



Paul Ryan: Would-be Savior of the Welfare/Warfare State

Paul Ryan may be the conservative's conservative, but understand what that means: He's out to save the welfare/warfare state from its own intrinsic unsustainability. He's no small-government man.

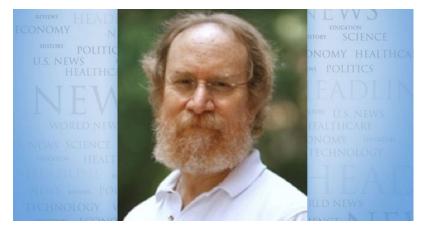
Ryan's budget blueprint, at best, wouldn't balance the budget for three decades and meanwhile would add trillions in debt. He would only slow President Obama's planned spending increases. If Ryan got his way, spending as a percentage of GDP would fall only to 20 percent. It was 18 percent when Bill Clinton left office in 2001. Ryan also wants more military spending.

But there's more to Ryan than his budget. In virtually all other respects he supports big government.

In the Bush years, Ryan voted for everything: No Child Left Behind (which increased the centralization of education), the Medicare drug entitlement, housing subsidies, unemployment-benefits extension, the bank bailouts, and the 2008 subsidies to failing Chrysler and GM. In voting for TARP (the Trouble Asset Relief Program), Ryan said, "Madam Speaker, this bill offends my principles, but I'm going to vote for this bill in order to preserve my principles."

Ryan is equally committed to intrusive government in other areas. He supported Bush's wars in Iraq and Afghanistan, voting for all the attendant big spending. When the House took votes on winding down the occupation of Iraq, Ryan voted no. He's an advocate of the American empire, which endangers Americans physically and fiscally.

His voting record on civil liberties is horrendous. He voted to make the USA PATRIOT Act, a collection of liberty-violating





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powers, permanent; he voted for warrantless surveillance after Bush got caught doing it illegally; and he voted for indefinite detention without trial or charge.

How, then, can we explain Paul Ryan? The fiscal crisis is the key. Unless the government reduces spending growth or raises more revenue (or does both), in a few years the federal government will be able to pay for nothing but interest on the debt. According to the Congressional Budget Office, Social Security and Medicare are projected to account for over 40 percent of the federal budget by 2020 — they're at 37 percent now — and will continue to grow, consuming half the budget in 2030. Today, program benefits exceed revenues. (Until recently the programs produced surpluses, which the politicians spent.) Their alleged trust funds contain Treasury IOUs that will have to be repaid with more borrowed money and interest payments — the full debt already surpasses GDP. The 75-year unfunded liability of the programs now stands conservatively at over \$30 trillion (PDF).

In other words, this can't go on forever, and as economist Herb Stein said, anything that can't go on forever will stop.

No politician can be happy with that prospect. A budget spent entirely on interest payments, Social Security, and Medicare would leave nothing for war, occupation, and the other elements of an imperial foreign policy. Nor would there be money to buy off constituencies at election time. A politician with no discretionary funds at his disposal is an unhappy politician, indeed. Hence the desperation to do something.

The politicians' problem is that there is not a lot they can do. The public appetite for deep



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budget cuts is nonexistent. Even tea partiers say don't touch Medicare and Social Security. Conservatives don't like cuts in military spending. Mitt Romney's choice of Ryan as running mate implies that he thinks people are ready for a seeming budget hawk (even though Ryan really isn't one), but that may turn out to be a fatal error.

Nor can the government get out of its mess by raising taxes. Not only are higher taxes a bad idea in a floundering economy (and any other time), revenues as a percentage of GDP have been steady since World War II (not counting recessions), regardless of tax rates. That means higher rates merely stimulate avoidance, evasion, and leisure over income-producing activity.

Now we can see what Ryan stands for. At its most optimistic, his budget plan would merely stabilize the government's fiscal condition at higher levels of spending without making any significant change in the welfare/warfare state.

Our freedom and prosperity, however, require that government be radically shrunk — which demands liquidation of the empire, respect for civil liberties, and conversion of entitlements to mutual-aid and other private organizations.

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