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Paul Ryan: Radical or Sellout?

The GOP's rising fiscal policy star is too cautious for radical economic reform yet too radical for his own party.

Peter Suderman from the *June 2010* issue

PAUL RYAN, free market extremist: With an economics degree in his pocket and small-government conservatism in his blood—Calvin Coolidge appointed his grandfather as a U.S. attorney—Wisconsin's Paul Ryan rose quickly from Jack Kemp acolyte to ranking Republican on the House Budget Committee before the age of 40. A supply-sider and deficit hawk, Ryan is the author of the GOP's only Congressional Budget Office—certified “road map” to balance the budget and eliminate the long-term deficit. His proposal calls for politically courageous cuts to beloved entitlements such as Medicare and Medicaid—cuts so drastic that *New York Times* contributor James Kwak summarized their effects under the headline: “People will die.” Ryan has argued that the central battle in American politics is between “individualism and collectivism” and said, “The reason I got involved in public service, by and large, if I had to credit one thinker, one person, it would be Ayn Rand.”

Paul Ryan, free market sellout: Ryan voted in favor of the Troubled Asset Relief Program (TARP), the widely despised bank bailout. He also endorsed the taxpayer-funded auto bailout, citing “mounting hardships” in a part of his state once dominated by carmakers. His ballyhooed spending plan is so incrementalist that it wouldn't balance the budget until 2063. And this year, while defending his policies to *The New York Times*, the congressman declared, “I'm not trying to win an award from the Cato Institute.”

Which of these two snapshots represents the real Ryan? They both do.

Paul Ryan is one of the staunchest and most serious small-government advocates in Congress today, a policy innovator whose best work tests the convictions of his own party. He's also a savvy Washington politician who defends parochial, home-state interests when necessary. He is a symbol of both the long-term potential for and inevitable limits upon free market reform.

The Cheerful Wonk

When Ryan is in Washington, he and his staff work out of a cramped Capitol Hill suite. Packed with bruised brown bookshelves that have been turned into makeshift partitions between workspaces, the office looks more like a study room in a middle school library. The shelves around the entryway are full of tool kits and toy construction trucks—plastic versions of the tractors, bulldozers, and heavy loaders that are crucial to many of the businesses in Ryan's district.

It's a perfect collection for someone who likes to both tinker with tiny details and dig into big projects. Ryan comes from a family in the industrial earthmoving trade. The business, now run by his cousins, was started by his grandfather (the one who wasn't a U.S. attorney), and Ryan helped out as a kid. The company's job is to clear away obstructions so the foundations for new enterprises can be laid. That's as good a description as any for Ryan's political goals, both for the GOP and for

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Energetic and athletic (he worked part time as a fitness instructor before running for office and maintains a punishing workout routine), Ryan is surprisingly cheerful for a man who worries constantly about fiscal disaster. Without substantial policy changes, Ryan warns, “entitlements will collapse our economy.” And so he has made it his mission to “fix the country’s fiscal problem.” Many congressmen have sounded warnings about America’s precarious fiscal condition over the years. But unlike any other sitting legislator, Republican or Democrat, Ryan has actually put forward a solution—a plan that, at least in theory, could actually work.

According to the Congressional Budget Office (CBO), which produces Congress’ official projections about the long-term fiscal effects of legislation, Ryan’s “Roadmap for America’s Future” would balance the budget by 2063 and reduce Medicare’s expected share of the economy from a currently projected 14.3 percent in 2080 to a mere 4 percent. It would also transform Medicare itself, using vouchers to push health care decisions toward the individual as it drastically cuts government spending. It calls as well for a substantial simplification of the tax code and the replacement of the corporate income tax with an 8.5 percent business consumption tax.

CBO’s projections are inherently uncertain—even the most competent economic forecasters can only guess at how the world will change over 50 years, and the plan’s revenue assumptions have already come under fire. But Ryan’s roadmap is, at the very least, a compelling vision of a fiscally sound future.

It is also a reflection of Ryan’s wonky streak. In the 1990s, he worked both for Bill Bennett’s conservative policy shop Empower America and as legislative director for Sen. Sam Brownback (R-Kan.). Today, according to his staff, he works out many of the details in his own legislation, a rarity on the Hill. He also brags about being “able to spend lots of time with the actuaries at HHS, with Social Security and CBO.”

In short, Ryan is as passionate about policy details as he is about his broader principles. That’s the combination that produced the roadmap. “I look at numbers, and I have deeply held principles and beliefs,” he says. “And all of those are on a collision course.”

A Test for Republicans

It’s not surprising that Democrats are indifferent to Ryan’s ideas. But the Republican establishment hasn’t been eager to embrace them either.

The modern GOP isn’t known for its devotion to policy work, and many Republican legislators seem uninterested in Ryan’s vision of the country’s fiscal future. His proposal, which is actually an update of a plan he initially put forth in 2008, has only nine co-sponsors so far, mostly conservative stalwarts. A number of prominent Republicans, including presidential hopeful Tim Pawlenty and House Minority Leader John Boehner (R-Ohio), have explicitly declined to support the plan. Meanwhile, GOP leaders such as Senate Minority Leader Mitch McConnell (R-Ky.), Republican National Committee Chairman Michael Steele, and former House Speaker Newt Gingrich have all released statements staunchly opposing cuts to Medicare—the very cuts that are crucial to Ryan’s plan.


