
Republican budget manifesto released

By Editor Test *Wed, Apr 6, 2011*

The top individual and corporate tax rate would drop to 25% from 35% under the "Path to Prosperity" proposal written by House budget committee chairman Paul Ryan (R-WI).

Congressman Paul Ryan, chairman of the House Committee on the Budget, released a Fiscal Year 2012 Budget Resolution entitled, "[Path to Prosperity: Restoring America's Promise](#)," at his website yesterday.

The resolution, much of which is based on the "supply-side" economics principle that lower taxes will lead to economic expansion, outlines a plan to cut federal spending by \$6.2 trillion relative to the Obama administration projections over the next decade.

Under the proposal, the top individual and corporate tax rate would drop to 25% from 35%. The proposal also repeatedly calls for repeal of the Affordable Health Care Act passed by Democrats on a near-party line vote in 2010.

The resolution, a polemic that characterizes Democratic policies as "reckless" but blames both parties for helping to create the country's huge debts and fiscal imbalances, also calls on the government to:

- Reduce the federal workforce by 10% over the next three years attrition, coupled with a pay freeze for the next five years and reforms to government workers' benefit packages.
- Reduce inefficient spending by \$178 billion, following guidance from Defense Secretary Robert Gates. Reinvest \$100 billion of these savings into key combat capabilities, and put the rest toward deficit reduction.
- Privatize the business of government-owned housing giants, Fannie Mae and Freddie Mac, so that they no longer expose taxpayers to trillions of dollars' worth of risk.
- Convert the federal share of Medicaid spending into a block grant tailored to meet each state's needs, indexed for inflation and population growth.
- Provide younger workers, when they reach eligibility, with a Medicare payment and a list of guaranteed coverage options from which they can choose a plan that best suits their needs.