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A Modest \$500 Billion Proposal

My spending cuts would keep 85% of government funding and not touch Social Security or Medicare.

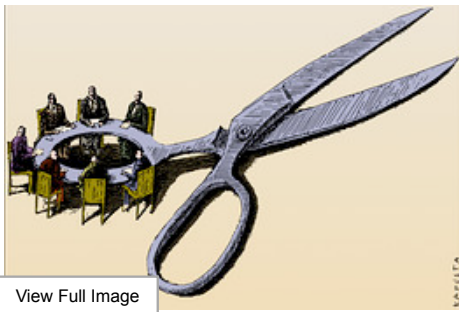
By **RAND PAUL**

After Republicans swept into office in 1994, Bill Clinton famously said in his State of the Union address that the era of big government was over. Nearly \$10 trillion of federal debt later, the era of big government is at its zenith.

According to the Congressional Budget Office, this will be the third consecutive year in which the federal government is running a deficit near or greater than \$1 trillion. The solution to the government's fiscal crisis must begin by cutting spending in all areas, particularly in those that can be better run at the state or local level. Last month I introduced legislation to do just that. And though it seems extreme to some—containing over \$500 billion in spending cuts enacted over one year—it is a necessary first step toward ending our fiscal crisis.

My proposal would first roll back almost all federal spending to 2008 levels, then initiate reductions at various levels nearly across the board. Cuts to the Departments of Agriculture and Transportation would create over \$42 billion in savings each, while cuts to the Departments of Energy and Housing and Urban Development would save about \$50 billion each. Removing education from the federal government's jurisdiction would create almost \$80 billion in savings alone. Add to that my proposed reductions in international aid, the Departments of Health and Human Services, Homeland Security and other federal agencies, and we arrive at over \$500 billion.

My proposal, not surprisingly, has been greeted skeptically in Washington, where serious spending cuts are a rarity. But it is a modest proposal when measured against the size of our mounting debt. It would keep 85% of our government funding in place and not touch Social Security or Medicare. But by reducing wasteful spending and shuttering departments that are beyond the constitutional role of the federal government, such as the Department of Education, we can cut nearly 40% of our projected deficit and at the same time remove thousands of big-government bureaucrats who stand in the way of efficiency.



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Examples of federal waste are more abundant than ever. For example, the Department of Energy's nuclear-weapons activities should be placed under the purview of the Department of Defense. Many of its other activities amount to nothing more than corporate handouts. It provides research grants and subsidies to energy companies for the development of new, cleaner forms of energy. This means nearly all forms of energy development here in the U.S. are subsidized by the federal government, from oil and coal to nuclear, wind, solar and biofuels. These subsidies often go to research and companies that can survive without them. This drives up the cost of energy

for all Americans, both as taxpayers and consumers.

The Commerce Department is another prime example. Consistently labeled for elimination, specifically by House Republicans during the 1990s, one of Commerce's main functions is delivering corporate welfare to American firms that can compete without it. My proposal would scale back the Commerce Department's spending by 54% and eliminate corporate welfare.

My proposal would also cut wasteful spending in the Defense Department. Since 2001, our annual defense budget has increased nearly 120%. Even subtracting the costs of the conflicts in Iraq and Afghanistan, spending is up 67%. These levels of spending are unjustifiable and unsustainable. Defense Secretary Robert Gates understands this and has called for spending cuts, saying "We must come to realize that not every defense program is necessary, not every defense dollar is sacred or well-spent, and more of everything is simply not sustainable."

For those who take issue with any of the spending cuts I have proposed, I have two requests:

First, if you believe a particular program should be exempt from these cuts, I challenge you to find another place in the budget where the same amount can feasibly be cut and we can replace it.

Second, consider this: Is any particular program, whatever its merits, worth borrowing billions of dollars from foreign nations to finance programs that could be administered better at the state and local level, or even taken over by the private sector?

A real discussion about the budget must begin now—our economy cannot wait any longer. For 19 months, unemployment has hovered over 9%. After a nearly \$1 trillion government stimulus and \$2 trillion in Federal Reserve stimulus, the Washington establishment still believes that we can solve this problem with more federal spending and the printing of more money.

That's ridiculous, and the American people have had enough.

Many in Washington think that a one-year, \$500 billion spending cut is too bold. But the attendees at the newly formed Senate Tea Party Caucus say, "Bring on the cuts! And then, bring on more!" My Republican colleagues say they want a balanced-budget amendment. But to have any semblance of credibility we must begin to discuss where we will cut once it passes. My proposal is a place to start.

Mr. Paul is a Republican senator from Kentucky.

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