Ryan insists that, drastic as his roadmap might look compared to other proposed entitlement reforms, the American people are ready for it. “They know the fiscal situation’s bad,” he says. “They know this debt is wrong. They know we’ve got a problem.” A March Gallup poll put the rising deficit at the top of America’s long-term worries. Yet despite its concerns about government borrowing, the public is deeply attached to Social Security and Medicare. Indeed, scaring seniors with the specter of Medicare cuts was one of the Republican Party’s most potent attacks against the Democrats’ health care proposals. From a purely electoral perspective, Ryan’s plan may be more of a liability for the GOP than an asset.

Republicans are expected to see significant electoral gains in 2010, and those gains are likely to come amid boisterous criticism of President Barack Obama’s deficit spending and health care overhaul. Yet few GOP legislators are willing to point to specific programs they’d like to cut, much less draw up a long-term solution to the country’s budgetary woes. Ryan’s controversial attempt to do just that creates a potentially awkward situation for the GOP, which has been largely content to criticize Obama without offering a substantive agenda of its own.

Michael Tanner, a senior fellow at the Cato Institute and author of *Leviathan on the Right: How Big-Government Conservatism Brought Down the Republican Revolution*, says Ryan’s roadmap

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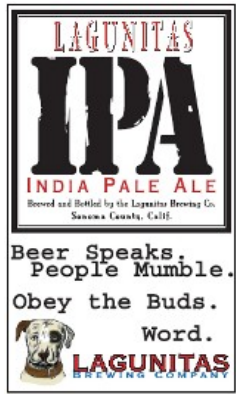
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Nick Gillespie



offers “one of the few serious plans in Washington.” Yet he suspects that “it is far too serious for today’s Republicans.”

It is serious enough for Obama, however. In a nationally televised exchange with House Republicans this past January, the president went out of his way to call Ryan’s proposal “a serious plan.” The White House has sometimes seemed more eager than Ryan’s fellow Republicans to play up the roadmap. In addition to Obama’s attentions, White House budget director Peter Orszag discussed Ryan’s proposal in detail during a recent meeting of the House Budget Committee, saying at one point that “it does address our long-term fiscal problem,” though in a way that “many policymakers might find objectionable.” That’s probably why the administration has been so kind to it: It’s better for Democrats if Ryan’s entitlement-slashing overhaul is seen as the official Republican approach.

But it’s not the Republican approach; it’s Ryan’s, a fact his office has been forced to highlight. One canned response by Ryan’s staff to critics reads, “A Roadmap for America’s Future is a legislative reform proposal offered by Congressman Paul Ryan. It is not the Republican budget.” It may not be clear what a Republican budget would entail right now, but it’s a fair bet that it would neither eliminate the deficit nor cut Medicare significantly.

Ryan’s plan forces the Republican Party to decide whether it’s willing to stand by the fiscally conservative principles it so often espouses. “The Ryan roadmap is a test,” says Tanner, “and right now the Republican Party is failing it.”

Defining Radical Down

In the current political climate, Ryan’s plan will never pass. It is not merely too radical for the Democrats; it is too radical for the Republicans. But to be too radical for the party that championed an unfunded prescription drug benefit in 2003 and rang up massive deficits while in power, one need not be radical at all.

Ryan’s reputation as an extremist is based on the standards of the modern-day political mainstream. It may say more about the state of U.S. politics than it does about the congressman from Wisconsin. In a saner world, a civil, even-tempered numbers geek like Ryan wouldn’t find his plans relegated to the policy fringe. Nor would anyone mistake him for a libertarian purist. He did, after all, back the bank and auto bailouts. He isn’t averse to local pork either, having nabbed a \$750,000 earmark for his hometown transit system in 2007.

Ryan defends his vote for TARP with a variation on George W. Bush’s line that the free market had to be sacrificed in order to save it. “I believe we were on the cusp of a deflationary spiral which would have created a depression,” he said in an interview with *The Daily Caller* in February. “If we would have allowed that to happen, I think we would have had a big government agenda sweeping through this country so fast that we wouldn’t have recovered from it.”

Similarly, he argues that his vote for the auto bailout was intended to stop an even worse policy from emerging instead. “The president’s chief of staff made it extremely clear to me before the vote,” he says. “Either the auto companies get the money that was put in the Energy Department for them already—a bill that I voted against because I didn’t want to give them that money, which was only within the \$25 billion, money that was already expended but not obligated—or the president was going to give them TARP, with no limit.” But, he laments, that’s exactly what ended up happening.

If Ryan displays signs of an overarching philosophy, it might be described as “do everything you can, but also do what you must.” You can see it in his votes, and you can even hear it in the gentle way he argues for his budget overhaul: The nation’s fiscal situation may be dire, he says, but it can be fixed “in a smart and compassionate way. We’re not taking anything away from people who are on Medicare and Social Security.”

No politician’s record is pure. Perhaps it isn’t reasonable to expect anything different, since politics is the business of compromise. For advocates of limited government, Ryan remains one of the most important allies in Congress. But those advocates can’t help but notice that the best hope for fiscal responsibility and free market reform is a plan to balance the budget 50 years from now that will never, ever pass.

Ryan claims victory just for showing “you can put these ideas out there and you can survive.” Survive, yes, but thrive? Asked directly about his plan’s political prospects, he pauses for an unusually long time, then shrugs and smiles, as if to welcome both the uncertainty and the challenge. “When I have it all figured out,” he says, “I’ll let you know.”

Peter Suderman (peter.suderman@reason.com) is an associate editor at **reason**.



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