revenue Service,<sup>51</sup> and has sponsored legislation to completely eliminate any limitations on contributions to candidates in federal elections.<sup>52</sup> Cruz was one of the most vocal opponents of a speech-chilling constitutional amendment sponsored by Senator Tom Udall. It would have given Congress the power to regulate speech distributed by Americans in the course of a political campaign. Cruz said that Udall's proposal would "decimate the First Amendment."<sup>53</sup> While Cruz supports disclosing donations to candidates, he opposes disclosure of donations to groups that engage in issue advocacy, saying that such proposals would "chill free speech".<sup>54</sup>

In *The Wall Street Journal*, Cruz wrote,

Speech is more than just standing on a soap box yelling on a street corner. For centuries the Supreme Court has rightly concluded that free speech includes writing and distributing pamphlets, putting up billboards, displaying yard signs, launching a website, and running radio and television ads. Every one of those activities requires money. Distributing the Federalist Papers or Thomas Paine's 'Common Sense' required money. If you can prohibit spending money, you can prohibit virtually any form of effective speech.<sup>55</sup>

51 S.2066, 2014

52 S. 2415, 2014

53 Washington Post, 9/10/14

54 Wall Street Journal, 5/2/14

55 Wall Street Journal, 6/1/14

## POLITICAL ACTIVITY & ENDORSEMENTS

*Robust political activity is essential to producing a federal government that is more respectful of free markets and that produces more pro-economic growth policies. The Club for Growth's PAC has been active in some of the more central battles within the Republican Party nominating process in recent years, supporting pro-growth candidates over pro-government ones.*

Ted Cruz's own senate election in 2012 was, in itself, a major fault line in the conservative movement's battle to nominate candidates who actually favor limited government. Cruz should be commended for his willingness to enter a long-shot race against an establishment-favored opponent who had huge financial and structural advantages. Cruz's tenacity and principled message enabled him to prevail.

As a senator, Cruz has generally limited his endorsements and political support in Republican primaries. In 2014 he endorsed conservative Ben Sasse in Nebraska's Republican primary for U.S. Senate,<sup>56</sup> as well as pro-growth conservative Congressman Justin Amash, appearing in a radio ad for Amash as well.<sup>57</sup>

In addition, Senator Cruz has actively attempted to motivate grassroots voters to conservative causes. He appeared in TV ads in 2013 urging citizens to call their member of Congress and urge them to stop funding for Obamacare.<sup>58</sup> It is rare to see members of Congress urge citizens to petition their colleagues on an issue where they may not share the same views.

## SUMMATION

In just two years, Senator Cruz made a name for himself as one of the strongest advocates in the U.S. Senate for economic freedom and the Constitution. It's unfor-

tunate, but during that time the Democrat majority shut down an open process that would have allowed Cruz to offer more pro-growth alternatives to the big government crowd. Cruz particularly excels when it comes to stopping job-crippling regulations and promoting pro-growth energy exploration, and he is clearly a passionate defender of the First Amendment. Some might argue that his short tenure does not provide enough time to meaningfully judge his performance. Nonetheless, given the state of his record, we are confident that, if elected, Senator Cruz would be a pro-growth President.

56 Washington Times, 4/23/14

57 Grand Rapids Press, 7/15/14

58 Senate Conservatives Fund ad, [https://www.youtube.com/watch?v=hn1Zf\\_xi-AO](https://www.youtube.com/watch?v=hn1Zf_xi-AO)