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Rep. Ryan's Budget

Michael Sean Winters | Apr. 5, 2011 Distinctly Catholic

Rep. Paul Ryan of Wisconsin is introducing his [1] budget for next year today. Compared to the fight over the continuing resolution that is going on still, Ryan?s proposals would change the direction of government in significant ways and they are the most serious proposal to address the nation?s long-term debt problem we have seen from any politician of either party.

It is easy to oppose the draconian cuts the GOP is seeking in the continuing resolution. They are trying to wring billions of dollars in savings out of the small sliver of the budget that covers domestic discretionary spending. It is like trying to cut your grocery budget, making all the cuts in the produce section: You will get scurvy. Rather than tackle defense spending and the tax code and entitlement reform, the Tea Partyers insisting on more cuts in the continuing resolution are proving themselves to be unserious.

Ryan?s proposals are certainly serious and many of them are to be embraced. I am not, at first blush, opposed to the idea of turning Medicaid into a block grant program that would give the states greater discretionary power in how to use the funds. There would have to be baselines of care mandated, but as a general rule, Democrats must begin to see the benefit of having programs funded and administered at the local level. People are more likely to resent paying taxes for a D.C. based bureaucracy than for their local ambulance corps, no?

Turning to the tax side of the fiscal situation, Ryan?s proposal includes eliminating many special tax breaks and simplifying the tax code, which are always good ideas. Again, Democrats should embrace tax simplification: Most voters, and most small businessmen, do not have lobbyists on K Street who get the special tax breaks into the code in the first place, nor expensive lawyers and accountants harvesting those special tax breaks. We pay our fair share and feel rightly aggrieved when we read that General Electric paid no federal taxes last year. And, Democrats need to stop talking about ending off-shore tax breaks of the kind GE uses and finally do something about it: I can?t recall an election where we did not hear about this, but once in office, nothing seems to happen.

Democrats need to resist other parts of the Ryan proposal. Converting Medicare into a voucher program misunderstands why the American people love it: When you reach a certain age, you just don?t want to have to worry about medical expenses anymore and, in a rich country like ours, every American should be able to enter their later years without such worries. It is true that these are also the years when medical expenses go through the roof but one of the effects of the health care reform will be more preventive care earlier in life which should diminish the frequency, and therefore the cost, of later chronic conditions that threaten Medicare.

Secondly, it is hard to take seriously the idea of lowering the top income tax rates, which Ryan proposes. Those rates are at historic lows and there is no reason to believe lowering them further would pump more money into a productive economy. Here, President Obama and the Democrats must both stand firm and link their tax stance to their defense of Medicare. The 2012 election should be turned into a referendum on the question: Do you think we should cut Medicare or raise taxes on millionaires?

Of course, in politics as in life, timing is everything. We do not know what issues will dominate next year?s election just as Ryan?s sweeping proposals did not make it onto the front page this morning because of events in

Libya, Japan and the decision regarding Guantanamo detainees. Indeed, more than anyone, Ryan must want the debate on the continuing resolution to end so that attention can be turned to his more far-reaching and consequential proposals. And the Dems need to figure out a response to Ryan?s proposals, something that is both principled and serious.

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