

Does It Matter That Paul Ryan Is on the GOP Ticket?

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The honest answer is that it probably means nothing. I don't think there's been an election in my lifetime that was impacted by the second person on a presidential ticket.

And a quick look at Intrade.com shows that Ryan's selection hasn't (at least yet) moved the needle. Obama is still in the high 50s.

Moreover, the person who becomes Vice President usually plays only a minor role in Administration policy.

With those caveats out of the way, the Ryan pick is mostly good news.

Here are the reasons why I'm happy.

- I think Ryan genuinely believes in [small government, low tax rates, and free markets](#). Heck, he's even read [Ayn Rand](#), and is willing to admit that he likes her writings.
- Ryan put together a [good budget](#) and got the Republican Party to rally around the plan – a remarkable achievement considering that the same GOPers had just spent 8 years supporting the [irresponsible fiscal policies of the Bush Administration](#).
- He understands that [not all entitlement reform is created equal](#). Instead of supporting means-testing (which produces implicit higher marginal tax rates) and unsustainable price controls, Ryan got his colleagues to support [Medicaid block grants](#) and [premium support \(or vouchers\) for Medicare](#).
- Ryan is a proponent of the [flat tax](#) and can competently discuss not only the importance of low tax rates, but also why double taxation is misguided and why it's wrong to use the tax code to pick winners and losers.

Here are two reasons why I'm worried.

- Both [Romney](#) and [Ryan](#) are somewhat sympathetic to a [value-added tax](#). My worst-case scenario is they win the election, but then can't get a good budget approved because of some squishy Republican senators who put self interest above national interest. Romney and Ryan then decide that this European-style national sales tax is the only way – on paper – of making the budget balance. In reality, of course, we'll suffer the same fate as Europe since the VAT revenues will be used to finance ever-larger government.
- Ryan has some very bad votes in his past, including support for TARP, the auto bailout, the no-bureaucrat-left-behind education legislation, and the reckless Medicare prescription drug entitlement. Everyone says to ignore those votes because Ryan knew he was voting the wrong way, but if he's already made some deliberately bad decisions for political reasons, what's to stop him from making more deliberately bad decisions for political reasons?

For those who care about politics, some are saying that selecting Ryan was risky because it gives Obama and his allies an opportunity to demagogue the GOP ticket about [entitlement reform](#). I disagree. Even if Romney picked Nancy Pelosi, that demagoguery was going to happen. Heck, they've already [accused Romney of causing a woman's death](#), so I hardly think they'll be bashful about throwing around other accusations.

But as I said above, don't read too much into Ryan's selection. If Republicans win, Romney will be the one calling the shots.

Though this does give Ryan a big advantage the next time there's an open contest for the GOP nomination – either 2016 or 2020.

P.S. I suspect putting Ryan on the ticket will shift Wisconsin into the GOP column. Based on [my last prediction](#), that would be enough to defeat Obama. But I'll have to contemplate whether the pick hurts Romney's chances in another state. You'll have to wait until September 6 for my updated election prediction.