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Who's hurt by Paul Ryan's budget proposal

By [Harold Meyerson](#), Tuesday, April , 7:19 PM

If it does nothing else, the [budget](#) that [House Republicans unveiled Tuesday](#) provides the first real Republican program for the 21st century, and it is this:

Repeal the 20th century.

Republicans have never particularly warmed to the American social contract that governed most of the past hundred years. Its central elements, enacted during the presidencies of Franklin Roosevelt and Lyndon Johnson, assumed a level of collective national responsibility for the well-being of the elderly and children, the two groups who could not benefit directly from employment, through such programs as Social Security, Medicare, funding for schools and for college grants and loans.

The logic behind these programs wasn't simply humanitarian. It was also economic: Bolstering the purchasing power of the elderly increased economic activity and enabled the adult children of the elderly to invest more in their own children. Enabling more people to get good educations straight through college created a more productive workforce. A similar dual logic — both humanitarian and Keynesian — informed the programs that aided the poor and unemployed, such as Medicaid and food stamps.

Conservatives have never cottoned to this contract. They argue that a laissez faire economy can produce even greater or at least similar levels of prosperity and economic security, despite a striking lack of historical or economic data to back up this contention. House Budget Committee Chairman Paul Ryan (R-Wis.) made that claim Tuesday in presenting his budget proposal. But Ryan's pieties

notwithstanding, his budget is a prescription for diminishing prosperity and security, a road map, in fact, for national decline.

Ryan achieves the bulk of his savings through sharp reductions in projected spending on Medicare and Medicaid, converting the former into a right-to-purchase private insurance, subsidized up to a point, and the latter into a block grant program. (Scrapping Social Security remains, for now, a bridge too far.) Skyrocketing medical costs are the chief factor in rising government expenses, but rather than have government bring down those costs by, say, negotiating with drug companies on the price of their products, Ryan simply forces the elderly, their children and the poor to pick up more of those costs. As the number of retirees with defined-benefit pensions continues to shrink (thanks to corporate America and, this year, Republican governors), an increasing number of seniors will be unable to purchase the medications they need.

Ryan's budget would also reduce projected spending on discretionary domestic programs — education, transportation, food safety and the like — to well below levels of inflation. That not only ensures that high-speed rail won't be built but also means that potholes won't be filled.

A decade ago, some conservatives were still talking about “national greatness conservatism.” Ryan's budget is a [manifesto](#) for national puniness conservatism.

The cover under which Ryan and other Republicans operate is their concern for the deficit and national debt. But Ryan blows that cover by proposing to reduce the top income tax rate to just 25 percent. He imposes the burden for reducing our debt not on the bankers who forced our government to spend trillions averting a collapse but on seniors and the poor. The reductions in aid to the poor, says the budget blueprint that Ryan released, will be made “to ensure that America's safety net does not become a hammock that lulls able-bodied citizens into lives of complacency and dependency.” That's a pretty good description of America's top bankers, but Ryan's budget showers them with tax cuts.

Republicans can't take sole credit for creating a vision of a diminished America. Most of the Washington-based commentariat has focused on the debt over the past year, ignoring both the persistence of high unemployment and the absolute stagnation of wages even as profits have soared. Those who applaud the macroeconomics of Ryan's cuts should at least be compelled to explain how ordinary Americans, whose incomes haven't risen since the late '90s, can take up the slack, in their own purchasing and in the nation's economic activity, created by these cuts. They might even want to think about raising taxes on profits and capital gains, since these forms of income are rising even as wages flatline.

And, finally, there's talk that we have a president who's a Democrat — the party that created the American social contract of the 20th century. Initially, he focused on reshaping and extending that contract into the 21st. Now that the Republicans want to repeal it all, he's nowhere to be found. Has anybody seen him? Does he still exist?

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